



Legislature of Ontario Debates

Second Session of the Thirty-First Parliament

February 21-April 7, 1978

ERRATA

The following errata for the Second Session of the 31st Parliament (February 21 - December 15, 1978) have already appeared in previous daily issues of Hansard. They are reprinted here in bulk so that subscribers can ensure that the corrections have been made.

No.	Page	Column	Line	Should read:
1	11	—	53-54	
Ruston, R. F.				Essex North L
Samis, G.				Cornwall NDP
8	267	1	8	Bill 19, An Act to amend the Mental Health
8	267	1	14	Bill 20, An Act to amend the Public Vehicles
8	267	1	20	Bill 21, An Act to amend the Public Com-
11	413	—	55	Stong, A. (York Centre L)
14	522	1	45	Mr. Bolan: I would suggest to the hon.
27	1143	1	56	Mr. Reed: Just as a point of clarification,
27	1143	2	10	Mr. Reed: That being the case, then the
27	1143	2	22	Mr. Reed: I understand that, and I under-
31	1300	2	19	of Bill 11, An Act to amend the Vital Sta-
39	1625	2	4	nature to question 45, order paper 35, which
41	1703	2	15	The House adjourned at 10:49 p.m.
48	1955	1	55	Treasury ministry entitled, "Canada's share
54	2218	1	25	Mr. Samis moved first reading of Bill Pr21
57	2356	2	5	Bill Pr7, An Act respecting the City of
60	2437	1	5	motion for second reading of Bill 71, An Act
60	2459	1	47	teric languages as Gujrati, Punjabi and Urdu,
61	2482	1	13	to men-
63	2552	2	59	moved first reading of Bill Pr13, An Act
69	2789	2	6	respecting the City of London.
84	3357	1	23	of at least 600 square feet and valued at no
89	3577	1	30	of Bill Pr18, An Act to revise the Hamilton
92	3730	1	30	Mr. M. Davidson: Supplementary: Given
106	4387	2	37	that
106	4393	1	55	Bill 124, An Act to amend the Residential
113	4667	2	23	97. Mr. D. Warner (Scarborough-Elles-
113	4676	1	5	Mr. S. Smith: In 1970 the then Minister
125	5121	2	11	of the Environment (Mr. Kerr) said, "if the
145	5899	1	25	industry doesn't do it the government will
				take over."
				there was really no effective way, if
				Mr. Wildman: Why don't you lower the
				park fees, then?
				Mr. Handleman: I want to express my
				hope now that
				Bill 166, An Act to establish the Ministry of
				is for the Ontario Energy Corporation, which
				in



No. 1

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Second Session, 31st Parliament

Tuesday, February 21, 1978

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

An alphabetical list of members of the Legislature of Ontario, together with lists of members of the executive council and parliamentary assistants, appears as an appendix at the back of this issue.

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LEGISLATURE OF ONTARIO

Tuesday, February 21, 1978, being the first day of the second session of the 31st Parliament of the province of Ontario for the despatch of business pursuant to a proclamation of the Honourable P. M. McGibbon, Lieutenant Governor of the province.

TUESDAY, FEBRUARY 21, 1978

The House met at 3 p.m.

The Honourable the Lieutenant Governor, having entered the House and being seated upon the throne, was pleased to open the session with the following gracious speech.

SPEECH FROM THE THRONE

Hon. P. M. McGibbon (Lieutenant Governor): Pray be seated.

Mr. Speaker and members of the legislative assembly, the opening of the second session of the 31st Parliament of Ontario occurs at a time when Ontarians face clear and direct challenges to the continuing strength of our province and our nation.

The most crucial challenges are of an economic nature, running to the very heart of the forces that make our economy both prosperous and free, and that allow us to provide the many services that are essential to the well-being of all our citizens. Dealing with these basic challenges is not a task to be met simply through legislation or instant policy changes. It is a matter which requires at the outset an implicit belief in the kind of society we are seeking to preserve and enhance.

Nos actions, doivent, d'abord et avant tout, se fonder sur la confiance. Certains, lorsqu'ils font allusion aux difficultés qui nous assaillent, parlent de crises. S'il existe une crise au Canada aujourd'hui, c'est bien une crise de confiance—à l'égard de notre patrimoine, de nous-mêmes et de notre aptitude à bâtir sur des atouts qui font l'envie de beaucoup à travers le monde.

The foundation of our actions must, first and foremost, be confidence. There are those who refer to the difficulties that face us in terms of crises. If a crisis exists in Canada today, it is a crisis of confidence—in our heritage, in ourselves and in our ability to build upon assets that are the envy of many throughout the world.

The health of the provincial economy, the security and generation of workers' jobs and incomes will be the primary targets of gov-

ernment action during this session. These needs will largely be met through alternatives to a doctrinaire reliance on public spending. The government must assume a flexible and progressive role in shaping the economic framework on which the strength of the total society depends.

Since our current economic difficulties are related to circumstances that are both national and international in scope, every effort must be made to move towards full economic recovery through co-operation with our sister provinces and with the federal government. An important initial step in this direction was taken last week when the first ministers of this country gathered in Ottawa.

Relieving the current state of unemployment is, in many respects, beyond the control of a provincial jurisdiction. Ontario believes, therefore, that we must seek national answers to national problems and that we will strengthen Canadian responses to the larger economic challenge only through co-ordinated initiatives. In this context, the Ontario government presented a clear program for national action to the first ministers' conference with specific proposals both for job creation in the short term and for a medium-term economic development strategy.

Among the several employment proposals on which there was agreement was the need for accelerated investment for major energy projects, and for new capital investments to improve Canada's rail system, and automotive and fishing industries. As well, the conference endorsed the creative use of unemployment insurance for job creation and the provision of tax incentives or credits for industrial research and development.

It is clear that, from both provincial and national perspectives, we must continue to restrain government spending while encouraging the private sector to adopt, through all means at its disposal, measures that will assure domestic economic strength and international competitiveness. Program details must now be developed on the basis of the general agreement reached.

There are several key areas of initiative, notwithstanding the limits of provincial jurisdiction, on which Ontario is determined to act. The worst unemployment in Ontario—as in Canada—is among the youth. Lack of economic expansion and other structural difficulties have conspired to limit opportunity for the young people who are our future. Any meaningful response to unemployment in general must be spearheaded by a direct attack on the problem as it besets those under the age of 24.

Employment and placement of young people in productive occupations must receive a high priority within our entire economic system, and government must look to organized labour and the business sector to follow its lead.

Last year the Ontario government sponsored two programs which provide incentives to the private sector to create new jobs for young workers. The Ontario career action program encourages employers to provide on-the-job work experience. The Ontario youth employment program, for summer employment of students, provides a wage subsidy of \$1 an hour by direct payment to the employer. My government will provide additional funds for these two programs in 1978 for the creation of 36,000 jobs at a total cost of \$26 million.

Despite the numbers of unemployed and under-employed, a shortage of skilled tradesmen has been recurring in the manufacturing sector. This paradox can only be resolved by a training program especially geared to satisfying the manpower needs of industry. Development of such a program will be given the highest priority during the year. The new training scheme will emphasize employer-centred training and will provide the required level of skills in the shortest possible time.

The labour market information program begun last fall will assist the private sector in matching jobs with people to achieve higher employment, by identifying and analysing the critical supply and demand requirements of the provincial labour market. To ensure the effectiveness of this program, and a fully co-ordinated effort by those involved, the Minister of Labour (B. Stephenson) will, in the near future, convene a conference with college and university personnel, representatives of labour and business, as well as provincial and federal officials directly concerned.

National economic recovery will not be attained without the full and harmonious support of all segments of our population. The withdrawal of the federal anti-inflation program this spring must be replaced by effective self-discipline on the part of price setters and

wage earners alike, both in the public and private sectors. There will be a need for new levels of industrial harmony in striving for the commonly held goals of limited inflation and increased employment.

[3:15]

The Ministry of Labour will continue efforts to improve employees' working conditions throughout Ontario through the help of the quality of working life advisory committee, composed of senior representatives of labour and management. Support will be provided through the allocation of funds for research, promotion and training, as well as pilot projects in industry. These projects will give employees more involvement in, and responsibility for, their total working environment. While the primary aim is to increase job satisfaction, improved productivity—as one of the keys to economic recovery—should be a beneficial by-product of a successful program.

Good-faith bargaining and respect for the mutually critical roles of labour and management will be basic to continuing economic recovery. The government expects to receive a report from the Kelly Commission on Grievance Arbitration whose recommendations, it is anticipated, will aid the resolution of collective bargaining disputes in a fair, expeditious and less costly manner.

Ontario supports the decision of the first ministers that, for a limited period following termination of controls, the Economic Council of Canada be asked to play a key role in analysing price and cost developments. For its part, the province will set fair and firm guidelines with respect to public sector spending and is confident that compensation for public servants will be moderated accordingly.

As announced last September, increased provincial government spending for the coming fiscal year will be held well below revenue increases to strengthen Ontario's economic position further in the move towards a balanced budget. Specific measures in the 1978 Ontario budget, to be presented by the Treasurer (Mr. McKeough) on March 7, will provide the leadership and example required of government in seeking the co-operation of the overall community in this area.

We must strengthen our industrial structure in order to be competitive on an international scale. Ontario's involvement in the search for solutions beyond our borders has included consultations with the federal government for the current Geneva negotiations on the General Agreement on Tariffs and Trade. While we recognize that certain sectors of our economy will benefit from freer and fairer trade, we remain concerned about the likelihood of real reciprocity being achieved, par-

ticularly with respect to secondary manufacturers. We must, therefore, ensure that Canadian-based industries are given adequate protection through periods of adjustment and possible rationalization in the years immediately ahead.

In this respect, agreement was reached at the first ministers' meeting on the need for early establishment of adjustment mechanisms to protect Canadian industry and labour from short-term economic dislocation resulting from tariff changes. The aim is to improve our balance of payments, reverse our deficit position in such fields as tourism, and help us to identify import replacement opportunities. Increasing efforts will be made to find new export markets for Canadian products and Canadian technology.

Capital investment is a key factor in job creation and improved productivity within the growing Ontario labour force. In the face of the slower rate of industrial investment over the past few years, other jurisdictions, particularly northern states and municipalities in the United States, have initiated more aggressive industrial development programs.

In order to remain competitive with these jurisdictions, the government of Ontario will introduce measures to provide appropriate incentives and to promote Ontario as a desirable investment location.

New initiatives will be developed to sell more of our food commodities abroad.

An amendment to the Public Commercial Vehicles Act, while facilitating the movement of Ontario produce within the province, will enhance export opportunities to the United States.

Ontario will continue to press for a reduction in the trade imbalance under the Auto Pact and will examine other possibilities for encouraging a mutually beneficial flow of trade. With the assistance of the federal government, appropriate steps will be taken to ensure that a fair share of future development in North American auto and auto parts manufacturing takes place in our province.

At home, Ontario's participation in the Buy Canada campaign will cover all sectors of consumer and business activity. We must, as a province and nation, realize the full potential of the Canadian market. Support for domestic products in manufacturing and agriculture is absolutely basic to fighting inflation and to building demand and economic strength. This program, proposed as a fundamental precept of our strategy for economic recovery, will be pursued as a joint federal-provincial initiative.

My government is determined to remove unnecessary encumbrances that hinder appro-

priate industrial expansion or efficient business operation. With this in view, all ministries will undertake a thorough examination of the statutes, regulations and related policies that currently govern business practices and procedures, and will modify or eliminate out-moded and restrictive requirements. This exercise in cutting red tape, usually referred to as deregulation, should benefit big and small business alike, and also individual members of the public who all have dealings with government in one way or another.

In addition, the government will establish a mechanism to review the operation of agencies, boards and commissions, which have responsibility for many of the regulatory functions that are now carried out.

New measures relative to regional and resource development are proposed to provide direct assistance to northern and eastern Ontario as priority areas in the overall economic thrust of Ontario's growth and development.

High transportation costs, particularly in the north, have long been a concern with shippers and consumers. Programs have been introduced at various times to help resolve this and related difficulties. The government has concluded that the adoption of a policy for selective deregulation of the trucking industry will go a long way to removing the inequities that remain. Additional benefits should derive from the effects on the cost of doing business and in terms of encouraging the expansion of secondary industry.

The select committee on highway transportation of goods, which reported to the Legislature last year, advised against the disruption of transportation patterns or services which non-licensed operators have established with the shipping public. The committee recommended that truckers who have operated services without licence between October 1974 and October 1976 be allowed to obtain operating authority under the Public Commercial Vehicles Act. The law will be amended during this session to follow these recommendations.

The North Bay restriction, imposed in the 1930s to protect the developing trucking industry but which now only adds to costs for shipment or receipt of goods, will be removed from public commercial vehicle licences. A further amendment to the Act to exempt the transportation of lumber and lumber by-products will help encourage processing of these products at the source.

A highway link will be constructed between Atikokan and Ignace to encourage new resource industry activity. A special northern program to allow the purchase of Crown

land for private recreational use will help increase jobs in the construction and building trades.

There will be increased efforts on the part of Ontario to advance tripartite negotiations involving the federal government and native organizations, aimed at rationalizing the delivery of services to status Indians, resolving land claims and dealing with aboriginal rights.

A series of studies relating to a commuter air service for eastern Ontario, linking key agricultural and urban areas to other parts of the province, will be undertaken by the Ministry of Transportation and Communications to pursue both private and public options for air travel in that area.

Work will be started on co-ordination and implementation of a large-scale drainage, reclamation and resource development project covering the 1,500-square-mile South Nation River watershed. This will enhance the economic productivity of 900,000 acres of agricultural and forest land in eastern Ontario.

Ontario has a body of environmental protections under law of which we can be justly proud, but a proper and careful balance must be struck between the short-term and long-term good. It remains for us, therefore, to summon the technology, the sense of responsibility and the will to reconcile both environmental protection and resource development in order to create productive jobs and a safe, healthy and habitable climate for our people.

Secure and adequate energy supplies are crucial to our social and economic future. Nuclear power and other conventional sources of energy will continue to play a key role in Ontario. At the same time, the government will increase its investment in energy conservation and renewable projects and, during this session, will set out a program to develop our renewable energy resources.

Despite production and supply initiatives related to all forms of energy, it remains as important as ever that government, industry and the general public continue unremitting efforts to conserve energy and to reduce the rate of growth in our demand for energy.

It must be re-emphasized that the realities we face today require changing attitudes by the public at large, as well as by government. In many of our institutions—schools, universities, hospitals—the challenge of coping with the unprecedented growth of the 1960s has been replaced by the need for a reordering of priorities, to do better with relatively less.

Yet, even with the need for fiscal restraint, progress, in qualitative terms, must continue. At this time, therefore, the government will seize the opportunity to place an increasing

emphasis on special education in our elementary and secondary schools.

A plan of increased funding has been introduced to stimulate and support expanded special education programs and services at the local school board level. Initiatives will be taken to place more emphasis on early identification of children with learning disabilities, and to ensure that all school boards provide appropriate levels of service for all students within their jurisdictions, regardless of their disabilities and handicaps.

In addition, a demonstration school will be established for limited numbers of children with severe learning disabilities who require services which can only be provided in a residential facility.

[3:30]

The need for reforms in meeting the economic demands of our social systems is equally clear in the field of health care. My government's approach in tempering these demands will be sensible and sensitive.

The future strength of the health system lies in its redirection away from institutional care and toward community and residential forms of care. The commitment to maintain the quality of the system remains at the heart of the government's policy. In turn, by assuming more personal responsibilities for the demands they place on it, members of the public as well as of the health professions can do their part to ensure that ours remains one of the finest health care delivery systems anywhere in the world.

Legislation will be reintroduced for interim improvements to the Mental Health Act and to ensure the highest standards of design and operation in the province's mental health facilities.

The obligation of the individual to the community is rooted in and nurtured by that single most important social institution—the family. Ontario families, like families in other parts of the world, have undergone profound and rapid change in the last quarter century. There has been increasing full-time participation in the labour force by women. Traditional parental roles have changed, as have the functions of the extended family, including grandparents, aunts and uncles and other relatives outside the immediate family circle.

While these changes in family living have, for the most part, enhanced family life and encouraged the fuller development of individual members, they have also created uncertainty about the traditional strength of the family and its role in society.

My government shares the concerns of

thoughtful citizens who see a need for concerted action, and is prepared to take a leading part in supporting and strengthening the family in Ontario.

First, the government will undertake a comprehensive review of its policies and programs as they affect the family, with the aim of making appropriate changes to enhance the role and authority of the family unit. Better understanding and appreciation of family concerns will be fostered through special attention to the needs of single-parent families, working mothers and their children; and family care for the handicapped, the sick and the elderly. All of these efforts will be co-ordinated by the Provincial Secretary for Social Development (Mrs. Birch).

As well, the government will encourage full participation by municipalities, community groups and private organizations in launching a variety of activities during May, which has traditionally been Family Unity Month.

Renewed focus on the family in Ontario throughout 1978 can also serve to direct our attention more toward children within the family unit, rather than in isolation, as we prepare for next year's observation of the Year of the Child, a world-wide event that will be sponsored by the United Nations.

The ongoing commitment of the government to resources for education and its emphasis on children's services are but two symbols of a passionate belief and confident hope in the future of this province. Significant protections for children will be included in legislation to implement recommendations of the consultation paper on children's services which was tabled in the House last December. The main areas of concern relate to child abuse, improvements in licensing of group homes for children and additional protection of the rights of children in residential care facilities.

Human behaviour and social mores are not at the will of governments to dictate; but while times change, basic codes of behaviour remain constant inasmuch as they are fashioned by public consensus. This principle is reflected in Ontario's comprehensive family law reform legislation which will receive final reading and proclamation at this session.

New legislation will be introduced to protect children caught up in family disputes. The bill will deal with custody and access proceedings and with the increasing problem of kidnapping of children by parents. Steps will also be taken to explore the use of independent legal representation as a means of protecting the interests of children in family law cases.

The support of the House will be sought

for a series of initiatives towards an overall approach to combat alcohol abuse in our society. These will include proposals pertaining to liquor advertising, enforcement of liquor legislation, drunken driving and the drinking age.

My ministers have approved in principle the introduction of compulsory automobile insurance in Ontario with a view to implementation in December 1979. The program, to be developed by the Ministry of Consumer and Commercial Relations, will take into account recommendations of the select committee on company law whose report on the enforcement aspects of such a plan is expected soon.

Only by maintaining and improving the processes in the administration of justice can the rights enjoyed by all citizens be adequately protected and the claim of each citizen to equal justice under the law be guaranteed. My government will introduce a new Provincial Offences Act as part of the overall program to streamline and support the justice system. This legislation will simplify trial procedures for offences against provincial law, cases whose numbers currently threaten to overburden the courts. Under the simplified procedure, citizens will be able to have their cases dealt with more efficiently while preserving their legal rights.

The superior courts will be made more accessible to citizens and steps will be taken to enhance the capacity of the Supreme Court of Ontario to hear cases in all parts of the province.

Several new pilot projects will be introduced in the community work program of the Ministry of Correctional Services.

The measure of tolerance and respect that citizens can expect from the community is of central importance to the overall social balance. The sense of fairness that defines our view of society in Ontario and much of the tolerance that we cherish are set out in the Ontario Human Rights Code.

Consideration is currently being given to the range of recommendations concerning the code and the role of the commission that emanated from the most recent review. In the meantime, however, the government will move to protect the rights of the physically handicapped. The status of affirmative action and equal opportunity programs will be clarified, so that they are not deemed to conflict with the provisions of the code.

Greater attention will be devoted to the promotion of harmonious race relations among all the people of Ontario through a closer partnership between government and the community.

It need hardly be stated that Ontario's cultural pluralism is a vital force in, and integral to, the day to day life of the province. The focus of our multicultural groups and organizations, like that of individual Ontarians, is anxiously directed towards the need for the strengthening and reaffirmation of the Canadian identity.

The Ministry of Culture and Recreation is offering funding support for public conferences, seminars and community activities towards this end through the new Canadian cultural identity and citizenship program which already is earning wide and satisfying response.

The fundamental rights of Franco-Ontarians to education in the French language have long been recognized in Ontario. Franco-Ontarians also have a commitment from the government for the expansion of government services in the French language in accordance with need and population distribution.

We shall continue to build upon the strong foundation already laid in the field of education to ensure that French-language programs are available at all levels, where practicable, to French-speaking Ontarians. At the same time, the expansion of opportunities for English-speaking pupils to develop French-language capacity remains a priority.

During this session, there will be legislation to increase the availability of French-language court trials in areas of the province where this service is needed. Amendments to the Judicature Act and the Juries Act will guarantee the steps taken in this direction. As well, the government will review proposals related to the use of French in regulatory and other administrative tribunals.

Present government translation services will be augmented to make more public documents, publications and forms available in both French and English. Of particular importance, a special section will be established to begin work on translating Ontario's statutes into French.

All ministries will undertake a program to identify government buildings and give highway directions in both English and French in predominantly francophone areas.

The appointment of full-time co-ordinators of French-language services in an additional number of ministries will enhance the capability of the government in responding to the community.

Minority language rights in the larger national context must be viewed from a national perspective. The spirit of the St.

Andrews meeting of provincial premiers, in the consensus reached on economic matters and the advancement of minority-language education, should give us much hope. Ontario will be an active participant when the premiers meet again later this week to pursue these discussions and will continue to advance the case for minority-language educational guarantees as a matter that falls more appropriately within the context of constitutional change.

Ontario shares with the other provinces the fortune of belonging to one of the most favoured nations in the world. Our society will continue to thrive if we give heed to shifting priorities within the context of the new realities that are upon us.

The goals which my government has outlined—to reduce inflation, increase employment opportunities, move towards economic recovery and restore public confidence—may all be considered important in their own right. But they are also of utmost importance to the cause of a united Canada.

My government is firmly convinced that the assurance of a secure future and fair opportunity for all citizens of Canada are essential ingredients to a harmonious and unified nation. There seems little doubt that to satisfy such requirements, both constitutional restructuring and economic realignment will be necessary.

Ontario stands ready to play its part, in the full awareness and confidence that all sides of this House will work together towards these objectives. There cannot be any doubt that it is within the capacity of this Legislature, in its day-to-day undertakings, to exert a positive influence throughout Ontario and the nation as a whole, to build and strengthen our future.

Honourable members, my government presents these measures, which are now subject to your consideration and judgement, as being in the best interests of the people of Ontario. May Divine Providence guide you in your deliberations.

In our Sovereign's name, I thank you.

God bless the Queen and Canada.

[3:45]

The Honourable the Lieutenant Governor was then pleased to retire from the chamber.

Prayers.

Mr. Speaker: I beg to inform the House that to prevent mistakes, I have obtained a copy of Her Honour's speech, which I shall now read.

Reading dispensed with.

TRUSTEE AMENDMENT ACT

Hon. Mr. McMurtry moved first reading of Bill 1, An Act to amend the Trustee Act.

Motion agreed to.

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. O'Neil moved first reading of Bill 2, An Act to amend the Employment Standards Act, 1974.

Motion agreed to.

THRONE SPEECH DEBATE

Hon. Mr. Welch moved that the speech of the Honourable the Lieutenant Governor to this House be taken into consideration tomorrow.

Motion agreed to.

Hon. Mr. Davis moved that the member for Wilson Heights (Mr. Rotenberg) be deputy chairman of the committee of the whole House for this session.

Motion agreed to.

On motion by Hon. Mr. Davis, the House adjourned at 3:50 p.m.

APPENDIX

ALPHABETICAL LIST OF MEMBERS OF THE
LEGISLATURE OF ONTARIO

(125 members)

Second Session of the 31st Parliament

Speaker: Hon. John E. Stokes

Clerk of the House: Roderick Lewis, QC

Member	Constituency	Party
Ashe, G.	Durham West	PC
Auld, Hon. J. A. C.	Leeds	PC
Baetz, Hon. R. C.	Ottawa West	PC
Belanger, J. A.	Prescott and Russell	PC
Bennett, Hon. C.	Ottawa South	PC
Bernier, Hon. L.	Kenora	PC
Birch, Hon. M.	Scarborough East	PC
Blundy, P.	Sarnia	L
Bolan, M.	Nipissing	L
Bounsall, E. J.	Windsor-Sandwich	NDP
Bradley, J.	St. Catharines	L
Breaugh, M.	Oshawa	NDP
Breithaupt, J. R.	Kitchener	L
Brunelle, Hon. R.	Cochrane North	PC
Bryden, M.	Beaches-Woodbine	NDP
Campbell, M.	St. George	L
Cassidy, M.	Ottawa Centre	NDP
Charlton, B.	Hamilton Mountain	NDP
Conway, S.	Renfrew North	L
Cooke, D.	Windsor-Riverside	NDP
Cunningham, E.	Wentworth North	L
Cureatz, S.	Durham East	PC
Davidson, M.	Cambridge	NDP
Davis, Hon. W. G.	Brampton	PC
Davison, M.	Hamilton Centre	NDP
Deans, I.	Wentworth	NDP
di Santo, O.	Downsview	NDP
Drea, Hon. F.	Scarborough Centre	PC
Dukszta, J.	Parkdale	NDP
Eakins, J.	Victoria-Haliburton	L
Eaton, R. G.	Middlesex	PC
Edighoffer, H. (Deputy Speaker)	Perth	L
Elgie, R.	York East	PC
Epp, H.	Waterloo North	L
Foulds, J. F.	Port Arthur	NDP
Gaunt, M.	Huron-Bruce	L
Germa, M. C.	Sudbury	NDP
Gigantes, E.	Carleton East	NDP
Grande, A.	Oakwood	NDP
Gregory, M. E. C.	Mississauga East	PC
Grossman, Hon. L.	St. Andrew-St. Patrick	PC
Haggerty, R.	Erie	L
Hall, R.	Lincoln	L
Handleman, S. B.	Carleton	PC

Member	Constituency	Party
Havrot, E.	Timiskaming	PC
Henderson, Hon. L. C.	Lambton	PC
Hennessy, M.	Fort William	PC
Hodgson, W.	York North	PC
Johnson, J.	Wellington-Dufferin-Peel	PC
Jones, T.	Mississauga North	PC
Kennedy, R. D.	Mississauga South	PC
Kerr, Hon. G. A.	Burlington South	PC
Kerrio, V.	Niagara Falls	L
Lane, J.	Algoma-Manitoulin	PC
Laughren, F.	Nickel Belt	NDP
Lawlor, P. D.	Lakeshore	NDP
Leluk, N. G.	York West	PC
Lewis, S.	Scarborough West	NDP
Lupusella, A.	Dovercourt	NDP
MacBeth, J. P.	Humber	PC
MacDonald, D. C.	York South	NDP
Mackenzie, R.	Hamilton East	NDP
Maeck, Hon. L.	Parry Sound	PC
Makarchuk, M.	Brantford	NDP
Mancini, R.	Essex South	L
Martel, E. W.	Sudbury East	NDP
McCaffrey, B.	Armourdale	PC
McCague, Hon. G.	Dufferin-Simcoe	PC
McClellan, R.	Bellwoods	NDP
McEwen, J. E.	Frontenac-Addington	L
McGuigan, J.	Kent-Elgin	L
McKeough, Hon. W. D.	Chatham-Kent	PC
McKessock, R.	Grey	L
McMurtry, Hon. R.	Eglinton	PC
McNeil, R. K.	Elgin	PC
Miller, Hon. F. S.	Muskoka	PC
Miller, G. I.	Haldimand-Norfolk	L
Newman, B.	Windsor-Walkerville	L
Newman, Hon. W.	Durham-York	PC
Nixon, R. F.	Brant-Oxford-Norfolk	L
Norton, Hon. K.	Kingston and the Islands	PC
O'Neil, H.	Quinte	L
Parrott, Hon. H. C.	Oxford	PC
Peterson, D.	London Centre	L
Philip, E.	Etobicoke	NDP
Pope, A.	Cochrane South	PC
Reed, J.	Halton-Burlington	L
Reid, T. P.	Rainy River	L. LAB.
Renwick, J. A.	Riverdale	NDP
Rhodes, Hon. J. R.	Sault Ste. Marie	PC
Riddell, J.	Huron-Middlesex	L
Rollins, C. T.	Hastings-Peterborough	PC
Rotenberg, D.	Wilson Heights	PC
Rowe, R. D.	Northumberland	PC
Roy, A. J.	Ottawa East	L
Ruston, R. F.	Essex North	NDP
Samis, G.	Cornwall	L

Member	Constituency	Party
Sargent, E.	Grey-Bruce	L
Scrivener, M.	St. David	PC
Smith, G. E.	Simcoe East	PC
Smith, S.	Hamilton West	L
Snow, Hon. J. W.	Oakville	PC
Stephenson, Hon. B.	York Mills	PC
Sterling, N. W.	Carleton-Grenville	PC
Stokes, Hon. J. E.	Lake Nipigon	NDP
Stong, A.	York Centre	L
Swart, M.	Welland-Thorold	NDP
Sweeney, J.	Kitchener-Wilmot	L
Taylor, G.	Simcoe Centre	PC
Taylor, J. A.	Prince Edward-Lennox	PC
Timbrell, Hon. D. R.	Don Mills	PC
Turner, N.	Peterborough	PC
Van Horne, R.	London North	L
Villeneuve, O. F.	Stormont-Dundas-Glengarry ...	PC
Walker, G.	London South	PC
Warner, D.	Scarborough-Ellesmere	NDP
Welch, Hon. R.	Brock	PC
Wells, Hon. T. L.	Scarborough North	PC
Wildman, B.	Algoma	NDP
Williams, J.	Oriole	PC
Wiseman, Hon. D. J.	Lanark	PC
Worton, H.	Wellington South	L
Yakabuski, P. J.	Renfrew South	PC
Young, F.	Yorkview	NDP
Ziemba, E.	High Park-Swansea	NDP

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No. 2

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Second Session, 31st Parliament

Wednesday, February 22, 1978

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

WEDNESDAY, FEBRUARY 22, 1978

The House met at 2 p.m.

Prayers.

SELECT COMMITTEE ON COMPANY LAW

Mr. Renwick: Mr. Speaker, perhaps as a forbearance before I turn to the matter of privilege, I would like to express to all of the colleagues in the House on all sides who wished me well when I was away by force of doctor's orders last fall how pleased I am to be able to return and to join in the deliberations of the assembly.

My matter of privilege, and I take the first opportunity to present it, is that the *Globe and Mail* in articles on January 26 and on subsequent days, through its reporter Yaffe and columnist Webster, implied that I, along with other colleagues on the select committee on company law, were engaged in ripping off the public purse. That implication, Mr. Speaker, is a lie.

I further note that the *Globe and Mail* in the course of that particular controversy made the value judgement that travels by select committees and in particular the select committee on company law are a useless expenditure of public funds. Such a value judgement may well be made by those who have taken the trouble to follow the work of that select committee over a long period of time. Unfortunately, the *Globe and Mail* showed little if any interest over 10 years in the work of that committee and, with the exception of the attendance by Mr. Lawrence Welsh, the insurance reporter of the *Globe and Mail*, at our sittings in Toronto, has on no occasion paid any attention to the work of the select committee on company law, which is now completing the charter given to it over 10 years ago to reform the corporate law of the province of Ontario in all its aspects. That work is nearing completion. The value judgement by the *Globe and Mail* would be useful, had they had any understanding of the work in which the committee had taken part.

STATEMENTS BY THE MINISTRY FIRST MINISTERS' CONFERENCE

Hon. Mr. Davis: Mr. Speaker, a week ago today the conference of first ministers on the

economy concluded in Ottawa. It was in my view an important meeting, one which I perceive as a turning point in federal-provincial relations in this country.

This afternoon I would like to take the opportunity to report to the House on that meeting and to table a number of documents from it. The documents are the agenda, the final communiqué, two documents presented to the conference by Ontario entitled, firstly, Immediate Actions for Job Creation, and secondly An Economic Development Policy for Canada. I am also tabling notes on three major statements I made during the conference; these were on the economic outlook and objectives, commercial policy, and consultative arrangements on the economy.

Since much of the conference was covered by television, with the exception of the second day for a period of time, and was extensively reported by all the media, I shall confine my comments on this occasion to what I regard as the meeting's main accomplishments and the considerable Ontario contribution to its success.

The intergovernmental significance of the conference deserved more attention than it received in much of the commentary both before and after the meeting. Let me simply say that in my judgement and experience this was the first time that the government of Canada, whatever its motives may be, has recognized that the economy must be number one on the public agenda in this country, and that national economic policies must be the product of close federal-provincial consultation and co-operation if they are to be effective.

For the past seven years at conferences of first ministers and finance ministers, Ontario has consistently put forward this point of view. Indeed, I made a proposal along these lines in October 1971 to the very first conference of first ministers that I attended as Premier. As recently as last October in this House, I reiterated this view and called for a conference to chart our economic future. The adoption at long last by the government of Canada of this approach should be regarded as a real breakthrough towards improving economic co-operation among the

governments of this country for the benefit of all Canadians.

It is my aim over the next several months and at the next conference of first ministers to build on this fresh attitude of co-operation and to secure ways to enhance the quality of our consultative arrangements to ensure that we arrive at clear and effective national economic policies which promote recovery.

A second and equally major accomplishment of the conference was the agreement that was reached on the main directions in which all 11 governments wish to see Canada's economy develop. These directions, with their strong emphasis on continued public sector restraint and on encouraging the private sector (which communiqué, incidentally, was signed by the Premier of Saskatchewan) to play a more significant role in the economic development of Canada, provide a strong foundation for meaningful co-operation between governments and the activities of business, labour and other private sector groups. This is the only way, in my view, that we will secure the objective of having the whole country move together to strengthen the economy.

I take satisfaction, as I am sure all members of this House do, in noting that our efforts at this conference served to underpin much of the discussion. Moreover, many of the more specific suggestions put forward by Ontario are reflected in whole or in part in the conference conclusions.

In the unlikely event that hon. members think I am exaggerating this promising turn of events, let me read a passage from one notable statement at the conference. There were several notable statements, but I will only quote from one:

"There are many who argue that our governments have grown too fast and too large. They say that in our attempts to provide government services for people we sacrificed economic efficiency and competitiveness. I have some sympathy with this point of view. I recognize, as we all must, that if we are not efficient and competitive, if we do not create wealth in the country, we cannot sustain our efforts to help those who need it and build a more humane and equitable society.

"Our aim must be to constrain the growth of our governments. We must reduce our share of gross national product. But, even more important, we must reduce the intrusion of bureaucracy in the daily lives of Canadians.

"We have got the message. In 1976, for the first time in a long while, governments' share of gross national product fell. Federal expenditures, excluding transfers to your govern-

ments, grew by less than nine per cent, while gross national product grew by almost 15 per cent. Provincial expenditures followed a similar pattern. In 1977 our growth rate will be very close to the growth in the gross national product and hopefully slightly below. Expenditure restraint will continue."

Those are the public words of the Prime Minister of Canada on the first day of the conference. I welcome and applaud his conversion to our cause of sensibly managing and encouraging a more flourishing economy.

Mr. Roy: It took you two elections to realize that.

Mr. Conway: That's why Darcy should be Premier.

Hon. Mr. Davis: It took him a while, but he's done it. Give him credit.

The Prime Minister went on to cite as a creative model which others might emulate, the introduction by this government of our refundable tax credit system to provide relief from property and sales tax for low- and middle-income taxpayers.

I would be glad to supply a copy to any member who wishes the precise wording used by the first minister of this country. I tell you, Mr. Speaker, it was really a very thoughtful presentation. There were some who suggested to me after it was made that somebody in the province of Ontario had prepared it. We didn't. I want to make that very clear.

Mr. Conway: We Liberals are eminently thoughtful.

Mr. Samis: You are better off in Montreal.

Mr. Roy: You couldn't prepare your own failures.

Hon. Mr. Davis: In summary, the conference was a remarkably successful beginning. I am hopeful that it will contribute to restoring the confidence of all Canadians and our friends abroad in the ability of our economy to grow and develop, and of establishing effective continuous arrangements for federal-provincial economic consultations.

Mr. Warner: Tell us about jobs.

Hon. Mr. Davis: However, we do not intend to rest on this initial achievement. In the coming months and years—

Interjections.

Hon. Mr. Davis: Oh no, we'll keep moving. You fellows may want to slow down.

Mr. Conway: Not if you are going to be Captain Bligh.

Hon. Mr. Davis: I can assure members that in its unvaryingly constructive fashion, the government of this province will be making every effort to ensure that the federal govern-

ment honours both the spirit and the letter of its new commitment—

Mr. S. Smith: Like Edmonton.

Hon. Mr. Davis:—to having Canadians and their governments work together so that all of our citizens may enjoy the prosperity which this great country affords.

VISITOR

Mr. Speaker: Before we get into oral questions, I am sure all members would like me to call to their attention that we have an hon. gentleman with us in the Speaker's gallery, the Hon. G. Mercier, Attorney General for Manitoba. Would you please join me in welcoming the hon. gentleman,

(Applause)

Mr. Lewis: That's enough. The government members can stop now.

Hon. B. Stephenson: Keep it going.

Mr. Samis: You'll regret Sterling.

NDP LEADER

Mr. S. Smith: Before I begin with oral questions, I just want to say a word of welcome if I might to the member for Ottawa Centre (Mr. Cassidy) in his new role. I feel there was a time when I thought to myself that what I really ought to wish for him was that same degree of joy and pleasure that I had during my first couple of years as leader. But then I realized that even here we ought not to inflict cruel and unusual punishment on anyone. So I simply welcome him to the ranks of leader of an opposition party and wish him well.

ORAL QUESTIONS

UNEMPLOYMENT

Mr. S. Smith: I would like to direct a question to the Premier, Mr. Speaker. In the Throne Speech there is mention made of the fact that unemployment among our young people under 25 is the worst unemployment, and in percentage terms and perhaps in social terms, I am sure that is a fact. Can the Premier tell us what measures his government is prepared to take for the other very important and hard-hit group of unemployed—those in their peak earning years, 25 to 54, who are often the only support for their families and for whom the number of unemployed has actually risen 42 per cent over the last two months, a 47,000 increase between November and January? Can he tell us what measures his government is planning with regard to that very critical and important group?

Hon. Mr. Davis: There are several important critical groups. The Leader of the Opposition has mentioned one, I think the average in that group over the past year was about 3.9 per cent; I think that is the rough percentage figure for the group we have highlighted in the Throne Speech.

Mr. S. Smith: Six point nine per cent.

Hon. Mr. Davis: There will be, of course, amplification in the budget as to the general policies of this government with respect to our financial situation. We highlighted the young people in the Throne Speech because I guess on percentage terms there is about a 13 per cent factor.

Mr. Wildman: You are only giving them summer jobs.

Hon. Mr. Davis: I think with the unemployed women it is probably around seven per cent and then with the males between 25 and 55 or 60—whatever the data base is—it is a much lower percentage.

Mr. Speaker, our hope is that with the restoration of confidence and the investment by the people of this province and, of course, across this country, we can develop economic policies on a co-operative basis that will see a number of these people who are at present unemployed given employment opportunities.

Part of it, as was referred to in the Throne Speech, is alterations in our retraining programs so that in those areas where specific skills are required, and the personnel are not available for them, once again with the kind of co-operation that will be necessary from both business and labour—I emphasize—I think we can rectify some of this situation.

I would suggest to the Leader of the Opposition that while we could single out that particular group where there has been some increase—but in percentage terms lower than the area that we focused upon in the Throne Speech—with our policies as a government, and this includes our approach and co-operative approach with the government of Canada, if we set our minds to it, we can instil the spirit of confidence that I think is necessary in terms of consumer purchasing and the availability of savings funds, which are fairly substantial at this moment, and we can do much to restore economic activity in this province.

[2:15]

Mr. Cassidy: That sounds like a precis of the speech yesterday.

Hon. Mr. Davis: I was asked about the Throne Speech. I would be prepared to go ahead with a further precis of all those other suggestions in the Throne Speech, if the member likes. I thought the member might

be asking me a question or two about it and I was saving some for that occasion. I think I have answered it at sufficient length. If there is a supplementary, I'd be delighted to entertain it.

Mr. Mackenzie: We would need a lot of questions to get any answers out of that speech.

Mr. S. Smith: By way of supplementary, does the Premier take issue with the figures, which I will put before the House, that in November 1977, taking men and women together as humans with regard to the age group 25 to 54—

Mr. Foulds: Which is a good way to take them.

Mr. Lewis: The Liberal Party learns, if one gives them time.

Mr. S. Smith: The figures indicate 4.3 per cent unemployment in November 1977 and 6.1 per cent two months later in January 1978, a difference of 47,000 people? Does he have any plans to deal with the desperate situation in our manufacturing sector in Ontario, which affects a good many people in that age group?

Mr. Makarchuk: Tell them about your hopes for the auto pact.

Hon. Mr. Davis: It is abundantly clear that I do differentiate between men and women, not in the same way as others perhaps, but I do. In terms of employment, I do not.

Mr. Reid: That certainly nails it down.

Hon. Mr. Davis: I wasn't referring to the member for Rainy River. Don't get so defensive. I would just say that I am not going to debate the figures with the Leader of the Opposition. We have stated and we recognize the need to have further economic growth and employ more of our people, and I do not make a distinction between male and female employment opportunities. What I have said, and I think it is important both from an economic and social standpoint, is that in terms of providing programs, particularly for young people, some of whom are students, this is an area where the Treasurer (Mr. McKeough) in his budget will be outlining, we think, some significant issues.

Mr. Cassidy: In view of the fact that the government says that its priority is now on the economy—

Some hon. members: No applause?

Mr. Roy: The enthusiasm is overwhelming.

Mr. Cassidy:—can the Premier explain why this government has so effectively passed the buck to the federal government and to the

private sector that the only significant action it has promised in the Throne Speech is a temporary program of employment for young people?

Mr. Mackenzie: At no more than \$2.15 an hour.

Interjections.

Hon. Mr. Davis: Mr. Speaker, if you don't rule me out of order, I had planned to do this on the member's first question.

Mr. Speaker: Order, please. I can't hear the answer.

Mr. Roy: There is no answer.

Hon. Mr. Davis: I was just going to extend my congratulations and best wishes in a more limited sense, I guess, to the new leader of the New Democratic Party. We had a very brief chat on the phone yesterday and I wished him well—not too well—but I want to make sure that he understands. I do understand the onerous responsibilities he has assumed. While I think it is fair to state the new leader and I will disagree on some issues—

Mr. Deans: Everything.

Mr. Breaugh: Sure, he's going to be right.

Hon. B. Stephenson: Not any oftener than he has been in the past.

Hon. Mr. Davis:—I do wish him well, and I say that most sincerely. To answer the question, without having to go back too far in my memory, I think the government of this province emphasized the economy well prior to the government of Canada.

Mr. MacDonald: In rhetoric.

Hon. Mr. Davis: It was in our presentation at the previous first ministers' conference, prior to the one last week and we have been endeavouring to deal with it here within our own areas of provincial responsibility.

Ms. Gigantes: Summer jobs.

Hon. Mr. Davis: We are not, in fact, passing the responsibility to the government of Canada. The fact of the matter is the government of Canada has a very basic responsibility. If one is dealing with the manufacturing sector, there is no question that the competitive aspect of some industries in this province may have to be improved. We have made significant representations to the government of Canada relating to the GATT negotiations at present going on, that will have, I think, some very profound effects on the future of manufacturing in this province.

Mr. Warner: Just confess. You don't know how to run the store.

Hon. Mr. Davis: Rather than the criticism

of passing the buck, yes, we have stated to the government of Canada for some months that they have to come to grips with economic issues—

Mr. Warner: In fact, you've mortgaged the store. The store's empty.

Hon. Mr. Davis: —and, as I mentioned in my opening statement, we think at long last they too have recognized the importance of this to the future of this country.

Mr. Warner: You're left with one thing to do. You should resign and get it over with. You can't manage the store; you've mortgaged the store. There's nothing left.

Hon. B. Stephenson: That was both ethically and morally bankrupt.

Mr. Speaker: The hon. member for Scarborough-Ellesmere does not have the floor.

Mr. Reid: Mr. Speaker, I'd like to ask the Premier how much discussion, both at the first ministers' conference and with the Treasurer, has he had on the structure of Ontario manufacturing, specifically as it relates to the large branch plant economy that unfortunately has grown up in the province of Ontario? What is he going to do about changing that aspect of our industrialization in the province?

Mr. Laughren: That's a Liberal question? You're worried about that?

Mr. Warner: It's now a warehouse economy.

Hon. Mr. Davis: Mr. Speaker, I hear the New Democrats saying that the distinguished member is trying to steal their economic philosophy. I'd never say that of the hon. member. They might, but I never would.

There was some discussion. I think it's fair to state that it was limited. It was raised by Premier Blakeney, as a matter of fact, I think in living colour.

Mr. MacDonald: He always raises the basic points.

Mr. Breaugh: Always a leader.

Hon. Mr. Davis: Listen, I have great respect for Premier Blakeney. I don't hesitate in saying it.

Mr. MacDonald: You should. You should.

Hon. Mr. Davis: He knows that I think he's politically and philosophically misguided but, as an individual, I have great respect for him.

An hon. member: At least he has a philosophy.

Mr. MacDonald: He's the only intellectual match for the Prime Minister, in a sense.

Mr. Speaker: Just answer the question, please. Ignore the interjections.

Hon. Mr. Davis: I think it is fair to state that the conference itself did not feel that this was the fundamental problem that was facing this country or Canadians, and while there was some discussion, I think it's fair to state there was no discussion in great detail of that particular facet.

Mr. Peterson: Supplementary, Mr. Speaker: I'm just trying to extract the substance out of what the Premier is saying.

Mr. Nixon: It is difficult.

Mr. Peterson: Does the Premier agree with the Treasurer's stated and quoted view that unemployment is not a provincial responsibility and therefore the Premier has washed his hands of the matter? Is that what he is saying?

Hon. W. Newman: That's not what he's saying.

Hon. B. Stephenson: Why don't you get a hearing aid?

Hon. Mr. Davis: For the hon. member for London Centre, I will go through it again. The hon. member should really pay more attention to what the Treasurer of this province says, because the hon. member would learn a little better.

Mr. Peterson: The Premier had better pay more attention to what he says.

Hon. Mr. Davis: The Treasurer of this province has never said that unemployment is totally a federal responsibility. I have never said it.

Mr. Bolan: You said it yesterday.

Hon. Mr. Davis: What we have said is that we will not solve the problems of this province, or of this country, without a greater measure of co-ordination and co-operation among all governments. That is what has been said.

Mr. Peterson: You have washed your hands of it.

An hon. member: Pontius Pilate.

DARLINGTON NUCLEAR PLANT

Mr. S. Smith: Mr. Speaker, a question for the Minister of Energy: In view of the fact that the primary rationale for exempting the Darlington station from the Environmental Assessment Act was the need for this plant to be operating in time to avoid supposed power shortages in the mid-1980s, and in keeping with the new study with regard to the projected growth in electrical power consumption, does the minister now agree that the tremendous degree of rush

that was referred to, no longer exists and that it is possible to have that project referred under the Environmental Assessment Act as was originally suggested from this side of the House and that in fact it should be done?

Hon. Mr. Baetz: Mr. Speaker—

(Applause)

Mr. Foulds: They are trying to give the minister time to think of an answer.

Hon. Mr. Baetz: As perhaps the hon. Leader of the Opposition knows, the projected load for hydro has by no means been accurately assessed by Hydro itself.

Mr. Breaugh: Or anybody else.

Mr. Deans: That's been the problem for years.

Hon. Mr. Baetz: It is a very complex subject. There are many implications, many ramifications for management. We have been told by Hydro that within the next few weeks we will be getting a detailed report from Hydro as to what will be entailed as far as stretch-outs or curtailment are concerned, depending on their study from the operating side; and only once we have that study will we be able to see what public policies are involved in this. Until such time, I think it would be very premature to try to answer that question or for anyone else, in fact, to try to answer that question.

Mr. McClellan: Just say you don't know.

Mr. S. Smith: Supplementary to the minister, Mr. Speaker: Is the minister not prepared to say to this House, given the report of Middleton Associates as to the savings that could be brought about by some very minor conservation measures and given the new load forecast of Hydro, that, in fact, the need for Darlington can be put off for at least the amount of time it would take to do the environmental assessment? Is he not prepared at least to tell us that the load forecast recognizes that at least one nuclear station can be delayed at least two years, based on the new load projections?

Hon. Mr. Baetz: I would simply like to say, Mr. Speaker, by way of reiteration, that until we have a full and detailed report from Hydro which we should surely give them proper time to prepare, it would be precipitous on our part to make any statement or to make any decision as far as Darlington or for that matter any other generating station is concerned.

Mr. MacDonald: Supplementary to the original question asked by the Leader of the Opposition: Since the government wasted the two-year period from 1975 to

1977 when they could have done an environmental assessment, and now when they have some prospect in face of the lower forecast for the mid '80s when allegedly the lights might go out, why don't they proceed immediately so that they can get their environmental assessment done in time to incorporate any results from it in the construction of Darlington, when and if they ever get around to it?

Mr. Makarchuk: Sounds sensible.

Mr. Martel: Too sensible.

Hon. Mr. Baetz: Mr. Speaker, again I can only answer by further reiteration—until such time as we get a full report from Hydro there is no way we should be asking for an environmental assessment. This would be simply inappropriate and precipitous.

Mr. Foulds: The minister doesn't know what is going on.

Mr. MacDonald: Having wasted two years, you are going to waste more.

Mr. Lewis: The Premier should have stayed with Prince Edward-Lennox.

Mr. Reed: Mr. Speaker, do the replies we have heard indicate that the minister does not have any revised load forecast on his desk?

Mr. Foulds: No.

Hon. Mr. Baetz: Mr. Speaker, we do have a very tentative revised forecast—

Mr. MacDonald: The only thing tentative is what to do about it.

Ms. Gigantes: Not tentative; it's official.

Hon. Mr. Baetz: As everyone here knows, it reached the press. We have that. But they are not detailed. No one has been able to say whether this is a temporary situation.

Mr. MacDonald: It has been consistent for the last two years: going down.

Hon. Mr. Baetz: Whether it's to be a long-term forecast or whatever, we need details, and before we have details we simply cannot in all good conscience take any other action.

Ms. Gigantes: Mr. Speaker, I would like to ask the minister why it is that Hydro load forecasts are used as a justification for building plants, but won't be used apparently by this government as a justification for taking the time to do an environmental assessment for a plant we really don't need.

An hon. member: Right on.

Mr. Speaker: Order, please.

Hon. Mr. Baetz: I think it is really impossible to answer that question—as I have said on three occasions now—until we have

the information that we need to make a responsible and a sensible decision.

Mr. Speaker: The hon. Minister of Energy has indicated he is not prepared to add further to his initial answer. I will now recognize the hon. member for Ottawa Centre.

[2:30]

(Applause)

Mr. Cassidy: Mr. Speaker, I hope it's like this every day and not just at the beginning. I want to thank both the leader of the Liberal Party and the Premier for their good wishes, and just express the wish that they will feel as kindly about me in one year's time as they have been in expressing their sympathies here today.

Mr. Sterling: No chance.

Mr. Cassidy: Maybe not, eh.

Interjections.

Mr. Lewis: Calm down over there.

Mr. Speaker: Could we have some order. Perhaps the hon. members will now do us the courtesy of allowing the member to be heard.

Hon. Mr. Rhodes: Ed Ziemba is the only honest guy; he didn't applaud.

Mr. Makarchuk: At least we woke Paul up.

Mr. Conway: Let's hear from the grass roots now.

JOB CREATION

Mr. Cassidy: Mr. Speaker, a question of the Premier: In view of the fact that the program which he took before the first ministers' conference was titled Immediate Actions for Job Creation and that it stretched so far as seeing the construction of a deep sea fishing fleet in Nova Scotia, can the Premier explain why no reference was made to an action by the federal government which could have been endorsed by the premiers at the conference, and translated into legislation this very week in order to ensure the creation of more jobs within Canada, namely insistence that the pipe for the new arctic pipeline in the west be made in Canada and not be opened up to the rest of the world?

Mr. Roy: In fact you should have insisted that the pipeline go through Ontario.

Mr. Kerrio: We are even, Mike.

Hon. Mr. Davis: I am delighted to see that the new leader supports in philosophical terms a suggestion made by this province that one way to stimulate the economy in immediate terms is the policy of buy Canadian; that applies to the pipe.

Mr. MacDonald: That is rhetoric, now what are the facts?

Hon. Mr. Davis: Mr. Speaker, I think it is fair to state that the province of Ontario has made it clear, not just at that conference but on a number of occasions—and others have also made it very clear, including the Premier of Saskatchewan—that we are very anxious to see that the pipe for the new pipeline is Canadian-made pipe. The government of Canada, in its wisdom, has taken the approach it has.

I think it is fair to state that from my understanding of it, the steel companies in this province feel they are in a pretty competitive position. I read the headlines yesterday, about the possible opportunity for a number of new jobs. This government, through the Ministry of Industry and Tourism, will continue to monitor and to press to make sure that this country, and obviously this province, obtains a very fair share of not only the pipe but other material going into that pipeline.

Mr. Wildman: It is a pipe dream.

Hon. Mr. Davis: Well, it is not.

Mr. Swart: Supplementary, Mr. Speaker: I'd ask the Premier if he doesn't think it would have been preferable for the federal government to have included a clause in its bill which would have provided for the use of Canadian pipe. If he thinks that should have been done, did he make any specific proposal at any time for including such a clause in the bill; and if not, why not?

Hon. Mr. Davis: Mr. Speaker, actually, the specific piece of legislation was not discussed at the conference. This province has made its representations to the government of Canada; it knows full well our views on this subject. We will continue to press, as I said, for the use of Canadian material in the pipeline.

We have no control over what the government of Canada includes in this legislation. I'm the last one to defend the government of Canada, but I'd be very surprised if they weren't anxious, in fact I know they're anxious, that the majority of this material is purchased in Canada. I don't think there's any question about that.

Mr. Cassidy: Since this question concerns the glaring omissions in the Premier's 10-point program before the conference last week, can the Premier also explain why, in his presentation before the first ministers' conference, he made no reference to the situation in Sudbury and to this government's deliberate undermining of the recommendations of the select committee of this Legisla-

ture, which would have had the effect of preserving and creating jobs for miners in the Sudbury area?

Hon. Mr. Davis: Mr. Speaker, I think there was some discussion as it related to the resource industry generally. There was reference and discussion as it related to the market for not only that resource but others. I think there was—if the leader of the New Democratic Party was watching faithfully, as I'm sure he was—

Mr. Swart: Apprehensively.

Hon. Mr. Davis: —a reference to at least one concern that was expressed by all provinces which was the complexity of the taxation laws as it relates to the resource industry. That does not have an impact in immediate terms on the situation at Inco, I don't debate that for a moment—

Mr. Peterson: Was Reuben speaking for you in that matter?

Hon. Mr. Davis: —but I think it is fair to state that this government was not undermining, undercutting, or doing anything of that nature to the recommendations of the select committee. I appreciate the effort which the select committee put into its interim report.

Mr. Cassidy: You depreciated them.

Hon. Mr. Davis: What this government was not prepared to do, as was not the government of Canada, was to get into the concept of stockpiling this particular resource.

Interjections.

Mr. Wildman: That is not what we asked.

Mr. Laughren: That is dishonest. There was no mention of stockpiling.

Hon. Mr. Davis: The leader of the New Democratic Party can argue with that.

Hon. B. Stephenson: What are you going to do with it?

Hon. Mr. Davis: I think it is a fair issue to debate, but please don't suggest we were undermining the committee's report. We didn't agree with that aspect and I don't debate that. If the leader wishes to debate the committee report as it relates to the concept or policy of stockpiling—

An hon. member: You didn't listen to your own minister.

Mr. Mackenzie: Why didn't you come up with an alternative then?

Hon. Mr. Davis: —I think it's a fair area for discussion.

Mr. Mackenzie: That was just an excuse. You could have turned it down.

Hon. Mr. Davis: But please understand

we weren't undermining or ignoring, although it came fairly late. We were neither undermining nor ignoring; we didn't agree with that particular recommendation.

An hon. member: Your members did.

Mr. Mackenzie: That was just an excuse.

Mr. Conway: Tell Mickey Hennessy that. He will never come south again.

Mr. Martel: Mr. Speaker, I have a supplementary of the Premier concerning what he interpreted as stockpiling. Is the Premier aware that the select committee was merely asking for a loan of money to continue the overproduction for a period of only 30 days, coupled to a 30-day work-sharing program, which would have allowed them a 60-day moratorium for the other two items in the select committee report to take effect, all of which were aimed at reducing the overproduction and reaching the level that both nickel companies had to reach in order to satisfy their customers and that what we were asking was merely a loan and we were not talking about stockpiling at all?

Hon. Mr. Davis: Mr. Speaker, I'm not going to get into a semantic argument as to whether it was stockpiling.

Mr. Mackenzie: You couldn't win it.

Hon. Mr. Davis: If the hon. member is asking was I aware that the one recommendation was related to the other, the concept of work-sharing for a further 30 days, yes, I was aware of that. The government was aware of it. Of course, if that suggestion had come forward earlier, that in itself might have been a partial solution. If it had been accepted by those who were involved in it, that might have provided a partial solution for a period of time. I recognize that was also contained in the report, yes.

Mr. Speaker: The hon. member for Ottawa Centre has a final supplementary.

Mr. Cassidy: Thank you, Mr. Speaker. In view of the fact that the government rejected a buy-Canadian policy when it was proposed by the New Democratic Party in the budget debate a year ago, can the Premier say what specific steps Ontario intends to take now to ensure an increase in purchases of Canadian goods and which of these initiatives, if any, Ontario is prepared to take on its own without waiting for federal action?

Hon. W. Newman: We're already doing it.

Hon. Mr. Davis: Mr. Speaker, the Minister of Agriculture and Food will tell you we're already doing this. I heard him from here.

Mr. Foulds: It's the first time you've heard of it, eh?

Hon. Mr. Davis: No, it's not the first time I've heard it, it's come from the Minister of Agriculture and Food for many months.

Interjections.

Hon. Mr. Davis: Mr. Speaker, I'm trying to go back in my memory again. I don't think we rejected it. I don't think it was a question of rejecting it. It was a question, when we went to that conference, of trying, in as constructive a fashion as we could—

Mr. Wildman: It's taking the government a long time to accept it.

Hon. Mr. Davis: —to delineate some areas where we think certain immediate actions could be taken to assist in the upturn of the economy. That happens to be one of them.

I think it's important in the context and in the phraseology of the program that we have suggested that it be a national program with the co-operation of the provinces. Our ministries will be working with the government of Canada to see that this program is commenced. If—and I emphasize “if”—if other events intervene, who knows, we will explore ways where we can as a provincial government move, in any event, but I'm hopeful that the government of Canada, because they accepted this proposition, will move with this in a co-operative way which I think would be in the best interests of this province.

Mr. Cassidy: I have a supplementary, Mr. Speaker. I just want to say that many a maiden will say that a failure to embrace is equal to a rejection, and that's what happened with our proposal last year for a buy-Canadian program.

Hon. B. Stephenson: It depends on whether you are hypersensitive or not.

Hon. Mr. Davis: I have not had that experience.

Mr. Cassidy: You're not a maiden, I guess.

Hon. Mr. Davis: I hope that is obvious.

Mr. Cassidy: In view of the urgency of the economic situation in the province today, why can't the government put some real impetus to the direction proposed in the Throne Speech by acting now—here, at once—to bring in a comprehensive buy-Canadian program to govern purchases for the public sector in Ontario which are entirely within this government's jurisdiction?

Hon. Mr. Davis: Mr. Speaker, I find the question interesting and intriguing. I can only restate what I said to the hon. member, that I think such a program would be infinitely better if it were national, with the co-operation of the provinces, and we intend to pursue it in that direction. As I said, if for some reason other events intervene that take up

the time of the federal ministers or ministries, we are prepared to see what we can do on our own initiative, but I really think it should be a national program.

TEACHERS' STRIKE

Mr. Ruston: Mr. Speaker, I have a question of the Minister of Education. I am sure he is probably aware of the teachers' strike in the separate school system in the county of Essex. Has the minister been advised, by his Education Relations Commission, of any action he should take? And is the minister concerned that 37 school days have been lost in the school strike?

Hon. Mr. Wells: Mr. Speaker, of course I am concerned that for about 37 days the elementary students in the Essex County Roman Catholic Separate School Board jurisdiction have not been in school. They haven't been in school because of the resultant strike between the teachers of that jurisdiction and the board, carried on legally under the bill that all of us in this Legislature passed.

What I would like to point out to my friend is that the procedures to end that strike now, within a few hours, remains with those parties. I agree they have been negotiating for over a year, and that they have gone through a variety of processes. They may not be able to arrive at a negotiated settlement but the processes under that legislation are available to them to end that dispute and have the children back in school tomorrow, if they would just do it.

The processes, of course, are third-person arbitration or final-offer selection. The Education Relations Commission is ready to go down this afternoon or tonight to help those parties enact the kind of agreement that would allow that kind of resolution to their problem. That, I think, is the sensible way for that dispute to be ended. Those who feel that it should be ended—be they parents, ratepayers or any other person concerned in that area—should direct their attention to both the parties and urge them to do that if they can't get a negotiated settlement.

I checked with the Education Relations Commission and its members indicate that they have not had any request from either of the parties to hold a hearing to declare that the pupils' learning process was in jeopardy; the Education Relations Commission has not been asked by either party to hold one of those hearings. I would admit that they have been asked by some of the parents' groups.

Mr. Ruston: Supplementary. Mr. Speaker: Does the minister not feel that when seven

weeks go by, and when neither side will agree to something, it's time that someone else should step in?

Hon. Mr. Wells: That is exactly what I said, Mr. Speaker. If the member wants my opinion, it's quite obvious the matter is probably not going to be settled by negotiations between the parties. They should therefore look to the legislation and put into effect the remedies that are provided in the legislation for another party to settle it. But that remains within their hands; they can do that themselves, right away. If they really wanted they could have the schools open tomorrow.

Mr. Cooke: Mr. Speaker, a supplementary for the Minister of Education: Since it appears that the board in Essex county would like to surrender its authority to the provincial government, would the minister make it very clear to the Legislature that he will not bring in legislation to force arbitration in this dispute and therefore make it clear to both parties that they are going to have to negotiate a settlement?

Hon. Mr. Wells: Mr. Speaker, I think I have indicated my position in the remarks that I just gave in answer to the previous question.

[2:45]

Mr. Mancini: Mr. Speaker, in view of the fact that for this period of seven weeks both sides have had the opportunity to end the strike or dispute, as the minister has already stated to this House; and in view of the fact that has not been done and very shortly these 10,000 students in the county of Essex will be near losing their school year, does the Minister of Education not feel that it is now his responsibility to intervene and to end the strike with legislation?

Hon. Mr. Wells: Mr. Speaker, I don't like to repeat myself, but I suggest that my friend make these remarks to the Essex County Roman Catholic Separate School Board. He should tell them to get on with the matter and, if they can't negotiate a settlement, agree that the two parties will go to some form of third-party settlement of the dispute. They can do it today and the schools can be open tomorrow. So why ask us to solve their problem?

Mr. S. Smith: Since it seems perfectly obvious that the two parties to the dispute are at this point stubbornly refusing to engage in the behaviour which the minister has suggested that they might logically engage in; and since neither of them seems to be suffering as much as the children and their parents

—the children have now missed 37 school days; and since I assume that even under the minister's administration one learns something in 37 school days; is it not time for the minister to request the Education Relations Commission to make an assessment of the harm being done to the education of these children and then to take action as the Minister of Education in this province?

Hon. Mr. Wells: Mr. Speaker, I think I've answered that question. I don't feel that it is my place, at this point in time, to ask the Education Relations Commission to make—

Mr. Lewis: You know what they want. They want a bill and they want it tomorrow.

Mr. S. Smith: Why don't you ask the ERC?

Mr. Mancini: Ten thousand students out of school.

Mr. Speaker: No further supplementaries.

Mr. Deans: Mr. Speaker—

(Applause)

Mr. Deans: You don't know how much you're loved until you lose.

Hon. Mr. Rhodes: I don't know; Peterson never gained anything.

Mr. Cassidy: Don't be so sure.

ONTARIO ECONOMIC STRATEGY

Mr. Deans: I want to ask a question of the Treasurer. I have been following with some interest the Treasurer's statements of the last two or three months with regard to the state of the Ontario economy. Given that he has been at the helm for at least six years and given that his party has been in charge for at least 35 years, can he tell me how he proposes to bring about any change that would be beneficial, since everything that we suffer from was brought about by him?

Mr. Roy: And you were pulling for him in the leadership.

Mr. Wildman: It's a federal matter, isn't it?

Hon. Mr. McKeough: Mr. Speaker, recognizing that my friend has not yet settled down from the rhetoric of the campaign—

Mr. Deans: Oh, I have settled down.

Mr. MacDonald: The Treasurer hasn't settled down since 1971, what is he complaining about?

Hon. Mr. McKeough: —I suppose I would simply quietly point out to him two things: that in addition to things which I may or may not have been responsible for, there have been a few things going on in the world around us. I would refer specifically to the oil price increases of 1973, by OPEC,

which have meant that really the whole western industrialized world has not grown, in the mid-seventies and late seventies, at the rate at which it grew during the sixties and the early seventies. The growth rate in this country for the last three or four years, cumulatively, has been as good or better than most of the western industrialized world.

Our growth rate in Canada last year was not satisfactory to any of us, but I think one can take some satisfaction in the fact—and if I am to be honoured with the blame or take the abuse I do take some satisfaction in the fact—that the growth rate in Ontario last year, in real growth, was better than that of every other province except Alberta.

Mr. S. Smith: And for less than the Treasurer predicted.

Mr. Deans: I have a supplementary question. I wonder if the Treasurer could tell me how he rationalizes that position with the statement which he made on February 16, to the Canadian Business Editors Association, in which he points out, "that in a healthy economy by all traditional standards, the paper argues, last year we would still have had a deficit in Ontario of some \$369 million and probably closer to \$700 million"?

If he is such a good manager, capable of doing all the things he claims he could have done, how can it be that we would have had a deficit of almost \$700 million even if the economy had been operating at full tilt?

Hon. Mr. McKeough: I'm glad the member is reading my speeches.

Mr. Deans: I read a lot of what the Treasurer says.

Mr. Nixon: He has a very large mailing list.

Hon. Mr. McKeough: Perhaps the member might precis it for his new leader.

Mr. Speaker: Order.

Hon. Mr. McKeough: The point I was attempting to make in that speech—and obviously the member has grasped it—is that the answer to our problems—

Mr. Deans: Oh yes, I grasped it; the Treasurer can't manage the economy.

Hon. Mr. McKeough: —is not higher and higher government spending, which is advocated by his party—

Mr. Deans: Which he has been doing.

Hon. Mr. McKeough: —and his party almost exclusively.

URANIUM DRILLING

Mr. Gaunt: I have a question of the

Premier. Will the Premier intervene to hold off any exploratory drilling for uranium in Lake Wanapitei until a thorough environmental assessment of any commercial or industrial development, including drilling in or next to the lake, is undertaken, as was recommended by the Lake Wanapitei study committee?

Hon. Mr. Davis: I understand there may be some litigation on that matter. The hon. minister who is familiar with it will be here. I will look into this; though I won't be here later on this afternoon or tomorrow. I will get some information to the hon. member even in my absence.

Mr. Martel: Supplementary: In view of his refusal to meet the requests of the regional council to rescind the cabinet order allowing drilling for uranium in Lake Wanapitei, will the Premier, based on the over 10,000 signatures that I am about to send to him petitioning the cabinet to rescind that order, reconsider his position and follow what he did in Elliot Lake and prevent drilling for uranium on the lake which is the city's drinking water supply?

Hon. Mr. Davis: As this volume of material is coming across to me, I would say to the hon. member first thank you very much for the petition. Second, as I said to the member, I will be looking at this matter and I will have an answer for him perhaps tomorrow or Friday.

Mr. Martel: One further supplementary question: While the Premier is reconsidering his position, in view of the fact that under Bill 164 this government gave to the regional municipality of Sudbury the responsibility for drinking water for the region, should he not think that he would honour that autonomy he gave them, and that responsibility he gave them, by meeting their requests not to allow that drilling to proceed?

Hon. Mr. Davis: I am very sympathetic to the responsibilities of any municipality.

Mr. Laughren: Prove it.

Hon. Mr. Davis: I just have to tell the member I don't want to go back to some of the inconsistencies his people have presented when they have said to us—

Mr. Swart: What about breaking the Edmonton commitment?

Hon. Mr. Davis: —"Don't worry about the autonomy of the municipalities. Move in and hit them over the head and do what you think we should do." Please be consistent. The member's party is not always consistent.

Mr. Laughren: Think of our drinking water supply; never mind the red herring.

Mr. Martel: The Premier believes in local autonomy when it's convenient.

Hon. Mr. Davis: If it suits their interest they want autonomy; if it doesn't suit their interest they don't want it.

Mr. Martel: That's what the Premier does too.

Hon. Mr. Davis: All I'm saying is it is a matter, I think, of great public interest to Sudbury and to others. I will give the hon. member, or some minister will, an answer tomorrow or Friday. I want to make it quite clear that if the member is suggesting that the government is reconsidering, I didn't say that.

MINIMUM WAGE

Mr. Mackenzie: To the Minister of Labour: Would the Minister of Labour tell this House why in blazes we have to wait another five months for the miserly increase in the minimum wage; and why it only amounts to less than four per cent over the last two years when inflation has increased at a rate of about 10 per cent a year over the last two years?

Mr. Kerrio: Why isn't it your \$4 plan? You forgot to ask the rest of the question.

Hon. B. Stephenson: Mr. Speaker, it is within the economic interest of those people who are employed in this province, I think, to give employers the longest possible lead time when we are considering moving the minimum wage. It is specifically addressed to the problems of the hospitality industry which is, as every member of this House knows, undergoing some grave difficulty in its direct competition with the hospitality industry in the northern United States.

We therefore feel very strongly that although we must increase the purchasing power of those people who are employed at the level of minimum wage, it must be done at the cost of the smallest number of employment opportunities, for both our young people and those people in the hospitality industry.

An hon. member: To cater to the American tourists.

Mr. Mackenzie: Supplementary: Does the minister realize the number of concessions we have already given to the tourist industry; and when are we going to start considering the low-wage employees in that industry? Will she not also consider carrier boys who are being exploited—covering them under the minimum wage? What about young people who are trying to remain in school and are going to remain at \$2.15 an hour? Isn't it time we took a look at those situations as well?

Hon. B. Stephenson: I think it is much

preferable that those young people have jobs than that they have no jobs at all and no income.

Mr. Deans: Why doesn't the minister talk to the Treasurer about that mess too?

Interjections.

Hon. B. Stephenson: I would ask the hon. member to list for me all those concessions which he seems to think we have given to the hospitality industry. There is one small segment of that industry to which tip differential is applied—only one small segment. I would remind the hon. member that in other provinces in this country, and many states in the union, the tip differential applies to all workers within the hospitality industry; and it is much larger than it is in the province of Ontario.

Mr. Foulds: A bad precedent is no precedent at all to follow.

Hon. B. Stephenson: And it will remain much larger even when ours expands slightly.

Mr. Foulds: Mr. Speaker, in view of the fact that the minister is raising the minimum wage—

Hon. Mr. Parrott: Oh, oh. We know where the power is over there.

Mr. Foulds: —could the minister explain why, in view of the fact that since July 1975 the industrial wage composite has gone up over 20 per cent, the minister did not bring in an increase in the benefits for injured workers? How much longer is she going to discriminate against these people because of their commitment to the work ethic?

Mr. Speaker: That's not supplementary to the original question.

Mr. Cassidy: On a point of order, Mr. Speaker: If we could have our final supplementary then—

Mr. Speaker: You had it; it was out of order.

GLENDALE TRAINING CENTRE

Mr. G. I. Miller: Mr. Speaker, I have a question of the Minister of Correctional Services. It is in regard to the closing of the Glendale Adult Training Centre in Simcoe.

The first question is, has the minister received a copy of the citizens' committee report which recommends retaining the program? If so, has he had an opportunity to review it? I think all parties in the House have received a copy of the citizens' committee's report recommending retention of the program.

Secondly, how can the minister justify doing away with a program which has only

been in operation three years and only now appears to be working well; and which has a lot of public support?

Thirdly, in view of the fact that the minister has indicated that Canadian produce is being utilized at these jails, would he say why it appears that offshore beef is being used at this particular facility?

Hon. Mr. Drea: First of all, Mr. Speaker, I have just received the report. Obviously the member forgot to send it.

Mr. Conway: Has the minister been in his office this month?

Hon. Mr. Rhodes: He wasn't down in Florida getting a tan.

Hon. Mr. Drea: In all fairness, my deputy minister and I met last Friday with the citizens' committee from Glendale; and even as late as last Friday—they were in my office for three hours—they didn't leave this. I appreciate this copy, coming as it did from the Leader of the Opposition.

Mr. Kerrio: The minister had them mesmerized.

Hon. Mr. Drea: In terms of the second question—and I would appreciate it if the member would raise the third one as a supplementary; I had some difficulty hearing it.

[3:00]

Question number two was, how could we close an institution that has only been operating for three years? The Glendale Adult Training Centre was a training school for juveniles up until 1974. At that time we did have jurisdiction over juveniles as well as adults and my predecessors in this ministry transferred that institution into an adult centre. The difficulty, Mr. Speaker, is that within those three years a great number of changes have taken place.

First of all, the program that is at Glendale will now be duplicated in the community via community resource centres. A community resource centre is not a halfway house, it is a residence in the community. It is a jail without bars, that operates under jail conditions; where the superintendent is in charge. The significant difference is that rather than institutionalizing the youthful offender—and the entire complement or the entire number of inmates at Glendale are between 17 and 23, first reformatory offence—they will now remain in the community. They will serve their sentence in that community resource centre and those centres will not be run by the government. Those centres will be run by private social agencies. They will be run by the John Howard Society, the Elizabeth Fry Society, the Fortune Society,

St. Leonard's Society; and indeed, Mr. Speaker, where any one of that particular group, which has laboured very long in this country for penal reform and for community activity, does not exist in that particular community, groups of citizens will band together even without the umbrella tag.

It will be an equal business partnership. It will not be on the basis of funding and so on and so forth, which has ruined and almost put out of existence the private social agency. They will present proposals to us and on the basis of their proposals we will make solid bona fide business arrangements covering a particular period of time. I can tell you, Mr. Speaker, that the private social agencies of this province are extremely enthusiastic about this program.

So rather than continue institutionalizing youthful offenders, which is exactly what we do at Glendale, they will be in the community. I think one of the things that is agreed upon in the corrections field is that the re-entry point of the offender back into the community is the most significant. That's what makes or breaks; and in that case it will be handled directly in the community.

I apologize, I have a cold and I couldn't hear the third part of the question. If the member would ask it as a supplementary I would be pleased to answer.

Mr. G. I. Miller: The third question was, does the minister realize that offshore beef is being utilized at Glendale? Since I think he has indicated that Ontario institutions utilize Ontario produce.

Hon. Mr. Drea: Mr. Speaker, I can tell you that if there is produce, particularly meat, that doesn't have its origin in this country, I would be pleased if the member would tell me about it, because I will be down there today—

Mr. Ruston: He just told you.

Mr. Peterson: You don't even know what a cow is, Frank.

Hon. Mr. Drea: —I will be down there today, my friend, and there won't be any offshore beef or anything else.

Mr. Makarchuk: Supplementary: In view of the fact that we do not have the community resource centres, in view of the fact that we do not have the staff out there in the community to look after the people, and in view of the fact that the people the minister is going to shovel off into the community are people with all sorts of emotional, character problems, sex problems and everything else, does he not feel that although his program may have merit eventually in the community,

when he has those resources in the community, that at this time it is premature for him to consider closing Glendale?

Hon. Mr. Drea: Mr. Speaker, in all fairness, I have new community resource centres, in addition to the 32 that we have now, coming on stream across this province.

Mr. Lewis: What do you mean, you have?

Hon. Mr. Drea: We are taking proposals from them right now. It disturbs me somewhat that a member would refer to inmates serving a first reformatory or first correctional centre sentence, such as are at Glendale now, as people having severe emotional and other problems. They do not.

It also disturbs me no end that, of all the places in the House, from the party that led the way for the deinstitutionalizing of the training schools we now have a member saying that I should maintain a post-graduate training school. Mr. Speaker, I do not follow the consistency in that.

Interjections.

Hon. Mr. McKeough: The party of reaction; that's what they are.

Mr. Makarchuk: Can the minister at this time—

Mr. Speaker: Order, please. I can't hear the question.

Hon. Mr. McKeough: This is the new emphasis on the economy.

Hon. Mr. Davis: Those are your principles. If we don't like them, you have got others.

Mr. Makarchuk: Can the minister at this time file with the House the addresses or the location of the community resource centres and the personnel associated with them?

Hon. Mr. Drea: Yes, on a general basis let us say that there will soon be one in Barrie—within the immediate future. There will be two in Toronto; one by the Fortune Society, another probably by one of two social agencies that have made proposals. There will be an additional one in Hamilton. There will be an additional one in Kitchener. I don't want to mention the agencies that are making the proposals because their proposals—

Mr. Roy: Are secret.

Hon. Mr. Drea:—may not be acceptable to either one of us. I respect their privacy. We have asked them to make that type of proposal.

Mr. Foulds: How long will they take to get them in place?

Mr. Cassidy: You are closing Glendale now and they're not ready. They're proposals.

Hon. Mr. Drea: I will tell the hon. member

that by the time on March 31 that my friend and colleague, the Minister of Community and Social Services (Mr. Norton), takes over Glendale and runs it as a juvenile institution—

Mr. Makarchuk: They didn't even know they were taking it over a while ago.

Hon. Mr. Drea:—I will have across this province the community resource centres which are perfectly capable of taking the inmates who ordinarily would have been referred to Glendale.

Mr. Foulds: Listen to this. Listen to this, Keith.

Mr. Speaker: The hon. member for High Park-Swansea with a new question.

Mr. Ziemba: It's not a new question. It's a supplementary.

Mr. Speaker: We have had enough supplementaries. The hon. member for Bellwoods.

DEATH OF KIM ANNE POPEN

Mr. McClellan: If I may ask the Minister of Community and Social Services a question respecting the investigation into the death of Kim Anne Popen: Firstly, can the minister confirm a story that was reported in the Sun of February 1 to the effect that a Mr. William Higgins, the lawyer for the Popen family in both the family court custody hearing and in the manslaughter trial of Mr. and Mrs. Popen, was at the same time a member of the board of directors of the Lambton County Children's Aid Society?

Hon. Mr. Norton: Mr. Speaker, to the best of my information at this point the lawyer in question did in fact serve on the board of the Children's Aid Society, but I understand not at the time of the hearing relating to the custody of the child, Kim Anne Popen. Presumably that and other aspects of the matter are being looked into at the present time by the committee—I'm speaking now from recollection on the basis of questions that were raised last fall with respect to the role of the counsel in that case.

If there has been any change or updating of that information, I will certainly communicate it to the hon. member, but at this point, that's my understanding.

Mr. McClellan: By way of supplementary, in view of the fact, as I understand from the minister, that the lawyer did represent the family in the manslaughter trial and there's some doubt about the custody hearing; and, secondly, as county court judge Meehan has accused the Lambton County Children's Aid Society of "almost criminal neglect"—and that's a quote—I want to ask

the minister would he not agree that he should disband the cosy little in-house review of the matter that he has established under the direction of Margaret Farina of the OACAS and establish instead a proper judicial inquiry under section 3 of the Child Welfare Act?

Hon. Mr. Norton: Mr. Speaker, I would take exception, first of all, to the description that the hon. member has given to the committee. I have, through the representative of our ministry on that committee, been attempting to monitor their progress—

Mrs. Campbell: Still cosy.

Hon. Mr. Norton:—and I can assure the hon. members at this point that it has been anything but cosy. I think the task they have undertaken, they have taken very seriously. The reporting date, as I recall, is the end of this month and I hope to have some further comments on that more specifically, perhaps before the end of this week.

REPORTS

RESOURCES DEVELOPMENT COMMITTEE

Mr. Havrot from the standing resources development committee presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bill with certain amendments:

Bill 70, An Act respecting the Occupational Health and Occupational Safety of Workers.

Ordered for committee of the whole.

ADMINISTRATION OF JUSTICE COMMITTEE

Mr. Philip from the standing administration of justice committee presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bill with certain amendments:

Bill 59, An Act to reform the Law respecting Property Rights and Support Obligations between Married Persons and in Other Family Relationships.

Ordered for committee of the whole.

MOTION

SELECT COMMITTEE ON COMPANY LAW

Hon. Mr. Welch: Mr. Speaker, I move that the select committee on company law

be authorized to meet concurrently with the House on Thursday afternoons for the purpose of writing its report.

Mr. Speaker: Mr. Welch moves that the select committee on company law be authorized to meet concurrently with the House on Thursday mornings—

Hon. Mr. Welch: I must apologize. The only reason we would need a motion is if the committee was meeting in the afternoon when the House was in, which was my understanding. If, in fact, they are going to meet Thursday mornings, obviously we don't need the motion. I wish somebody had communicated that to us.

INTRODUCTION OF BILLS

GASOLINE AND HEATING OIL UNIFORM PRICING ACT

Mr. Lane moved first reading of Bill 3, An Act to require a Single Price for Gasoline and Heating Oil Sold in Ontario by a Wholesaler.

Mr. Handleman: Mr. Speaker, I have no wish to speak on this bill but this is the first opportunity I have had to raise a question of privilege which concerns the order of the private members' ballot. I suggest to you, sir, that some time next week when time is more available, rather than involving the House—

Mr. Nixon: On a point of order if I may. Should not the bill be completed before the hon. member takes the floor?

Motion agreed to.

Mr. Handleman: May I speak to my point of privilege, Mr. Speaker? I am speaking on a question of privilege concerning the ballot items 20 and 21 which will be placed on the order paper.

[3:15]

Mr. Conway: On a point of order, Mr. Speaker, shouldn't the member for Algoma-Manitoulin have a chance to speak to his bill?

Mr. Handleman: I am not objecting to his bill. The hon. member will have an opportunity, I suggest, to speak to the bill when I've put my question of privilege. I have no intention of speaking to the bill but on a question of privilege which, I suggest to you, Mr. Speaker, precedes that.

Mr. Lewis: On a point of order, Mr. Speaker, why do you allow the member for Carleton to sabotage the efforts of the member for Algoma-Manitoulin? Let him speak on first reading and then raise the question of privilege, for heaven's sake.

Mr. Handleman: Mr. Speaker, if that's your wish I'm quite prepared to sit down.

Mr. Speaker: The hon. member for Algoma-Manitoulin.

Mr. Lane: Mr. Speaker, in reference to the bill I have just introduced, I intended to introduce it yesterday but it got lost en route to my desk, and I was unable to do so. I would hope the House would agree to debate this bill on March 9, even though it's one day late being introduced.

Mr. Speaker: Do we have unanimous consent?

Agreed.

Mr. Speaker: It's agreed that it will be brought up on March 9. Now the hon. member for Carleton.

PRIVATE MEMBERS' BUSINESS

Mr. Handleman: Thank you, Mr. Speaker. I certainly had no wish to deny the hon. member the consent that he sought.

I wish to raise a question of privilege but not in detail. I understand the constraints of time for the mover and seconder to the Speech from the Throne, but I want to reserve the position, so that there won't be a point of order raised later on. I am raising it at the first opportunity, that is, that my privileges as an individual member of the House have been infringed upon by the continuation of the ballot list without an order of this House authorizing that continuation. I don't want to go into detail on it. I think I would rather raise it when more time is available.

There was no order of the House to continue the ballot order and that is required under the rules which this House has adopted. I'd like to speak to it at greater length some time next week when there is more time to do so.

Mr. Lewis: It's a good thing he's out of cabinet. It must have been a nightmare. Does he nitpick like this all the time?

ASSESSMENT AMENDMENT ACT

Mr. Leluk moved first reading of Bill 4, An Act to amend the Assessment Act.

Motion agreed to.

Mr. Leluk: The bill provides an exemption from municipal taxation for additions and improvements to residential property that are designed to aid persons who are physically disabled.

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, may I draw the attention of the hon. members to provisional order 25 which allocates a minimum of eight sitting days for the debate on the motion for an

address in reply to the Speech from the Throne and requires the completion of this debate before the introduction of the budget. As the Treasurer has already publicly announced, the budget will be brought down on Tuesday, March 7, at 8 o'clock in the evening. This will allow the Throne Speech debate to be completed on Monday, March 6.

ORDERS OF THE DAY

THRONE SPEECH DEBATE

Consideration of the speech of the Honourable the Lieutenant Governor at the opening of the session.

Mr. McCaffrey moved that a humble address be presented to the Honourable the Lieutenant Governor as follows:

To the Honourable P. M. McGibbon, Lieutenant Governor of Ontario.

May it please Your Honour: We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly of the Province of Ontario now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us.

Mr. McCaffrey: It is an honour and a privilege for me to move adoption of the second Speech from the Throne of this 31st Parliament, constituted of an assembly duly chosen by the people of Ontario.

I believe all of us have just cause to support the approach to the priorities in the province as set out in the government's program outlined in Her Honour's address yesterday. The Speech from the Throne made it clear the most crucial challenges facing us are of an economic nature running to the very heart of the forces that make our economy both prosperous and free and that allow us to provide the many services that are essential to the well-being of all our citizens. There remains therefore a clear recognition by this government that only a strong and growing private sector can produce the jobs, the profits, and thus the taxes that the people of Ontario will need in order to improve and develop the social services we all deem to be essential.

Mr. Wildman: Just like Inco did.

Mr. Peterson: Did Darcy write this for you?

Mr. McCaffrey: It is challenge enough at the best of times to convince others in this Legislature of that essential fact.

Hon. Mr. Grossman: Especially when they don't listen.

Mr. McClellan: Don't drop your script.

Mr. McCaffrey: Our free enterprise system, this rather fragile system, is our only long-

term route to a time when we can pay for those social services and programs we all demand. It is an even greater challenge to keep this basic tenet intact when the citizens of this province are caught up in the somewhat more bleak international and national economies of today and when some levels of their governments are still trying to underwrite social programs that the system can't afford. We in Armourdale are understandably concerned about the state of our national economy. I would go further and say that generally we recognize that things are not what they were. We know that we face difficult times, yet we remain confident that the right, not only the easy, steps will be taken to get us through this period. Generally speaking, in my community our own level of demand for new government services or programs has abated somewhat. The intelligent readjusting or restraint that we practise in our own homes, in our own businesses, is what we expect from all levels of government serving us. What is of particular importance to the people of my constituency is to note how this government responds in the face of these problems, to note how the government sees its role today.

Mr. Wildman: That was shown by your response to the Inco report.

Mr. McCaffrey: I can tell you, Mr. Speaker, that it is refreshing for us to see in the Speech from the Throne a candid assessment of our major problems—

Mr. Wildman: You quite obviously didn't read the report.

Mr. McCaffrey:—and an honest series of statements as to how the government must play its particular role. For one thing, there is recognition that capital investment is a key factor in job creation and improved productivity within the growing Ontario labour force. In order to remain competitive the government of Ontario will introduce measures to provide appropriate incentives and to promote Ontario as a desirable investment location.

The government is determined to move more aggressively to deregulate where possible, to make it easier for businessmen both large and small to concentrate on their own affairs. A mechanism will be established to review the operation of agencies, boards and commissions in this jurisdiction. The Leader of the Opposition (Mr. S. Smith) introduced a private member's bill last session which recognized the need for such a step. Many of my own colleagues, in particular the member for London South (Mr. Walker) have pressed for legislation to enact what is now popu-

larly referred to as a sunset law. So by encouraging investment in this province where possible and by making life a little easier for business this government exercises its proper mandate in a responsible manner and my constituents support this approach.

This government recognizes, and it was again reflected in the Speech from the Throne yesterday, that we must co-ordinate our initiatives with the federal government. All Canadians witnessed last week at the first ministers' conference in Ottawa—

Mr. Wildman: You leave it all up to them.

Mr. McCaffrey:—what Ontario citizens have known for years, that a rational program for national economic growth originated with this government. Now we in Ontario are accustomed to seeing good federal programs originate with this government, but our ability to exercise some form of national leadership has never been more urgent. More importantly, it was made clear in yesterday's address that our government does not intend to wait for Ottawa to unveil their economic strategy for us. We are told that our Minister of Labour will shortly convene a conference with college and university personnel, representatives of labour and business as well as provincial and federal officials directly concerned.

I am confident that all members of the Legislature will applaud and support this initiative by the minister and the government. This minister can't wait and won't wait to get on with the job of identifying our national labour market needs in order to satisfy our more provincial objectives.

No discussion of the role of government during a period of general economic slowdown would be complete without reference to a continuing responsible restraint program in the area of government spending.

I find it amusing that a discussion about restraint in government spending in this Legislative Assembly sounds redundant and certainly in this jurisdiction it is old news. We could only wish that all other levels of government in this country had adopted a stance as early as this government did.

The Speech from the Throne restates this government's long-term objectives. The generation of workers' jobs and incomes, while primary targets of government action, will be met through alternatives to a doctrinaire reliance on public spending, alternatives which we have mentioned, alternatives like encouraging capital investment in this province and deregulating where possible to

ensure that the burden of growth in Ontario is carried by the private sector.

An intelligent, responsible restraint program does not preclude this government from again using taxpayers' dollars to help create the greatest number of short-term jobs when circumstances judge that to be wise. That this government can assume a flexible and I would call it a progressive role in job creation is reflected in the determination to follow up on last year's success in providing incentives to the private sector to create new jobs for young workers in our province.

I know all members of this Legislature will support the spending of \$26 million this year to help provide 36,000 jobs under the Ontario Career Action Program and the Ontario Youth Employment Program.

Mr. Wildman: A gum drop instead of a pill.

Mr. McCaffrey: These successful programs provide excellent present day illustrations of how the best traditions of the Progressive Conservative Party can serve our present and future needs.

Ms. Gigantes: They're not just illustrations, they're all you've got.

Mr. McCaffrey: Our party has always known that the government can and must exercise its muscle when no other agency or group is able to solve the problem.

The success of last year's programs to help create new jobs for young workers can be surpassed this coming summer. While assisting the young people in our province, this government also challenges today's youth with the very real need to reassess the role that alcohol has played in their lives. Faced with the all too prevalent fact of alcohol abuse in our society, the government proposes to attack the problem in a stern but equitable manner and we are confident in our party that the young people will accept their new responsibilities.

Mr. Wildman: Get them more jobs.

Mr. McCaffrey: The government is to be congratulated for refusing to merely isolate the young drinker. Rather, a broader package of initiatives will be introduced that speak to the serious problem of alcohol abuse by all ages. The people in our community wanted, and are going to get, more strict enforcement of liquor legislation and more severe penalties for drunken drivers of every age.

There will understandably be criticism of some of the government's proposals on specific economic or social programs—

Mr. Wildman: Oh, I doubt it.

Mr. McCaffrey: —as outlined in yesterday's address and these differences will be debated in this Legislature in the months ahead. It is understandable too that some of the differences between the three parties' positions will be pretty fundamental ones and that the debate should be heated. On a more personal note, I hope that the discussions to come on national unity and on the question of minority language rights in this province shall be constructive and not too heated.

[3:30]

Let me say as candidly as I can that I am concerned about this issue of French language rights in our province and the manner in which it be handled in the days ahead. The Premier of Ontario in a speech made earlier this month restated several basic positions which are supported by our party. "The principle of bilingualism," he said, "the notion of co-equal respect and opportunity for both major language groups, is a basic principle of Canadian society. In Ontario, the national principle of bilingualism must be preserved in the provincial jurisdiction through our French language service program. That program, guaranteeing equal educational opportunity, access to services in areas of Ontario where population justifies it, and an increasing scope of French language guarantees in respect of health services and the courts, has progressed steadily since the 1960s. No English-speaking province has spent more per capita or proceeded in practical terms more intensively than Ontario."

Mr. Wildman: So has separatism.

Mr. McCaffrey: Later on in the same speech, the Premier stated very simply what his government's role has been, and stated a position that I hope all members here will support: "Ontario has chosen moderation, careful progress and practical programming in this area."

I had never run for public office before the June election last year. The question of national unity was discussed often during those summer weeks of campaigning. Let me say that I was not only proud to be a candidate for the Progressive Conservative Party in our constituency, and proud to be associated with the Premier's remarks on the issue of national unity during that period, I was proud in a broader sense to be a small part of a provincial campaign where all three leaders spoke intelligently—and, I would say, with some sensitivity—to this issue. I hope, to put my concern simply, that that same constructive attitude dominates our deliberations to come.

Almost immediately after the June election

this Parliament met, and I don't mind admitting that the manner in which all members of this Legislature approached the difficult problem in Essex county had a profound effect on me. I think what we did here in the summer of 1977 was right and proper, and I know it was not an easy or popular matter for many.

Ontario is a jurisdiction that has long enjoyed a government capable of resisting short-sighted impulse, and capable of responding to tomorrow's needs and problems with consistency in leadership. As a member of the Progressive Conservative Party and as a supporter of this government, it is a privilege, indeed, to share in the determination of our future. This is a time when the qualities of discipline, courage and compassion must serve to shape the path our province and nation will follow.

The remarks of Her Excellency, the Lieutenant Governor, charted a course for Ontario, a course characterized by sound and strong decision. A government capable of such direction is one which I am honoured to serve and for whose Throne Speech I am pleased to move thanks.

Mr. G. Taylor: Naturally, it is an honour for me to second the motion that a humble address be presented to Her Honour the Lieutenant Governor. It is traditional that the mover and seconder of the motion be younger or newer members in this House. Since I qualify on both counts—despite the grey hair—

Hon. Mr. Grossman: One out of two isn't bad.

Mr. G. Taylor: —I am happy to rise at this time, Mr. Speaker.

Mr. Kerrio: You have to be a newer member to say that.

Mr. G. Taylor: I recently sent out a questionnaire to many of the people in my riding, and on that questionnaire I had one brief question: "You have been elected Premier of Ontario; what would your first priorities be?" One of the answers that came back was: "Commit suicide." It was followed by, "What if you became a member?" And that was, "To commit murder." It didn't suggest upon whom, but to commit murder.

I am reminded again of the Premier's words of welcome to the new members on June 28. He spoke that a member would go through three stages, and that we would all go through these three stages in this House. The first stage, for those of you who may have forgotten the Premier's words on that occasion and have forgotten your earlier stages in this House, would be as you saw some strange goings-on and would wonder why you left

that peaceful, tranquil life back in the riding. You may indeed wonder why you are here.

The second stage, as you became more expert in the programs and more knowledgeable in what was going on, is, you'd wonder why all the other members were here. Then that last stage—why you cannot bring yourself to leave. I'm not sure what stage I'm at yet or what stage some of the other members in this House are at, but I do not want to leave yet, nor do I want this government to leave.

One thing I am sure of is that there are 58 Progressive Conservative members here who are working hard, working diligently to bring about some good legislative programs—sometimes with the assistance of the opposite side of the House. This party continues to give strong, sensible leadership to the province of Ontario. I know that, the people of my riding of Simcoe Centre know that, my colleagues on this side of the House know that.

A central section of the Speech from the Throne dealt with the crisis of confidence, and we all know that so well. I would like to state right now that we in Simcoe Centre have confidence. We have confidence in this government, we have confidence in the government of Canada, we have confidence in the people and the workers of the province of Ontario and in Canada. We have faith that whatever crisis afflicts Canada, it will be weathered and that we will prosper and bring prosperity to the province of Ontario. That confidence is based in no small part on the leadership and stewardship of this government and in the resources of the province of Ontario.

Sometimes I think Ontario is a very blessed place, blessed with great richness. We do have complaints about taxation. We do have complaints about cost of living. We do have complaints about some of the items that go on as legislative processes in this province.

I have just returned from a much-criticized but sometimes, I believe, worthwhile study trip to some of the nations of Europe and the Middle East, and I have seen some of their standards of living. I have seen some of their governments, some of their world leaders, and truly we're blessed with some of the greatness and beautiful items of the province of Ontario that many of those people envy us for.

We have an excellent educational system. We have first-class health care, first-class roads, reasonably priced food. I'm sure when I make that remark that one of the members who travelled with us would remember the cost of coffee in Copenhagen.

On one of these tours you are often blessed

with major events. You see what we have here—the loads of water and what it would mean to an impoverished nation such as Israel was and is. When you have been down to the River Jordan, and there to have been baptized by the member for Lakeshore, you realize how blessed we are in Ontario.

Mr. Lawlor: You need a little more holy water.

Mr. G. Taylor: It was just a small spattering of water.

When you look at this River Jordan, when you have seen it and heard about it in history and through the Bible and see that it is, by our standards, a meagre stream, you marvel at what they do from this water. You see the flourishing crops they bring forth from the desert. Here we are blessed with great things in our province and sometimes we do not do enough with our resources.

But I'm hoping that with this new proposal, with the material that we have, with the form of government legislation that will come forth, that we will bring forth from this province the good things and the good life that the people in this province and this country desire.

Mr. Warner: Singular applause.

Mr. Eaton: What about the good Jaffa oranges?

Mr. G. Taylor: I believe the reason Ontario has played a central role in the—

Mr. Germa: Who wrote that for you? You've acquired a Darcianic complex.

Mr. Warner: The heavy hand of Darcy McKeough.

Mr. G. Taylor: It's the company I've been keeping with the member for Lakeshore. When you've been baptized, it comes upon you, this religious fervor for the province of Ontario. These words come forth, I say to the member for Lakeshore.

Mr. Warner: You wrote the speech and then threw the pen away.

Mr. Conway: Tell the truth: It was the trip to Jerusalem.

Mr. G. Taylor: I point out, however, that Ontario has been and continues to be well governed. I believe it is partly for that reason the province of Ontario played a great part in the conference in Ottawa last week. The other provinces know that on the basis of performance the government of Ontario is sensible, sober and successful. We are able to urge restraint in government spending. Because we have been so successful in restraining the spending in Ontario we have created jobs, and in creating these jobs we have been able to create an increase in ex-

cess of 140,000 jobs in the past year—a remarkable performance.

Mr. Conway: It is a remarkable speech.

Mr. G. Taylor: In short, the consensus reached on Ontario's proposals at the federal-provincial conference can be interpreted as acknowledgement of Ontario's governmental record. The contributions we make in this country are many, and it is the quiet strength of the government and of Premier Davis that is recognized from coast to coast and was recognized in the federal-provincial conference. I think it is only reasonable, therefore, that the programs of this government as contained in the Speech from the Throne be given confidence, and they should merit the confidence of all members of this House.

One of the things I am most pleased about is the government's leadership in that it will not be tempted to play with the economy of the province and the policies that have given us good government in the past. I am sure, as this session unfolds, our legislation will be well received by those who understand that we have given good leadership.

Mr. Reed: That is the joke of the year.

Mr. G. Taylor: In this vein I am also happy to see the general concept of deregulation and that it will be embodied in the establishment of a mechanism to review the operation of agencies, boards and commissions.

Mr. Reid: More red tape.

Mr. G. Taylor: We have had a member on this side of the House, the member for London South (Mr. Walker), who has put forward these plans.

Mr. Reid: And the leader of the Liberal Party. If you were around at the last election, you heard it there first.

Mr. G. Taylor: And for those who do not understand the review of agencies, boards and commissions, that can be translated into a term so all can understand—sunset.

Mr. Reed: In other words, a Liberal policy.

Mr. Reid: At the rate you are going it will be sunset before we hear anything new.

Mr. Warner: Why don't you sink slowly in the west?

Mr. Deputy Speaker: Order, please.

Mr. G. Taylor: One might hope that the sunset would occur on the opposite side of the House so that in the morning the sun would come upon them and shed some light. Once again Ontario has an excellent opportunity to practise what it preaches, by providing a means whereby unnecessary activity can be halted. The hallmark of the sunset concept is efficiency, and if we are urging

business to be efficient, we must provide that same efficiency in government.

Incidentally, I might point out that the Leader of the Opposition, as he was then—he was also the Prime Minister at one time—urged a conservative notion by saying, “The true conservative does not fail to lop the withered branch.” Mr. John Diefenbaker is said to be the author of that.

Mr. Reid: That is what Joe Clark has been trying to do to him ever since.

Mr. G. Taylor: In our sunset provisions, should we reduce the inefficiency of government boards, I am sure we shall be more than happy on this side.

Hon. Mr. Kerr: Don't let the sunset provisions apply to the old Dief now.

Mr. G. Taylor: I am most happy that the Speech from the Throne included references to increased emphasis on energy conservation and renewable energy projects. There again, these can be aided by tax concessions that may be forthcoming in the budget to come on March 7.

Mr. Reed: Another Liberal policy.

Mr. Martel: We're being blackmailed over oil now.

Mr. G. Taylor: Many of us continue to take our fuel, our hydro and other sources of power for granted. We forget to shut off our unneeded lights. We forget to turn down the heat. We forget and waste water. We must practise in our own lives that care and that conservation so it will save us millions of dollars.

Mr. Martel: That is what John White said: Put another sweater on.

Hon. Mr. Henderson: Were you here that day?

Mr. Martel: I was here that day.

Mr. Conway: Is Stephen Roman around?

Mr. Deputy Speaker: Order, please. The member for Simcoe Centre has the floor.

Mr. G. Taylor: The economic world is slowly coming to realize that many schemes produce lasting jobs for us—but with some of those schemes where the government gets involved to too heavily a point, they do not. So we are emphasizing the productive roles of job creation in the private sector. That is why in the main our incentives will be for ongoing enterprises to grow and expand.

[3:45]

Mr. Warner: Is the member talking about Ontario Hydro?

Mr. G. Taylor: At the same time, new industry will be stimulated by enhancing the

opportunities for investment in the province of Ontario.

Mr. Warner: Turn over Ontario Hydro to private enterprise.

Mr. G. Taylor: I am gratified to see the establishment of Ontario's position on “Buy Canada.”

Mr. Warner: Americans already have. They have bought practically all of it.

Mr. G. Taylor: I agree with supporting our domestic products, products that are manufactured here in Ontario and in Canada, and our agricultural products.

Mr. Conway: Buy Canada; buy Denison.

Mr. G. Taylor: We will build a demand and growth on economic strength in our province. I have seen the economic possibilities in my own riding. There we have many products. I do not remind the members lightly that we have new industries growing in Simcoe Centre and in Simcoe county all the time. Indeed, we have such products as toilet seats—

An hon. member: Fur lined?

Mr. G. Taylor: —where the Moldex company has given us a slogan, “Born in Barrie, raised everywhere”—one that the manager hopes to transfer throughout the world from the Mecca of Barrie.

Mr. Warner: You should mail them a copy of your speech.

Mr. G. Taylor: We also have such other industries there as a new industry for boats. They make custom tops for boats.

Mr. Reid: If we only had more members like the member for Lambton (Mr. Henderson) we would have a bigger industry.

Mr. G. Taylor: There again, recently the man has launched upon a program to go about the world selling his boat tops rather than just in this vigorous area of Simcoe Centre and that of Canada.

Mr. Conway: Born in Barrie, raised in Barrie.

Mr. G. Taylor: Deregulation is another one that was put in our Speech from the Throne.

Mr. Bradley: A pack of slogans.

Mr. G. Taylor: There again in the area of small businesses, deregulation is a very pertinent thing for those who carry on their business by day and their books by night. We had recently in my town of Barrie the Minister of Consumer and Commercial Relations with his much talked about road show. He's here in the House today.

Mr. Reid: Travelling circus.

Mr. Conway: Do you mean you couldn't get somebody important?

Mr. Warner: The minister of corporate protection.

Hon. Mr. Grossman: He was in Israel and I was in Barrie.

Mr. G. Taylor: I left my riding in good hands. The minister lent me his cap and off I went to Israel.

Mr. Reid: Tell them how you walked into the River Jordan. You didn't have to be baptized.

Mr. G. Taylor: He looked after Simcoe Centre while I was away but he received much information from the small businessmen there.

Mr. Reed: They told him they were going to vote Liberal.

Mr. G. Taylor: Again I am sure some of that will be translated into easing the problems of carrying on business in the small business sector—

Mr. Martel: Who put all those regulations there in the first place?

Mr. G. Taylor: —the Ma and Pa businesses where the persons work too diligently on filling out government forms.

Mr. McClellan: Whose government?

Mr. Martel: That was the former Minister of Revenue who did that.

Mr. Conway: Are you born again?

Mr. Reid: Born-again-George, they call him. It is too late for that.

Mr. Conway: I want to hear about Jordan.

Mr. Deputy Speaker: The member for Simcoe Centre has the floor.

Mr. G. Taylor: Not only that, Mr. Speaker, they are making a mess of my transcript for the people of Simcoe Centre. Some members do send these out to their constituents and some constituents read them.

Hon. B. Stephenson: That's why they are doing it.

Mr. Warner: Don't worry, they'll never understand it anyway. No one understands your speeches.

Mr. Reid: If they read the first three lines, they wouldn't worry about the rest.

Mr. G. Taylor: They'll know that I am the only sensible one down here after they read these interjections.

Mr. Reid: You don't have to worry. We are mailing it out to them.

Mr. G. Taylor: I might continue here and talk a little bit about my riding of Simcoe Centre.

Mr. Warner: After all, they talk about you.

Mr. G. Taylor: I hope, and I have been working to have it included, because although the people are industrious and hard-working they do not gain some of the benefits because we are so close to that large metropolitan area that they think we have their riches.

Mr. Peterson: Poorly rated, that's why.

Mr. Martel: You just said things were so good—but. It's an old Tory speech. It's a great riding and everything's good—but.

Mr. G. Taylor: However, there in the riding of Simcoe Centre and county of Simcoe we would like to be included—and of course I have requested of my ministers that we be included—in the Wintario grants for eastern Ontario so that we get the same benefits they do in capital spending.

Mr. Conway: Anything there would be an improvement.

Mr. G. Taylor: It's the same thing in Industry and Tourism. I hope the new minister there will consider my request to have us included in the Eastern Ontario Development Corporation so that we may have there the same benefits as those people in the east do.

Mr. Eakins: How do they feel about the new licence fees, tell us?

Mr. G. Taylor: Again, after mentioning those two little items—

Mr. Conway: And they are little.

Mr. G. Taylor: If the interjections are reduced, we may get away earlier today than regularly scheduled, so that those members may get back and prepare their replies to the Speech from the Throne.

Mr. Martel: Slightly different than yours.

Hon. Mr. Grossman: Are you going to prepare this year, guys?

Mr. G. Taylor: I want them to have much longer to prepare theirs. They need the time.

Hon. B. Stephenson: It doesn't do them any good.

Mr. G. Taylor: I'm certain that with the government and industry and general public working together we can significantly reduce the rate of growth in energy and the demands made upon our energy field so that we can conserve, as the Minister of Energy has said—

Mr. Warner: Sure, shut down all the plants.

Mr. G. Taylor: —and conservation is one of those points in the speech. Again, though, it takes a very determined attitude on the part of the public to reduce these demands

on conservation. As I said earlier, it will be a very difficult task for us all to reduce those things that we have been accustomed to and cut back a little bit of our pleasures so that we all may move ahead in the years to come. We grew accustomed to great growth patterns in the 1960s when our institutions grew by leaps and bounds. Those days are over now. As was put so clearly in the message from Her Honour, the challenge is to do better with relatively less.

Mr. Martel: You obviously didn't prepare for the bad days.

Mr. G. Taylor: We all know that some of our institutions are feeling the pinch. We can read the complaints daily in our press. That is only natural. Any program of restraint which follows on a period of boom will bring some dislocation and grumbling. It must be realized, however, Mr. Speaker, that the efficient management of resources will have long-term benefits for our society and restraint does not have to mean diminution. The government is committed to progress in qualitative terms.

Mr. Conway: Give the resources all away to Stephen Roman if you can.

Mr. G. Taylor: This approach is typified by the government's intention to increase funding for expanded special educational services. Early identification of those children with learning disabilities should prove of enormous benefit to the children, their families and society in general. Possibly had we looked at those early problems and had early identification, maybe some of the members on the other side of the House would not be here today.

As well, by making sure that all school boards provide adequate and appropriate levels of service for all students with disabilities and handicaps, the government will be contributing to the overall opportunities to be gained by all of our children.

In the matter of health care, I think it is both appropriate and fair that individuals, patients and health care practitioners alike will be asked to assume a more personal responsibility for the demands we make on our excellent system. By engaging in activities that promote good health such as exercise programs and watching our diets we can reduce some of the demands on our health care system and leave more of our resources for the development of excellence. The old axiom that an ounce of prevention is worth a pound of cure should take on new meaning for all of us.

One of the central themes in the Speech from the Throne is a commitment for improv-

ing the quality of life for all of us in Ontario. There is perhaps no place that that commitment will be more appreciated than in the measures to be introduced regarding the family.

Mr. McClellan: Measures? There are no measures.

Mr. Warner: It's all hot air.

Hon. Mr. Grossman: You want to nationalize them too, eh guys?

Mr. G. Taylor: We are all aware of the strains that have been placed on our family institutions.

Mr. Conway: John Rhodes, take a bow.

Mr. Martel: It's called the year of the dragon.

Mr. Peterson: I thought this was the year of the horse, not the year of the kid.

Mr. G. Taylor: Economic conditions have dictated in many instances that both parents must be working parents in today's family. Many marriages have not been able to withstand the pressures and the figures for separations and divorces have increased dramatically and bear this problem out.

Mr. McClellan: What has your government got planned for the families?

Mr. Martel: Why do the wives have to work in this affluent society of ours?

Mr. G. Taylor: Quite apart from the emotional and psychological damage such ruptures promote in the individuals considered, especially when children are involved, the central fact is that more and more family services are demanded every day.

Mr. Peterson: Why don't you make the single members get married and show a little leadership?

Mr. G. Taylor: The government is well aware of these demands and will shortly undertake a thorough review of all our policies and programs that affect the family. This will be in addition to the specific measures—

Mr. Martel: You are going to raise the family benefits to a decent level for openers.

Mr. G. Taylor:—contained in the comprehensive package of family law reform introduced by the Attorney General.

In the same vein, I must commend the government's approach to the problem of alcohol abuse. There again we have had many instances in this past session and forthcoming in this session to bring forth a package of laws concerning the drinking age, advertising and alcohol.

Mr. Eakins: Oh, the ball parks you mean.

Mr. Martel: Tell me about the ball parks.

Hon. Mr. Grossman: You abuse free speech.

Mr. G. Taylor: My friend from Victoria-Haliburton (Mr. Eakins)—these double-barrelled names are far too difficult for me—remarked that while in attendance in Israel they gave us one statistic. The community there, perhaps because of their religious background, but in Israel they have no drinking problems.

Mr. McClellan: Except for visiting Canadians.

Mr. G. Taylor: Indeed, their statistics, unlike ours, where we keep them and daily become inundated with higher and higher statistics for drinking and driving problems, there they have stopped keeping statistics on drinking and driving problems because they are so insignificant that they are no longer recognizable and are very difficult to keep. There again there is a nation to be seen and watched for its background.

Mr. Peterson: If you revoked the licence at the Albany Club you would cut out half the consumption in this province.

Hon. Mr. Kerr: How about the London Hunt Club?

Mr. Warner: We should never wake you up.

Hon. Mr. Kerr: He's almost as bad as you are, David.

Mr. Conway: Bette the Bear is back.

Mr. Speaker: Order, order.

Mr. Conway: I just hope you read those Globe editorials and do something about it.

Hon. B. Stephenson: I thought the cartoons were better.

Mr. G. Taylor: Mr. Speaker, if I might bring to the attention of this House an even more pressing problem that is not in the Speech from the Throne but I am sure it will come up as we move along and that is there is presently a royal commission going about the province called the Haley commission on suggestions for pensions. There again, I have many people in my riding, particularly retired civil servants, who come to me and say, "I can no longer live on the pension I have been provided with. Can you do something about that?" I hope that when the recommendations come in from that royal commission they will listen to those civil servants who ask why, when we increase our pensions and give an across-the-board increase of eight per cent to those retired civil servants, or whatever the figure is, why are they across the board? Surely when one retires one's usefulness to the government and to the previous employer is then ceased? Should we not give pensions to those people and increase those at

a greater rate at the lower scale where they need the money than at the higher scale where they do not need the money? So I would say I hope that the commission will review that and will consider those features.

Ms. Gigantes: Great idea. Tell Darcy.

Mr. Warner: Tell Darcy about it.

Mr. Peterson: How do you feel about ex-cabinet ministers on pension who work for the government? You're a lousy counsel. They're going to kick you out of there, George.

Mr. Martel: You will have to trade places with Bruce.

Mr. G. Taylor: Again, to come back to my area of Simcoe Centre that I so dearly love, I was down there and we were speaking of world competition. We must get into world competition with our product and be competitive. In that riding they are. We have, as I mentioned, the boat dealer who is going out to sell his tops across the world and get into that competitive market. The toilet seat manufacturer is not to go unforgotten. The vegetable grower at Bailey River Farms when I opened that processing plant last year, Mr. Speaker, there again he is delivering a product, if you can imagine, delivering vegetables from the market garden of the Holland Marsh. He was delivering those vegetables and competing with California by selling those vegetables in Texas, in Arizona, in Florida. So there again we can become competitive if we go about it and do it as that family, the Arrigo family, carried out in that operation.

Mr. Warner: That's right. It's bologna anywhere.

Mr. G. Taylor: I look upon deregulation of the trucking industry as a godsend for our area because many of them take their trucks out of the Barrie area, go elsewhere, deliver their product and then deadhead back at great cost to us. It's difficult for conservation, expanding our valuable oil reserve. There again, I hope when we deregulate that trucking industry those people will benefit from it, and I am sure they will.

Compulsory auto insurance was mentioned in the Speech from the Throne. That's another area that I had put forward to my Premier in our caucus before. Why should those people that are driving automobiles pay for those that will not take out automobile insurance?

Mr. Peterson: Up in Parry Sound you get a licence, I tell you that.

Hon. B. Stephenson: Only a devious Liberal would do a thing like that.

Mr. Conway: George, it sounds like part of that fox hunt in Griffith Island.

[4:00]

Mr. G. Taylor: It is not a right but a privilege to drive on our roads, and with that privilege goes the responsibility of requiring compulsory auto insurance.

Mr. Warner: They'll still be able to do it until 1980.

Mr. G. Taylor: That portion of our expenditures for the automobile which is ever increasing, that unsatisfied judgement fund as it is so often called, should be reduced more and more. The person taking the risk should pay for those risks and those causing the increased auto insurance costs should pay for them. So I'm glad to see that the government has taken a step towards compulsory auto insurance in the future.

I see the member for Ottawa East (Mr. Roy) is not here. I was hoping he would be, but I guess he is exercising his new QC and is off playing with it. But I see that the Attorney General (Mr. McMurtry) is bringing forth the new Provincial Offences Act. He is going to simplify it and streamline it to help my friend from Ottawa East so he will be able to spend more days in the House with us with that new simplified and streamlined procedure that is coming forth from the new Provincial Offences Act which the Attorney General is coming forth with.

Mr. Bradley: He is not here either.

Mr. Cunningham: When do you get your QC?

Mr. Conway: They gave one to Grossman.

Mr. G. Taylor: The Minister of Correctional Services (Mr. Drea) again has some new programs that have been of great help to us—

Mr. Ruston: They love him in Simcoe.

Mr. G. Taylor: —in Simcoe Centre. Because we have so many people who come through, commit offences; and because of our super police forces there, they are convicted, tried, and sometimes sentenced, we must have these community resource centres. First in Barrie on an experimental basis to try those tourists who do come through now and then and commit criminal acts.

Again on the Ministry of Correctional Services, we did benefit, as did many of the people even from the large metropolitan areas here to the south, from the new programs put forth by the Minister of Correctional Services. At the most recent Barrie winter carnival some prisoners from Camp Hillsdale did volunteer to go out and put up some of the fencing for the sports events in the carnival. We appreciate greatly the service provided by those inmates of Camp Hillsdale and the Ministry of Correctional Services.

Mr. Bradley: What about that carnival in Georgia?

Mr. Conway: Was the minister the star attraction at that carnival?

Mr. G. Taylor: I am able to inform this House that the Minister for Correctional Services was able to be a firsthand witness to the system carried out at the Barrie winter carnival.

Mr. Bradley: Careful, he is in the House now.

An hon. member: He has just arrived.

Mr. Martel: He was leading the chain gang.

Mr. G. Taylor: He did come to Barrie and attended the winter carnival in very formal dress and was immediately jailed for offences to the winter carnival spirit by wearing a shirt and tie. So, like some other colleagues in this House, he also has firsthand knowledge of jails.

Mr. Martel: That goes way back.

Mr. Warner: It is called inside experience.

Mr. G. Taylor: All right, Mr. Speaker, I'm sure my next words in conclusion—

(Applause)

Mr. Martel: Well, they meet with approval.

Mr. G. Taylor: —will be received I'm sure by my colleagues with great sympathy.

We come back now to one of the other features of the Human Rights Code amendment that was put forth. There again I plead that those amendments will come forth quickly, and will take care and some cognizance of the physically handicapped—those of us who are less fortunate with some type of handicap—that may bring job—

Mr. McClellan: What is your handicap?

Mr. Conway: What's your handicap, George?

Mr. Warner: Having to make speeches.

Mr. Conway: Is speechmaking the handicap?

Mr. G. Taylor: —opportunities that are not available to many of us. They will get those opportunities in a much better way if it is put in the Human Rights Code so employers can see that they are able to carry out a job because there are many jobs they can carry out.

Indeed, I was just so pleased to learn that one of my constituents who was physically handicapped now has a taxi dispatcher's job which is suitable for that individual. Indeed, when they are able to perform like that and show that they can perform some tasks, when they come in a wheelchair they should not automatically be dispelled with the words: "We cannot

employ that individual." There are jobs for those individuals; and if the amendments come to the Human Rights Code to protect those people, it will be greatly welcomed by them.

Mr. Davidson: It took you 35 years to realize that, to realize that disabled people could work.

Mr. G. Taylor: One of the final items put forth in the Speech from the Throne was that of Canadian unity. Canadian unity, Mr. Speaker, should be dear to all of us in this House. I'm sure that it is. We have a great nation here. We are recognized throughout the world—as, indeed this province is recognized throughout this world—

Mr. Warner: You guys know zilch about it.

Mr. G. Taylor: We have put together in a period of years, a little over 100 years, a nation. It was put together with a constitution. Indeed, that constitution may from time to time need some revision; but we have worked, as all people have worked in this country, putting together ribbons of steel—through water channels, through canals; we now have ribbons of asphalt, ribbons of airlines that bring this nation together; and, more modern, ribbons of communication.

Mr. Peterson: Sounds like a big bouquet.

Mr. G. Taylor: And those ribbons of communication are the ones that will keep this nation going forward; those between the different provinces; and indeed with that province—the province of Quebec—

Mr. Warner: You should cut your speeches to ribbons.

Mr. G. Taylor:—which demands certain things, requests certain things, pleads for itself some of those jurisdictions that the federal government so possesses unto itself as if they were locked in with some chastity belt and could not be given off to any other jurisdiction for fear that it could not be handled properly. They must come to learn that when the provinces speak they usually speak with a unified voice; that some of these items all the provinces desire, all the provinces want; and that all the provinces can work better should they have those jurisdictions. They can plan for them; they can plan for their people of their provinces so that they can—

Mr. Bradley: You sound like Rodrigue Biron.

Mr. G. Taylor: Shall I keep going with my Canadian speech?

Canadian unity is not only language, not only culture that keeps us together; it is common desires, common goals; common privileges, rights and laws. Some of these will have to have some changes made to them; they're desired by all provinces. We have a changing pattern and that has been our strong point over the years, that we can adjust to these changing patterns.

We are such a young nation compared to many. We are going through the strife and problems of a young nation. Some nations older than ours are going through the same problems. But, Mr. Speaker, when we look forward to meeting these challenges, meeting the challenge of change, why can we not go forward with a spirit of co-operation, a spirit of—

Mr. Warner: You could start the change by resigning.

Mr. G. Taylor:—Canadian unity that should pervade all of our thoughts when we go forward—

An hon. member: You haven't given up yet Warner?

Mr. G. Taylor:—with legislation here in this Legislative Assembly for the forthcoming session.

It has given me great pleasure, Mr. Speaker, even with all the interruptions that I've had. I'm sure it added greatly to the thunderous words that I've put forward, words that will fall upon this House and carry forth this House in its endeavours in this session, so that —

Mr. Warner: That's right, we hope you come forth.

Mr. G. Taylor:—we might have the legislation that is desirable for the people of the province of Ontario. Thank you very much, Mr. Speaker, for your attention.

Mr. Nixon moved the adjournment of the debate.

Motion agreed to.

On motion by Hon. Mr. Welch, the House adjourned at 4:10 p.m.

ERRATUM

	No.	Page	Column	Lines
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Should read:				
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No. 3

Legislature of Ontario Debates

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Second Session, 31st Parliament

Thursday, February 23, 1978

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, FEBRUARY 23, 1978

The House met at 2 p.m.

Prayers.

VISITORS

Mr. Speaker: I know that all hon. members would wish to join with me in welcoming distinguished visitors to our Legislature. Seated in the Speaker's gallery are the Hon. Gerard Amerongen, Speaker of the Legislative Assembly of Alberta, and Mrs. Amerongen, accompanied by Mrs. Nancy Edighoffer, the wife of our Deputy Speaker. Would you help us in welcoming them please.

FRENCH LESSONS FOR PAGES

Mr. Speaker: I have another announcement that I'm sure would be welcomed by most members of the Legislature. I am pleased to announce the implementation of an oral French program for our legislative pages. We are most appreciative of the fact that the Ministry of Education has arranged for the Alliance française de Toronto to supply a teacher three mornings a week beginning today. In total, the pages will receive two and one-quarter hours of French instruction per week.

I think you will agree that this will be a most worthwhile educational experience for these boys and girls.

BOARD OF INTERNAL ECONOMY

Mr. Speaker: I would like to inform the House that I have laid on the table a copy of the order in council approved by Her Honour the Lieutenant Governor, dated February 22, 1978, appointing the following members to the Board of Internal Economy: Hon. Messrs. Welch, Auld and Wiseman and Messrs. Gregory, Nixon and Martel.

STATEMENTS BY THE MINISTRY

DEATH OF KIM ANNE POPEN

Hon. Mr. Norton: Mr. Speaker, I wish to advise the House that I have decided to hold a judicial inquiry relating to the Kim Anne Popen case of child abuse and the role and operation of the Sarnia-Lambton Children's Aid Society.

Mr. Cassidy: It took until the House met for you to decide that.

Hon. Mr. Norton: Kim Anne Popen was a child in the care of that society who was returned to her parents under supervision and subsequently met a tragic death in her own home. At a time when my ministry was about to initiate its own investigation of the matter, I decided to participate in a joint investigation in co-operation with the Ontario Association of Children's Aid Societies, and appointed a staff member from the child welfare branch of my ministry as part of the three-person review team.

Chairman of the group is Mrs. Margaret Farina, assistant executive director of the association, and the third member is Mr. Arne Petersen, a senior staff member of the London-Middlesex Family and Children's Services.

The work of this review committee is still proceeding and their report is not yet completed. I have been keeping in touch with the work of the committee through our ministry representative, and also through consultations between the whole committee, senior staff of the children's services division, and the president of the society's board of directors.

The review committee's work to date has been extensive and has been most helpful in bringing to my attention certain matters to which I wish to respond without delay. These concerns relate not only to the fact of the case but also to the role of certain individuals involved in the case, and to the role of the agency itself in the management of this case and child protection matters generally. Serious concerns such as these need to be aired in a full and fair hearing where all parties have the protections of due process and where all relevant evidence can be brought to light. I have therefore decided to proceed immediately with a judicial inquiry under the authority of section 3 of the Child Welfare Act.

The terms of reference of the inquiry and the name of the judge appointed to conduct the inquiry will be announced within the next few days. In the meantime, I have asked staff of the ministry to meet with the board of directors of the society to determine ways in which the ministry can assist the

society to carry out its responsibilities under the legislation during the course of the inquiry.

I might also add, sir, that I have been in contact this morning with the president of the society and with the Ontario Association of Children's Aid Societies and they fully support the decision which I have now made.

Mr. Lewis: You should have asked for it at the outset.

FOX INVESTIGATION

Hon. Mr. McMurtry: Mr. Speaker, I want to inform you and the members of the Legislature of the investigation conducted by the Ontario Provincial Police into the matter involving Mr. Francis Fox. I would not normally make a public statement on the result of a police investigation, but because of the nature of this case and because of the legal principles involved, I believe that the public is entitled to an explanation to the fullest extent that is reasonably possible for me to give.

Let me say at the outset that this investigation has been thorough and extensive in all respects. Two senior officers of the OPP and two senior officials of my ministry were given responsibility for the investigation.

I am satisfied that their investigation, which was completed yesterday, dealt with all relevant aspects, that all necessary witnesses have been interviewed and that all relevant facts have been brought to my attention. I would also like to state that Mr. Fox and all other persons questioned have co-operated fully.

It is my conclusion that no charge should be brought against Mr. Fox. The senior law officers of the Crown and the police officers involved share that opinion and support it completely.

I want to stress that this decision is based entirely on the circumstances of this particular case and the law and legal principles which relate to it. One principle has been of overriding importance—equality before the law. The protection of justice extends to every member of the community; therefore, justice must and will be administered evenhandedly, without regard to the position of the potential accused.

Mr. Fox therefore is being treated in exactly the same manner as any member of the public would be in a similar situation. The decision to charge or not must be based entirely on the merits of the case.

It would be absolutely unacceptable if a prominent person escaped being charged under circumstances in which ordinary members of the public would be charged. It would

be equally unacceptable if a public figure were charged under circumstances in which an ordinary citizen would not be.

It is my belief that an ordinary citizen should not be charged under the set of circumstances that I will set out and, therefore, nor should be Mr. Fox.

I will deal first with the letter to Prime Minister Trudeau which led to Mr. Fox's resignation.

The investigation revealed no sign of any oblique motive on behalf of the author of this letter, a private citizen. In particular, there has been no suggestion whatsoever of blackmail. Nor has there been any suggestion that the complaint was politically motivated or orchestrated by any organized group.

The complaint was simply the complaint of an individual who felt that the Prime Minister should be aware of an alleged misdeed by a member of his cabinet.

The investigation has revealed that the citizen was completely unaware of the ramifications of the complaint and did not contemplate the necessity of Mr. Fox's resignation or the possibility of the laying of criminal charges.

All statements in the letter were fully investigated. At no time did the citizen suggest that criminal charges be pressed against Mr. Fox.

The evidence indicates that Mr. Fox had a brief liaison with a woman who became pregnant. The woman informed Mr. Fox of her pregnancy but told him that she could look after the matter herself, since she felt that she qualified for a therapeutic abortion on medical grounds unrelated to the cause of her pregnancy.

The therapeutic abortion committee of the hospital, after considering her application, granted a certificate permitting the abortion. The attending physician specifically told the woman that the consent of the husband was not required for the abortion.

Acting under this belief, the woman attended at the hospital on the appointed date. After she was admitted, and some hours before the operation was to take place, the hospital administrative staff informed her that her husband was required to sign a form.

As the woman's husband was unavailable since he was out of town, and being afraid that she might be denied the abortion, she asked Mr. Fox to come to the hospital to help her.

Mr. Fox arrived at the hospital and, without question from the staff, was handed a form and asked to sign. Mr. Fox then affixed the name of the woman's husband to the form.

In fact, there was no legal requirement that the husband sign the form. The investigation has revealed that in all likelihood the abortion would have been carried out even if Mr. Fox had not signed the form. In fact, in another case the hospital in question apparently decided to proceed over a husband's failure to sign the document.

In the context of these facts, the senior members of my ministry have reviewed the relevant sections of the Criminal Code. The offence which has been most frequently mentioned in public discussions of this case is that of forgery. However, proving this offence presents very real problems in view of the circumstances of this case and, in particular, the fact that the signature on the document was in all likelihood immaterial to whether or not the abortion would be carried out.

On the basis of the facts I have just cited, I consider that there is evidence upon which a peace officer might have reasonable and probable grounds to lay charges concerning one or more offences under the Criminal Code of Canada. However, this does not settle conclusively the question as to whether or not a charge should be laid.

[2:15]

Because of the considerable public attention which this case has attracted, it is important for me to state to the Legislature the basis on which I, as the chief law officer of the Crown, have considered whether a prosecution would be justified in this case.

A prosecution is not automatically launched in every case where there is some evidence to support the laying of criminal charges. Police officers and the Crown law officers who advise them have broad powers to decide whether or not to launch a prosecution, taking into account all the circumstances surrounding the case.

Henry Bull, the late Crown attorney for York county, and indeed a very highly respected prosecutor for many years, once wrote that the Crown's duty in deciding whether a prosecution is justified is two-fold. The first duty is to determine whether a criminal offence is disclosed by the facts in the sense that a prima facie case is made out. The second duty is then to determine whether a prosecution would be justified in a particular case.

This exercise of judgement was best put by two Attorneys General of England, Sir John Simon and Sir Hartley Shawcross, both speaking in the House of Commons. I quote: "There is no greater nonsense talked about the Attorney General's duty than the suggestion that in all cases the Attorney General

ought to prosecute merely because he thinks there is what lawyers call 'a case'. It is not true, and no one who has held the office supposes that it is."

Sir Hartley Shawcross supported Sir John Simon's position: "It has never been the rule in this country . . . that suspected criminal offences must automatically be the subject of prosecution. . . . The public interest . . . is the dominant consideration."

Sir Hartley outlined how he directed himself in deciding whether or not to prosecute in a particular case. I quote: "The Attorney General may have to have regard to a wide variety of considerations, all of them leading to the final question: Would a prosecution be in the public interest; including in that phrase, of course, in the interests of justice? [In] the ordinary case . . . one . . . has to review the evidence, to consider whether the evidence goes beyond mere suspicion and is sufficient to justify a man being put on trial for a specific criminal offence.

"In other cases, wider considerations than that are involved. It is not always in the public interest to go through the whole process of the criminal law if, at the end of the day, perhaps because of mitigating circumstances, perhaps because of what the defendant has already suffered, only a nominal penalty is likely to be imposed."

Mr. Speaker, I would stress that not merely is this the law of Canada as well as England, but that it also reflects very accurately the responsibilities of the Attorney General of Ontario, certainly as I have experienced them during the last two-and-a-half-years.

To launch a prosecution in this case would be to bring disproportionately harsh consequences to a person of good character, who has already suffered greatly as a result of his act. This bears on the circumstances of the case itself and not the fact that Mr. Fox assumed high public office after the event in question. The holders of public offices will receive the same treatment under the law as the ordinary citizen, even though the consequences may be more injurious.

My decision does not mean that I think a former cabinet minister should get any more lenient treatment because the consequences of prosecution are far more grave for him as a public figure. My decision stands for the proposition that Crown law officers, in deciding whether a prosecution should be launched or should proceed, must be scrupulously to treat all members of the community equally without any regard to their position.

In this case, the public interest dictates that a number of factors in addition to the evi-

dence be considered in deciding whether a prosecution would be justified.

Firstly, I want to stress that the abortion in question was an authorized therapeutic abortion. The woman dealt with at least three physicians and her application for an abortion was put before the therapeutic abortion committee of the hospital involved. The certificate for a therapeutic abortion was granted solely on medical grounds by virtue of the woman's past medical history. She would have qualified for a therapeutic abortion regardless of the identity of the father.

The investigation has shown that Mr. Fox played absolutely no part in the application for a certificate for the operation. The therapeutic abortion committee did not require the consent of any person other than the woman herself. The attending physician, in fact, informed the woman patient that no such consent was required by law. There is no legal requirement in statute, regulation or hospital bylaw that a husband consent to a therapeutic abortion performed on his wife; nor does the law require that he should release the hospital from any liability resulting from the abortion.

The document that Mr. Fox signed was not a consent as such. It appears that it was simply an unwritten hospital policy that the husband's signature be obtained, whenever possible, on the form in which the wife purportedly released the hospital from responsibility.

Turning to the individuals caught up in this case, I would emphasize that their tragedy must also be a factor to be taken into account. The woman's husband, who might be considered the most aggrieved individual in this case, has requested that criminal proceedings not be taken against Mr. Fox. It goes without saying that such a request cannot be lightly disregarded.

If Mr. Fox were charged, then it would follow that the woman in question must also face criminal charges, since the investigation has revealed that she was equally responsible for Mr. Fox's signing the document. In short, no distinction can be drawn between the degree of participation by Mr. Fox and the woman in question.

Moreover, the case could not be tried without making public the identity of the family involved. Obviously, there are a number of innocent parties in the case. To reveal the woman's identity would cause irreparable harm to all those directly involved. The embarrassment and anguish to innocent parties must be weighed against any possible advantage that might result from bringing criminal charges against either Mr. Fox or the

woman in question. On this consideration alone, the merits of not prosecuting far outweigh those of proceeding against the parties involved.

Let me, in conclusion, reiterate what I have stated. Every day police officers and Crown attorneys decide not to prosecute potential accused. On many occasions charges are not laid, even though the police and the Crown would be fully justified in proceeding to prosecute. It is not, therefore, a question of whether the individual is rich or poor, prominent or not. Rather, it is a question of whether proceedings are appropriate, taking into account the public interest and the fair administration of justice.

Obviously, each decision must turn on the facts of each individual case. In this case, I have concluded that there is no more reason to prosecute Mr. Fox than there would be to prosecute any ordinary citizen caught up in the same circumstances. In my opinion, the public interest and the interests of the administration of justice would not be well served by a prosecution.

ORAL QUESTIONS

REED PAPER

Mr. S. Smith: I have a question of the Minister of the Environment. Can the minister substantiate press reports which indicated that the Premier (Mr. Davis) has held private meetings with officials of Reed Paper Limited and that certain cabinet ministers were present at these meetings? And if he can substantiate that, can he tell us whether there were, among other topics for discussion at the meeting, the following topics: The extension of the control order regarding the Dryden mill of Reed Paper and any intention that the company may have to sell off all its assets in Canada, as reported in the newspapers recently; and finally, any other matter, if he is able to disclose it?

Hon. Mr. McCague: The answer to the first question is yes, the Premier did meet with representatives of Reed. I was there. The matter of the control order was discussed. The other matter was not discussed.

Mr. S. Smith: By way of supplementary, perhaps the minister could tell us what other matters were discussed. Secondly, was any decision taken or any stand indicated with regard to this control order; and is it common for the Premier to meet with companies that are requesting relief from pollution enforcement in this province?

Hon. Mr. McCague: One part of the meeting was in connection with the control order.

I will not divulge the other matters that were discussed. I will tell the Leader of the Opposition that there was no decision made on the matters that we discussed regarding the control order.

Mr. Cassidy: Supplementary: Was this meeting in line with the new policy enunciated in the Throne Speech that the government is preparing to abandon its concerns about the environment in the interests of other aims?

Interjections.

Mr. Speaker: Order. We do have distinguished visitors in our gallery. We have a lot of young people who are listening in on our proceedings. I don't think it does anybody any good to be barracking back and forth. We do have a question-and-answer period. Questioners have a right to be heard; and answerers also have a responsibility to answer in a way that they can be heard. Do them the courtesy of being quiet.

Hon. Mr. McCague: To ask a dumb question like that!

Mr. Nixon: This wouldn't happen in Alberta.

Hon. Mr. McCague: The leader of the third party's misapprehension cannot be answered.

Mr. Gaunt: Supplementary: Will a new control order be issued for the Dryden mill; and if so what will the terms of that control order be?

Hon. Mr. McCague: At this point I have no idea.

Ms. Bryden: I would like to ask the minister if the control order which was issued in 1970, and extended finally to December 31, 1976, has been met.

Hon. Mr. McCague: My understanding is no, it was not met in its entirety. There was a charge laid; the charge was heard, a fine was levied and it was not appealed by either the government or the industry.

Mr. Gaunt: Supplementary: What was the amount of the fine?

Hon. W. Newman: Does the member not read the paper?

Mr. Gaunt: It was not in the paper.

Mr. Lewis: It must have been \$200 at least.

Hon. Mr. McCague: I believe the fine was \$5,000.

Mr. Lewis: A licence to pollute.

Mr. Foulds: Supplementary: How much weight was given to the opinion of the Minister of Northern Affairs (Mr. Bernier), as publicly expressed on February 4, that Reed

should be given an easement of the control order?

Hon. Mr. McCague: I have already indicated the matter has not been dealt with. I did hear, through a person from a radio station that the Minister of Northern Affairs did make some statements. I think they were statements that probably truly reflected the thoughts of the people in his riding, and he is at liberty to do that I presume. We have not dealt with the matter at this point, as I indicated earlier.

Mr. Lewis: The Minister of Northern Affairs doesn't consult with his colleagues before he makes statements.

[2:30]

GRAY COACH-GREYHOUND BUS SERVICES

Mr. S. Smith: I have a question of the Minister of Transportation and Communications, Mr. Speaker. Will the minister report to the House on the results of the meeting that he and his deputy minister held with officials of Gray Coach and Greyhound regarding the specific interpretation of the recent cabinet decision concerning those companies? Could he, while he's at it, explain the rationale behind the pooling proposal which he brought forward, and how it is that he can be so certain that with this pooling arrangement, Gray Coach will remain sufficiently financially viable to carry on its services to the smaller centres of Ontario?

Hon. Mr. Snow: Mr. Speaker, first I might say that there was no meeting held between Greyhound, Gray Coach, my deputy minister and myself. My deputy minister met with the two company representatives. I did not attend that meeting, but there was a meeting held with the senior officials of both coach-line companies and Mr. Gilbert at which clarifications were asked as to the exact interpretation of the orders in council. I understand this meeting was quite successful and that the president of Gray Coach Lines Limited followed up the meeting with a letter to Mr. Gilbert. The letter thanked him for his participation in the meeting and said that Gray Coach Lines were quite prepared to accept, and I believe were quite happy with, the overall results of the review.

Mr. S. Smith: By way of a supplementary, does the minister mean to say that the Gray Coach Lines have expressed satisfaction with the cabinet decision or merely with the nature and tenor of the meeting? Could the

minister please explain to us, or provide for us the figures on which he based his pooling decision so that we can understand the rationale of that decision? Most people have been left rather mystified by what it means.

Hon. Mr. Snow: Certainly since the cabinet decision was announced I have had no indication from Gray Coach Lines or Greyhound Lines that either party were unhappy with the decision of the cabinet.

Mr. Kerrio: Greyhound shouldn't be unhappy; I guess not.

Hon. Mr. Snow: In arriving at the decision, cabinet gave a great deal of consideration to a great many matters, not the least of which by any means is the matter of the provision of service to the public, especially the public served by the bus lines from northern Ontario connecting through to Toronto. It was no simple matter to deal with and cabinet gave a great deal of consideration to it, eventually coming to the decision that it did.

Mr. S. Smith: Will the minister provide the figures?

Hon. Mr. Snow: No, I won't.

Mr. Cassidy: Does that confirm that the government policy recently enunciated on Gray Coach and Greyhound are part of the philosophy of deregulation that was contained in the Throne Speech? And does that ultimately not mean that it is preparing to throw Gray Coach to the wolves in favour of a foreign-owned corporation?

Hon. Mr. Snow: No, that is not the case at all. I think the policy statements which were included in my statement released following the decision of cabinet are quite explicit. They lay down certain guidelines which the board should consider in considering applications for licences.

Mr. S. Smith: By way of a final supplementary for myself, do I understand the minister correctly that he believes his pooling arrangement in no way impairs the financial viability of Gray Coach, and that he has seen evidence to assure himself and his colleagues of that? And if so, why will he not provide the figures on which that decision rests—the evidence that convinced him—for the rest of us in this House to look at?

Hon. Mr. Snow: I might say that the decision of cabinet was that certain routes that had been awarded by the Highway Transport Board to Greyhound Lines of Canada and Eastern Canadian Greyhound Lines, certain of those routes would be pooled with Gray

Coach Lines. Pooling in the bus industry is not a new procedure in any way, as I am sure the hon. Leader of the Opposition is aware. It is a case where, in order to supply a better service to the travelling public, a pooling arrangement is entered into. There are pooling arrangements—for instance, between Greyhound Incorporated of the United States and Gray Coach Lines—that have been in existence for many years, where Gray Coach buses travel beyond Buffalo into the United States and Greyhound Lines travels this way, eliminating—

Mr. S. Smith: We know that.

Hon. Mr. Snow: Well, I didn't know whether you were aware or not because of the questions—

An hon. member: Answer the question.

Mr. S. Smith: Will the minister give us the figures?

Hon. Mr. Snow: Now, if I may explain—

Mr. Reid: Where are the figures?

Hon. Mr. Snow: I have got no figures to hide.

Interjections.

Hon. Mr. Snow: First of all, there are no figures available because—

Mr. Reid: Why didn't the minister say that?

Hon. Mr. Snow: All right, now, just a moment.

Mr. Speaker: Order.

Hon. Mr. Snow: You don't want the answer, obviously.

Mr. Reid: The minister has given us three different answers.

Mr. Speaker: The member for Rainy River doesn't have the floor.

Hon. Mr. Snow: He doesn't have the answer either.

First of all, Mr. Speaker, the routes that were to be pooled: it was in the order in council that of the, I believe, it is four routes per day between Toronto and Buffalo, of which two were to be pooled, Gray Coach Lines were to have the first choice of the four routes. Obviously, I expect they will choose the particular trip, the time of day, that they feel will be the most profitable route because they will get the profit from that route. Greyhound Lines, I believe, have the choice of the second route that will be pooled.

Mr. S. Smith: The minister must have looked at numbers to assure himself of its viability. What is the number?

Hon. Mr. Snow: The same takes place with the pooling of the routes to Sudbury. I am

convinced, Mr. Speaker, that the pooling of these trips will afford the best possible service to the public of Ontario. There will be no need to transfer buses. There is no secret about the fact that since the awarding of these licences, Greyhound Lines have doubled the service available to the communities on the north shore of the Great Lakes from Thunder Bay to Sudbury and there is no doubt that the people in those communities want that service continued.

Mr. Warner: Squeeze Gray Coach out of business.

Mr. S. Smith: There are no numbers; you are not going to give numbers.

Hon. Mr. Snow: We have supplied a solution that will allow that service to continue. It allows a sharing of the revenues and the profits; and I have to say, Mr. Speaker, that although I haven't had any direct indication from Gray Coach Lines, the letter that was sent—

Mr. Warner: The profit goes south of the border.

Hon. Mr. Snow:—to my deputy minister indicates that Gray Coach are prepared to accept and are reasonably happy with that solution.

Mr. Kerrio: They have no choice.

Mr. Philip: Supplementary: In the light of the uncertainty caused by the statements by the Treasurer (Mr. McKeough) about privatization and deregulation which were re-echoed in the Speech from the Throne, and in the light of the fact that the minister has not yet given us any projections on the turn-around financial condition that Gray Coach will be in as a result of this decision, will the minister at least table in the House the government's position on public transportation in this province, and indicate where the government's policy is going in terms of public transportation here in Ontario?

Hon. Mr. Snow: In the statement that I released, following the Gray Coach/Greyhound decision, certain principles of statement of policy of the government were included in that statement. I also included in that statement a statement that I would be introducing legislation—an amendment to the Public Vehicles Act—in the House. This I expect to do next week or at least within a few days; it will provide for the formal transmission of government policy recommendation to the board. I will be doing that.

HYDRO CONTRACTS

Mr. Cassidy: I have a question of the Deputy Premier and government House leader

in the absence of the Premier (Mr. Davis). Can the government state whether it intends to heed the view taken by a clear majority of the select committee on Hydro that it is not in the public interest of Ontario to conclude the proposed contract with Denison Mines which would extract a windfall profit of at least \$1.6 billion from hydro consumers and the taxpayers of this province?

Hon. Mr. Welch: Mr. Speaker, I am unable to respond to that, not knowing whether the Premier has received the correspondence as yet.

Mr. MacDonald: He has.

Hon. Mr. Welch: I would assume that once he has received some correspondence from the committee to which the matter was assigned, he will be responding in due course.

Mr. Cassidy: Supplementary—and I put this forward partly for the Premier's benefit: In view of the recommendations of such well-known socialists as George Gathercole, former chairman of Ontario Hydro, the vice-president of Consolidated Edison of New York City and the Hydro officials who prepared the report for Project Wellesley, that it is emphatically in Ontario's interest to acquire the source of supply for the province's nuclear generating stations, and in view of the finding of the staff of the select committee that acquisition of Denison is as economically attractive now as it was in 1975, is the government prepared to move at once either to the acquisition of Denison or to the acquisition of Denison's uranium assets?

Hon. Mr. Welch: I can't add anything further. I am sure the Premier will be making a statement on this matter in due course.

Mr. Cassidy: Supplementary—

Mr. Speaker: There is no useful purpose to continue to ask supplementaries when, in effect, the hon. acting House leader has said there is nothing further to add. I will hear the hon. member's second question.

Mr. Conway: Only acting House leader now?

Mr. Martel: He's been demoted.

Mr. Cassidy: Will the Deputy Premier assure the House that a statement will be given to this Legislature by the Premier before action, such as the signing of a contract, is in fact undertaken by the government?

Mr. Speaker: I will not permit an answer. The hon. government House leader has said that he has nothing further to add. I will hear the hon. member's second question.

Hon. Mr. Rhodes: Let's have a debate.

Mr. Deans: Would you like a debate? I'd like a debate.

USE OF PCBs

Mr. Cassidy: A question to the Minister of the Environment: In view of the information that Ontario's roads are being oiled with six million gallons a year of waste lubricants that are contaminated with highly toxic PCBs, polychlorinated biphenyls, will the minister give an immediate assurance to this House that this irresponsible practice will be terminated forthwith?

Hon. Mr. McCague: No, Mr. Speaker, I won't give that commitment. We need to do further studies. As the hon. member will realize, there won't be road oiling for a few weeks yet. We want to do further investigation and at that time we will make the decision as to whether it should or should not be discontinued.

Mr. Warner: After 30 years.

Mr. Cassidy: Supplementary: Can the minister state how long the ministry has been aware that the contamination has been taking place and what tests have been undertaken by the ministry to determine what damage has resulted to the health of road workers, to wildlife, to livestock and in the form of pollution of drinking supplies?

Hon. Mr. McCague: I can't agree with those assumptions that have been made. We are going to study it.

Mr. McClellan: You mean you haven't studied it?

Mr. Warner: For 30 years you poured the oil out and never studied it.

Hon. Mr. McCague: Better study what the hon. member is pouring out.

Hon. Mr. Rhodes: Talk about pollution!

Mr. Martel: It will be more than the drivel that's coming right now, I can assure you.

Mr. Warner: I apologize for waking the minister up.

Mr. Speaker: Order. I cannot hear what is being said.

Hon. Mr. McCague: Mr. Speaker, we are going to study the matter further. If it is a hazard, the practice will be discontinued.

Mr. Warner: We know it is.

Hon. B. Stephenson: You don't know that!

Mr. Deans: Since we don't know that, would the minister agree not to continue the practice until after the study has been completed?

Mr. Conway: Deans for leader.

Hon. Mr. McCague: I hope the hon. member understands that we are not oiling roads at this time of year.

Mr. Deans: I understand it is winter. Okay?

Hon. Mr. McCague: We will be studying the matter; if there is a problem with it so that it appears dangerous to health, to water, to wildlife or what have you, the practice will be discontinued this year.

Mr. Deans: But will the minister agree not to do it until he finds out?

[2:45]

Mr. Martel: Supplementary to the minister: Will the minister table those studies which have already been done? And will he indicate to us when he will be prepared to—or if he is prepared to table the reports of the studies which are going to be undertaken?

Mr. Foulds: How long will it take?

Hon. Mr. McCague: Yes, there will be a press release today, accompanied by the data that we have. It's not a report. There is data and that will be given to the press and tabled and any further reports we have will be public knowledge.

HYDRO CORRIDORS

Mr. Reed: My question is for the Minister of Energy. With the disturbing revelations in recent Toronto Star editions concerning Hydro corridor construction alleging Hydro bungling and government favouritism through five years, and understanding that the new load forecast takes the urgency temporarily off the system, will the minister, one, declare a moratorium on construction of the parts of the line not yet up; two, will he undertake immediately to correct the injustice his predecessors have refused to correct, and three, will he formulate a procedure for corridor acquisition which is fair and understandable and which will prevent this tragedy from ever happening again?

Hon. Mr. Baetz: I think perhaps in that question there were at least six questions.

Mr. Kerrio: Take your time.

Hon. Mr. Baetz: I will try to answer them if I can recall them all.

Mr. Reid: Try to answer one. That will be better than yesterday.

Hon. Mr. Baetz: The first referred to a series of articles which have just appeared in the Toronto Star and which I would describe as accusations through innuendo. There is nothing new in those articles whatsoever.

Mr. Warner: No, the bungling is old.

Hon. Mr. Baetz: Nothing. If the hon. member would look into Hansard for November

1976, he would have seen a rather complete statement on some of the subject matter to which those articles alluded—

Mr. Sweeney: You still haven't changed that.

Hon. Mr. Baetz:—and he would have seen that fully explained by my predecessor, the Minister of Energy at that time, the Hon. Dennis Timbrell.

Mr. Foulds: Bring back Jim Taylor.

Hon. Mr. Baetz: It's all in Hansard. There are no secrets. The accusation is through innuendo. As far as your talking about the fumbling, the bumbling of Hydro in establishing transmission power lines—

Mr. Cassidy: You were such a nice fellow before you came into this place.

Hon. Mr. Baetz:—that is a premise that I do not accept.

Mr. Lewis: Does the ministry do it to the incumbent or does the incumbent do it to the ministry?

Hon. Mr. Baetz: I do not accept this for a number of reasons. One, of course, is that the transmission line that was finally decided on was based on Dr. Solandt's recommendation—

Mr. McClellan: That portfolio is a contagious disease.

Mr. Samis: Tayloritis, Reuben.

Hon. Mr. Baetz:—Dr. Solandt is the person who was given charge of the environmental aspects of the line.

It would appear as if it's almost a no-win situation. You complain when Hydro follows the transmission route it thinks is in the best interest of the public. You complained then that there was no Solandt study done. When Hydro then follows the Solandt study, you complain that that's the wrong route to follow. There's just no end to your complaining.

Mr. Warner: It just shows you how wrong you are over there.

Mr. Nixon: You can't make up your minds.

Mr. Speaker: Order.

Mr. Deans: It is possible that you might be wrong.

Hon. Mr. Baetz: I would also say that I have looked at all of the procedures and all of the legislation which governs the expropriation, which governs the determination of where these hydro lines should go. I am satisfied that there is legislation in place to protect the best interests of the Hydro consumers and also the people through whose property the lines do go. If we here feel, in

spite of all the legislation that has been enacted, that there are still loopholes which create some injustice for some people through whose property the hydro lines go, I would like to hear about it and I will certainly take steps to introduce legislation to fill those loopholes. I am as concerned as anybody that Hydro does not intimidate nor even appear to intimidate the people whose property it crosses. We are as much concerned about this as anybody across the floor.

Mr. Cassidy: Then why didn't the government state it years ago?

Mr. Riddell: Speak to Darcy.

Hon. Mr. Baetz: And please let's look at the procedures and policies.

I can also say that Hydro has done everything to avoid inconveniences and personal hardships. As a matter of fact, I was encouraged yesterday, and somewhat amused, to find that Hydro even changed its hydro transmission lines somewhat to make way for the West Virginia butterfly, so that it can get back to West Virginia—

Mr. Warner: The minister should have an electric chair.

Mr. Martel: That's a ministerial statement.

Hon. Mr. Baetz:—because naturalists felt that the hydro line was going to go through a woodlot near your neighbourhood where the West Virginia butterfly was hibernating.

Mr. Sweeney: That's great for butterflies; what about people?

Mr. Reed: Supplementary, Mr. Speaker?

Mr. Speaker: I hope the supplementary is somewhat shorter than the original question—and the answer.

Mr. Reed: Mr. Speaker, I will be brief and to the point. If the minister is so righteously indignant about the correctness of the procedures used by his predecessors, and by the procedures used by Hydro in the acquisition of the corridor, then why is he agreeing to meet with the citizens to discuss the problem once again? Since his own ministry has agreed that Dr. Solandt did not study the north-south route, why is he standing up in the House now and once again claiming that he did?

Mr. McClellan: Okay, Reuben, it's your turn.

Mr. Speaker: Order.

Hon. Mr. Baetz: The line I referred to was the east-west line and Dr. Solandt did study that route.

I have agreed to meet with the interested citizens' group because I happen to believe in citizen participation.

An hon. member: You must be joking.

Hon. Mr. Baetz: That is the reason—I want to hear what they have to say.

An hon. member: Afterwards.

Mr. Warner: The minister has already made up his mind.

Hon. Mr. Baetz: And I have also told them my door is open at any time, at any time they can come—citizens' groups with credible alternatives to things as they are now.

Mr. Kerrio: Be careful of the butterflies.

An hon. member: Is it an open-door policy?

Hon. Mr. Baetz: I am prepared to listen and I am prepared to open up the matter with cabinet.

Mr. McClellan: The minister should nationalize Hydro.

CANADIAN JOHNS-MANVILLE PLANT

Mr. Mackenzie: A question of the Minister of Industry and Tourism: Now that the name of one of the principals in the purchase of the Canadian Johns-Manville plant in North Bay, a Mr. Paul Lechlitrer is public knowledge, and in view of the concern this has generated among the employees of the plant, has the minister looked into the matter? Has he investigated the past track record of this gentleman? Has he received any guarantees that the plant will continue to operate and the jobs of the workers will be protected?

Hon. Mr. Rhodes: Mr. Speaker, no, I haven't had an opportunity to check into the background of that particular gentleman because I became aware of his name—I am assuming—when the hon. member did.

Mr. Peterson: You have been making too many speeches, John, that don't make sense.

Hon. Mr. Rhodes: We will inquire as to whether or not he does have a record that—as suggested—is not good. I have no reason to believe that.

As far as the sale of the particular firm is concerned, this is a matter of a decision that was made by the owners—Canadian Johns-Manville—who determined that they wished to sell for a particular price to this gentleman. So I really have not interfered in what was a private transaction between these two business people.

Mr. Mackenzie: Supplementary, Mr. Speaker: Would the minister then be prepared to intervene on behalf of the employees who also wished to purchase the plant in a partnership arrangement, and who have apparently put up at least the same price and who would certainly have a stake

in continuing to operate a successful plant at that location?

Hon. Mr. Rhodes: No, Mr. Speaker, I would not intervene in this particular matter. I think this is a business deal between two principals. I am assuming that we are still living in a society where, if you wish to sell something you own, you may sell it to whom you wish.

Mr. Cassidy: Including selling out the province.

Hon. Mr. Rhodes: Kind of a shock to you, Mike?

Mr. Makarchuk: Supplementary to the same minister: In view of the fact that allegations were made by the workers that there is an effort on the part of the company to phase out production—to stop production or terminate production—of that plant, and allegations that personnel are being let go, allegations that everything is being done to stop the operation of the plant when at the same time another company, Tembec, was prepared to move in there to continue the operation and expand the operation, would the minister not feel that it's his responsibility to see that those jobs are preserved and perhaps a greater number of people are employed in that plant?

Hon. Mr. Rhodes: Mr. Speaker, as I told the previous questioner, I intend to check on the principals who are making the purchase, because there have been some allegations—unsubstantiated I might add—about their track record. Quite frankly, Mr. Speaker, I think you would appreciate, as I hope the hon. member would, that if I start running around this province checking out every allegation that is made by somebody we are going to be awfully busy. These are only allegations—

Mr. Warner: We don't expect you to be busy.

Mr. Martel: Don't travel as much as Claude and look after things at home.

Hon. Mr. Rhodes:—and the member cannot substantiate the allegations at all.

HYDRO POLICY

Mr. Peterson: A question of the Minister of Energy, Mr. Speaker: Since the Minister of Energy upon his installation as minister expressed some unhappiness and discomfort with the relationship between the ministry and Ontario Hydro, could he update us please on what his thoughts are and what policy he is evolving to forge a new relationship with Ontario Hydro?

Mr. Warner: You are going to nationalize it.

Hon. Mr. Baetz: Mr. Speaker, perhaps I might be permitted to answer that rather general question in a very brief way. I would like to assure the hon. member that since coming into my ministry I have had the closest and most cordial of relationships with Hydro; in particular, the chairman of the board. I intend to keep this on a daily basis.

Mr. Deans: That's what happens to all of the new ministers.

Hon. Mr. Baetz: Is that the answer?

Mr. Deans: That's the answer.

Mr. Conway: Dinner and dancing—it always starts that way.

Mr. Deans: That has happened to every single minister.

Hon. Mr. Baetz: You are losing, that's why you want it to stop.

Mr. Cassidy: You get sucked in in three weeks.

Mr. Speaker: Order. Order. We are having enough trouble with the sound system as it is without all of the barracking back and forth.

Hon. Mr. Baetz: I think under the circumstances I would like to answer that question in fuller detail to the hon. member opposite perhaps when we are together some time, because obviously some of his colleagues aren't interested in the answer anyway.

Mr. Peterson: It's not easy for me but I apologize for these people, Mr. Speaker.

Mr. Eaton: That's why you're not leader.

Mr. Peterson: I think it is a very important question, Mr. Speaker, and I would like to pursue it with some degree of seriousness in this sense. Since it has been revealed, I think after the fact, that certain very important projects were not brought to the ministry's attention, is the minister going to trust on just personal relationships or is he seeking to formalize that relationship in some more direct way, as, for example, placing the deputy minister or himself on the board of Hydro? Is he looking to that kind of thing? Is he looking at changes in legislation? Or is he going to just have the same old trust that his previous and long-departed predecessor had in this job?

Hon. Mr. Baetz: Mr. Speaker, certainly the formal relationships between government and Hydro are spelled out in the various pieces of legislation. I agree, however, that neither those pieces of legislation nor any kind of formal understanding that we may draft through a memo of understanding or what-

ever other format is enough, and that what we do need is a daily personal contact between the Minister of Energy and the chairman of the board of Hydro. We have established that contact and we will certainly continue it; at least, I am sure we will. I have no reason to believe it will not continue, and I am getting the information that I have been expecting.

Mr. Deans: That's what Jim Taylor used to think.

Mr. Warner: It runs by itself.

Hon. Mr. Baetz: As far as a more formal step whereby the Minister of Energy or somebody on the minister's staff should be on the board of directors of Ontario Hydro, maybe I can be persuaded otherwise, but certainly at this moment I don't think that is a very desirable modus operandi and certainly I am not persuaded that the arrangement—

Mr. Martel: They put Jim Taylor on the board.

Hon. Mr. Baetz: —in Saskatchewan where the Minister of Energy is in fact as I understand it also the chairman of—what is it, potash or one of the other companies—I don't think that's a suitable relationship at all.

Mr. Warner: Not for you.

Hon. Mr. Baetz: So I would like to continue as we have started in the last few weeks. I think it may work that way.

[3:00]

Mr. Warner: It runs by itself. Why don't you nationalize it?

Mr. Reed: Mr. Speaker, is the minister satisfied that he is going to do any better in terms of extracting information than his predecessors without improving the relationship in a more formal sense or through a more formal mechanism? How can he be sure that—

Mr. Speaker: The question has been asked.

Mr. Reed: —the strength of his own obvious personality is going to prevail here?

Mr. Martel: Just say yes.

Hon. Mr. Baetz: I think, Mr. Speaker, you said the question has been answered. Did I hear you correctly, sir?

Hon. B. Stephenson: No, he said the question was asked.

Mr. Speaker: No, I said the question was asked.

Hon. Mr. Baetz: If it has been asked previously it has also been answered, yes.

NUCLEAR WASTE

Mr. Foulds: Mr. Speaker, I was going to direct a question to the Minister of Energy

but I think I'll switch to the Minister of the Environment in the hope of getting an answer.

I'd like to ask the Minister of the Environment if he or his colleague, the Minister of Energy, has made any representation to the federal government and especially to the House of Commons committee on national resources and public works with regard to the Hare report, The Management of Canada's Nuclear Wastes, and that particular committee's search for a nuclear waste dump site, possibly in northwestern Ontario?

Hon. Mr. McCague: No, Mr. Speaker, I have not made any representations on that report.

Mr. Foulds: Supplementary: Does the minister not think that it is a responsibility of the province at least to have some stand and position with regard to nuclear waste disposal and the location of that in the province? Also, would such a disposal site be subject to the Environmental Assessment Act? What assurances can the minister give the people of this province, no matter where the dump site is located, if in fact one is located, that it will be environmentally sound for the quarter million years which is the life of the radioactive and damaging wastes?

Hon. Mr. McCague: I presume the member is referring to disposal sites away from the actual plant.

Mr. Foulds: That's right.

Hon. Mr. McCague: First, I would say that there were some staff people from my ministry, I think, working along with that report. The answer about environmental assessment would be yes. I understand that a federal review also would be necessary.

Mr. Kerrio: Supplementary. Mr. Speaker: Would the minister think it would be in the best interests of the people of Ontario for him to become involved in the earlier stages of negotiating for the uranium to make some kind of an agreement as to the disposal of these huge quantities that we will be involved with, particularly as we're looking at these contracts on the table now?

Hon. Mr. McCague: I think that's a matter that could be left with Energy, but no doubt they would be consulting with our ministry.

OMB HEARINGS

Mr. Epp: Mr. Speaker, I have a question for the hon. Attorney General. He was here a minute ago. I'll direct it to the Deputy Premier. In view of the fact that one of Kitchener-Waterloo's leading builders is leaving the area because of what he describes as

"increasing regulations and bureaucratic crap"—

Mr. Martel: Oh, my! The language.

Mr. Epp: —and because of the fact that he is not the only one who is leaving the area—

Hon. Mr. Timbrell: Elie, did you write that question?

Mr. Epp: —because of the great bureaucracy that we have in the province and going to the United States in order to build homes there—

Mr. Swart: A good corporate citizen. Support him.

Mr. Epp: —where they are able to expedite zone changes within about three months, and in view of the fact that the Ontario Municipal Board sometimes takes three months to establish a hearing date and another three months or more to have a hearing, I wonder if the Deputy Premier could indicate whether he has any plans to expedite hearings. Secondly, if he does not have any plans, would he be prepared to expedite those hearings to make them one or two months rather than six months or more?

Hon. Mr. Welch: I would be very happy to refer that matter to the Attorney General (Mr. McMurtry) and have him respond to that at his next opportunity.

DARLINGTON NUCLEAR PLANT

Mr. MacDonald: I would like to ask a question of the Minister of Energy, first to clarify a reply he gave yesterday and then, following that, a specific question.

In replying to the Leader of the Opposition (Mr. S. Smith) yesterday, he made the comment that the projected load forecasts of Ontario Hydro "have not been accurately assessed by Hydro." My understanding is that once those forecasts are made, and on the basis of those forecasts, Hydro then assesses and reviews its construction program. Am I correct in my assumption that government policy with regard to the exemption of environmental assessment in Darlington or anything else is awaiting that assessment of the construction program? If so, would the minister table in the House the various options that are now being considered by Hydro—such as a delay of one, two or three years for Darlington; such as the elimination of Wesleyville because it is founded on domestically outmoded and priced-out-of-the-market oil; and so on? Would he list the options that are now being considered?

Hon. Mr. Baetz: I appreciate the fact that

the hon. member for York South has clarified a statement I made yesterday. It is correct, as he has indicated, that I was referring to the assessment of the reduced load forecast on construction plans and future expansion plans. As the hon. member has suggested, the forecast work load of Hydro is decided by the board of directors of Hydro so there is no further guesswork about that. They have indicated it's thus and so. It is the impact of that reduced load on the building programs and on the expansion programs of Hydro that is under assessment.

As to the second part of the question, the very point that the hon. member has raised as to what Hydro needs to look at now, the various scenarios: Do we go ahead at Darlington? Do we go ahead at Wesleyville? Do you do this? Do you do that? Do you do the next thing? All the variables that get into this. This is exactly the kind of work that Hydro is engaged in at this very moment. But Hydro has told us that it cannot bring to us a detailed report for another several weeks. That is what we are waiting for, and I think really it is in the best public interest if we do not engage in too much speculation and conjecturing here as to what might happen until we have this specific information from Hydro.

Mr. MacDonald: Supplementary, Mr. Speaker: In view of the fact that those scenarios include the possibility of the postponement for one, two, even three years on Darlington's part, why is the minister delaying further? Why could he not cancel the exemption order and get on with the environmental assessment?

Hon. Mr. Baetz: As I tried to indicate yesterday, I think for this government at this stage, not having all of the facts from Hydro that we are awaiting, to unilaterally make a decision on Darlington would be irresponsible. I, frankly, would not recommend it.

Mr. Martel: How would it be irresponsible?

CHILD ABUSE

Mr. Roy: Mr. Speaker, in the absence of the Premier (Mr. Davis), I would like to ask this question of the Minister of Community and Social Services. It has to do with the unfortunate situation in Ottawa involving Adrienne Paquette whose mother pleaded guilty to criminal negligence causing death in early January of this year. I would like the minister to advise whether he agrees with the official of Children's Aid in Ottawa, Mr. Messner, when he indicates that section 43 of the Criminal Code makes it exceedingly

difficult to protect children from parents? The protection given under section 43, according to him, is more favourable towards the parent than it is to the children. Secondly, is the minister looking into the situation in Ottawa with Children's Aid and a budget cut that has been imposed by his ministry that makes it exceedingly difficult to find adequate foster homes for children who find themselves in this situation?

Hon. Mr. Norton: With respect first to the first question, I have not seen in its entirety the statement that the director made. I had heard that he had made reference to that section of the Criminal Code. Although I have not formally assessed the statement at this point or assessed the impact of that section, I do agree in essence with what I understand he was directing himself to, that is, the whole question of the rights of children with respect to assault. There is surely a very serious question as to why a distinction should be made between a child and an adult when they are the victim of an assault. I would agree that that is a very real concern which should be addressed by the federal government as it is within their jurisdiction under the Criminal Code.

As the member knows, we are addressing in our proposals that are under discussion at the present time and which, hopefully, will be part of the law reform package, some aspects of the whole issue of child abuse and the rights of children. Again I have not received a formal complaint from the director on the question of the problems that he might be experiencing with respect to foster homes. The budgets for this coming year are currently being reviewed. We have received the preliminary estimates from most societies now and in fact have responded to almost 40 per cent of them; I do not know the exact number at this point. We will have a much earlier resolution of budget questions this year, hopefully within the next month or so.

I am not aware of it but I will check into it to see whether that particular issue has been raised in the course of discussions with that society about their budget allocations for this coming year.

Mr. Roy: May I ask a supplementary question to say to the minister, in view of his response, I am somewhat surprised that since similar situations have taken place in the Kawartha Lakes area, Guelph, Sarnia and Toronto, and now in Ottawa, that his ministry and himself as minister have not made representation to the federal government pertaining to section 43 of the Criminal Code and the concern expressed by the people in Children's Aid that Crown attorneys will not even

look at certain prosecutions under this section except in very serious situations.

Secondly, is the minister not aware of the situation in Ottawa where apparently no assistance or proper temporary home could be found for this youngster, Miss Paquette, except for a five-month period with her grandmother?

Hon. Mr. Norton: I understand there was some difficulty experienced by the society in that particular case. I would also indicate that that particular case is still actively under investigation by the children's services division of my ministry. There are other aspects of the handling of that case that I am not happy with that don't necessarily relate to the availability of a foster home.

Mr. Lewis: Supplementary: Since a number here have been a little unhappy with the actions of the Ottawa Children's Aid Society on this and some related matters, is it possible that the minister would consider instituting in the Paquette case what he has instituted today in the case of Kim Anne Popen and at least, if not a judicial inquiry, have some kind of more formal investigation that extends beyond the children's services division?

Hon. Mr. Norton: As soon as I have information indicating that that is desirable and necessary in this case, I would certainly consider any alternative that is necessary to completely clear up the situation. I would point out that it is my information, following this particular case, the Ottawa Children's Aid Society has instituted a revamped and new procedure with respect to handling of child abuse cases. Those are part of what is at present under further investigation by my ministry in an assessment as to their effectiveness. I have been assured by my staff that I will have a full report on that within the next two weeks. I would hope at that point to be in a better position to assess whether any further investigation is necessary.

[3:15]

It's rather different from the situation in the Popen case because, as I indicated earlier, there was information that I think was not available to me or to members of the opposition that came to my attention as recently as a couple of days ago, at which time I immediately decided that a judicial inquiry was necessary. Further, I'm not in a position to fully discuss the details of it because of the implications for individuals who have not yet had an opportunity to be heard.

Mr. Lewis: No one pressed you.

Hon. Mr. Norton: I agree. But there is one issue that has come out in this case that may also explain better for me why I did not have adequate information earlier in this case.

Mr. Roy: In view of the fact that the sentencing of this matter is going to take place tomorrow, and in view of the fact that the Crown attorney in this particular case apparently has subpoenaed the officials of the Children's Aid Society, would the minister advise whether his ministry is taking advantage of this situation possibly to monitor the evidence that's given before the court at that time? Secondly, can he advise whether some of his officials will be down there to assist the court and to give some explanation as to how a situation like this could be allowed to happen again in this province?

Hon. Mr. Norton: I have requested that two officials from my ministry be present at the hearing tomorrow. They have not been requested at this point, to the best of my knowledge, to participate in the hearing but they certainly will be there. They are also the two individuals who are conducting the investigation.

BELL CANADA

Mr. Swart: My question, Mr. Speaker, is of the Minister of Transportation and Communications. The minister is aware, is he not, that Bell Telephone is asking the CRTC for authority to increase its rates for residential customers by 20 per cent, for business customers by 28 per cent and for other services even more than that. This will mean that there will be some additional \$200 million charged to the residents of this province. I would ask the minister if he doesn't think that's an unconscionable request in these times. Also, is he going to intervene vigorously at the CRTC hearings on behalf of the citizens of this province to prevent that kind of an increase?

Hon. Mr. Snow: Yes, Mr. Speaker, I can assure the hon. member that my ministry will be appearing at the CRTC hearings.

Mr. Warner: On whose side?

Hon. Mr. Snow: We have received a considerable amount of data relating to the requested rate increase, which does seem very substantial. My staff are assessing this at the moment and will be preparing our submission. We certainly will be appearing at the CRTC hearings on behalf of the residents of the province of Ontario to make

sure that no larger increase is granted to the Bell Telephone Company than is absolutely necessary.

Mr. Martel: You should recommend a cutback.

Mr. Swart: By way of a supplementary, could I get some more specific information? With the 9.5 per cent residential rate increase granted Bell last July and with the resultant 13 per cent increase in Bell's profits for the last quarter of last year, will the minister give a commitment to this House that he will fight to see that the increase granted does not exceed at least a six per cent guideline level?

Mr. Martel: Cut it back.

Hon. Mr. Snow: I can't give any commitment to the hon. member or to this House that the increase will not exceed a specific limit. As the hon. member surely knows, the CRTC and the federal cabinet will decide what that increase will be.

Mr. Cassidy: You sure jumped on wages, you know.

Mr. Martel: It's easy to get that done. Even the Minister of Labour wouldn't support the workers.

Hon. Mr. Snow: What my staff will be doing in attending those hearings is asking very probing questions into all matters of the request for the increase to make sure that it is not higher than necessary.

Mr. Swart: I have a very short supplementary. Would the minister not agree that a maximum six per cent increase would be a reasonable goal within the policy his government has taken?

Hon. Mr. Snow: Not necessarily, no.

Mr. Cassidy: The workers are one thing; Bell is another.

TOURIST RESORT SIGNS

Mr. Eakins: Mr. Speaker, I have a question of the Minister of Transportation and Communications. With the latest figures showing a very great increase in the tourism deficit in Canada, and since Ontario stands to lose a great deal, what justification is there for his ministry to introduce new directional resort signs at this time, when the resorts in Ontario are fighting for survival?

Hon. Mr. Snow: The reason we are introducing a new signing policy and a complete new format of signs for tourist establishments is because we have been requested to do so by the tourism industry, which has been working together with the Minister of Industry and Tourism (Mr. Rhodes) and with

our ministry to get better, more concise, more attractive signs than the present format being used, which was established over 20 years ago.

Mr. Eakins: Supplementary: Is this program mandatory immediately—is there a delay period? And did the minister have the approval and support of the Ministry of Industry and Tourism and also Resorts Ontario, the voice of the Ontario tourism industry?

Hon. Mr. Snow: I personally didn't meet with Resorts Ontario, Mr. Speaker, although I did meet with people from the tourism industry, or segments of it, who asked to meet with me. I don't believe I met with the organization known as Resorts Ontario, but we did certainly prepare this new policy in conjunction with and with the support of the Minister of Industry and Tourism.

I might say that I don't think there's any objection from anyone as to the format of the new signs and the purpose for which they are being developed. The concern of some of the tourist operators that I have heard is that the cost is going to be higher than that of the old signs. The old signs have been at the same price for something over 20 years—20 or 22 years. There has not been a change in the cost of putting up a sign for an establishment or the cost of its maintenance.

To answer the other part of the hon. member's question, we obviously won't be—I don't believe we will anyway—changing all the signs at one time and I don't believe it will be mandatory. We will be working with those people to do it on a phased basis because it would be physically impossible to change every sign at one time.

But the new signs are very attractive. They are more costly, unfortunately; we are still not recovering the full cost to our ministry of the new signs, but we feel we should get a substantial portion of the cost of putting up and maintaining these signs for the private operators from them rather than from the public purse.

MINE DEATH INQUIRY

Mr. Germa: Mr. Speaker, my question is for the Solicitor General, and it's with reference to the coroner's inquest into the death of Mr. William Irving who was killed on February 16 at the Froot mine of Inco Limited in Sudbury. Is the minister aware that the coroner, Dr. Bloomfield, is desirous of having the jury visit the site on the 2,600 level of Froot? And is the minister aware that Inco has responded by saying that if the jury does visit the site, they would not guarantee their safety; secondly, that the

jury would have to be all male; and thirdly, that the jury would have to be all young and healthy?

Mr. Mackenzie: That's Inco.

Mr. Germa: Will the minister intervene on behalf of the coroner to ensure, first, that the work site is preserved for viewing by the jury; and would he also take steps to convince Inco that they should in fact take steps to guarantee the safety of the jury when they do visit the site?

Hon. Mr. Kerr: Mr. Speaker, I was aware of the incident that the hon. member has mentioned and also the fact that there would be an inquiry. I wasn't aware of the conditions that have been laid down by the company in respect to—

Mr. Martel: What right have they got?

Hon. Mr. Kerr: —visiting the particular mine. I will discuss that with the chief coroner and decide what should be done to make sure that the inquest is properly carried out.

Mr. Speaker: The time for oral questions has expired.

MOTIONS

SITTINGS OF HOUSE

Hon. Mr. Welch moved that commencing on March 1, this House will not sit in the chamber on Wednesdays unless otherwise ordered.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Mr. Speaker, just before calling the orders of the day, it is usual on Thursdays that the government House leader give some indication as to the business of the House for the ensuing week. Perhaps it would be sufficient at this stage to indicate that next week will be pretty well occupied with the first order; that is, the adjourned debate on the motion relative to the Throne Speech. The House will sit on Monday afternoon, Tuesday afternoon and evening, Thursday afternoon and evening, and Friday morning; and after the routine proceedings will devote all that time to the Throne Speech debate.

ORDERS OF THE DAY

THRONE SPEECH DEBATE

(continued)

Mr. S. Smith: Mr. Speaker, I am very pleased to have the opportunity to respond to this motion and to deal with items that were in the Throne Speech and with items which

ought to be of concern to every Ontarian at this time.

I would say for the benefit of members that during my discussion I will have a few introductory remarks, some remarks regarding the economy, some remarks regarding the uranium contracts recently discussed in select committee, and some remarks regarding the place of the French language in Ontario. I would expect, also for the benefit of members, that my remarks probably will conclude somewhat after 4:30 p.m.; perhaps around 4:40 p.m.

To begin with, our feeling about the Throne Speech—and certainly this is the way it struck me—is that although there were some reasonable efforts made to tie up some of the loose ends that remain from years gone by, there was very little in the speech, if anything, to give us a sense of what direction this government feels is the appropriate one for the province of Ontario.

There is a certain amount of housekeeping in the bill, and some of it is good. But in general the Throne Speech, it seems to me, lacks that sense of direction; that sense of where this government hopes to take Ontario in the near future, while it has responsibility for its affairs, and where it hopes ultimately the future of Ontario will lie for the benefit of our young people, the people finishing their education now, and the people among whom uncertainty and worry is very much a part of their lives right now.

There is no clear idea that this government understands why we are in the difficulties that currently beset us. Nor is there any clear idea that the government has any real sense of the direction to take in order to surmount these difficulties. There is most certainly no willingness on the part of the government to accept responsibility for the difficulties, but in the real world of politics that would be too much to ask.

I feel disappointed—I guess that would be the main word, disappointed—in the Throne Speech because of the fact that there is no real indication of where we are going. There is no clarion call to the people of Ontario to get behind the government in the pursuit of some noble purpose, in the pursuit of some new direction, in the pursuit of some newly understood, or even newly-to-be-explained policy and explanation for what has happened to us at this point.

I believe that we are a nation of very fine people and that Ontario need at no time take a pessimistic view. My personal belief is that Canadians have surmounted difficulties before; that in many ways we have come through much worse times than those which

currently are upon us; and that the people of Ontario, given proper leadership, have the ability, the resilience and the dynamism to overcome whatever our difficulties are at the moment.

My great feeling, however, is that we are not being shown the leadership in this province to enable us to galvanize our energies and to aim at something a little better than that which we have at present. I'll have more to say about this with regard to the economy of our province.

[3:30]

I want to make passing mention, however, of a couple of statements in the Throne Speech which caused me some considerable uneasiness. Perhaps I'm reading more into the phrasing than deserves to be there and I hope that my anxieties will in some way be assuaged as time goes by. But I'll point out that there was a statement with regard to health care, suggesting that somehow we, as individuals, are going to have to take more responsibility for our health care.

I'm not too sure what that means. I have this vague suspicion that the government was not referring merely to a collective notion that perhaps we should cut down on our smoking or our over-eating. I have this nagging suspicion that the government has in mind hitting us in the pocketbook in some way. Considering the recent report which was released with regard to health care, which made it very clear that the administration of health care has been a shambles for some time, I trust that the punishment for this shambles and the remedy for it will be sought first of all in the administration and not first of all among the patients and the ordinary citizens of Ontario.

Again, there is the possibility that I may be reading in more than deserves to be read, but I see in the statement that there is somehow going to be a new balance struck between the protection of the environment and the provision of jobs. I see a slightly dangerous chord being struck there, because unless the government is simply admitting that its present legislation is unbalanced in some way, I have the feeling that the temptation to go abroad among the populace, at a time when people are very legitimately concerned about jobs and when people can truly understand in plain terms what a job is and what unemployment is; the temptation to cater to that worry and at the same time obscure the longer term but just as vital—and maybe in the long run even more vital for our children and our children's children—concern that we all have with the planet

on which we are living, with the need to stop fouling our own nest as only human beings seem capable of doing for some reason; and the temptation to relax what are already very weak environmental regulations, may be somehow raising itself in the minds and spirits of the members of the government. Before they clarify that little statement that was in the Throne Speech, I appeal to them to recognize the responsibility we have to future generations, and not simply to cater to the worries, and perhaps even the unnecessary worries, of some who have raised their voices recently on behalf of certain corporations.

I would also point out to the government that with only the slightest imagination—and I will speak about this when I refer to the economy—they could recognize that in the control of the environment, in the control of pollution, in the treatment of waste, in the treatment of toxic substances—in conservation generally—there exists the potential for jobs by the thousands and by the tens of thousands in Ontario. In conservation related industries, in the technologies related to conservation, there exists the potential for Ontario to achieve new heights in terms of not only employment, but in terms of world leadership in these important and vital fields. I hope they won't try to sell to the population of Ontario some simplistic notion that, "You've got a choice of jobs on the one hand or a clean environment on the other"; because it just isn't so.

Hon. B. Stephenson: Only a mind as weak as yours could figure that out. How absolutely incredible.

Mr. Roy: We don't expect you to understand that.

Mr. S. Smith: Let me say that I am very pleased to see in the Throne Speech some mention of an increase on the government's intentions to stimulate and support special education programs. I recognize that in a lot of the suggestions that are made in the Throne Speech, the government is now responding to suggestions which originated in one or the other of the opposition parties. And, of course, it is reasonable that that be the case. We do have a function on this side of the House. Both parties from time to time do attempt to be constructive, and I for one am not going to decry the fact that these ideas have been pursued; I am pleased that they are being pursued. I hope frankly they can even be improved upon in the implementation. There is no concern on my part about that.

I want to be clear that the government deserves commendation for bringing in—

they have promised to do—a much better program with regard to special education, some improvement in children's services. I trust that what I heard about the handicapped means that they will be bringing into the Human Rights Code certain provisions to deal with the disabled and the handicapped.

I am very pleased to see that there is going to be some serious consideration given to compulsory auto insurance, to selective de-regulation in the trucking industry, and one or two other matters.

Mr. Nixon: The implementation might be inadequate; it is difficult to tell at this time.

Mr. Conway: Piracy nonetheless.

Mr. Haggerty: Plagiarism.

Mr. S. Smith: I wish, therefore, to go on record as saying that these ideas are good ones and that the government can count on our support in the implementation of these ideas.

Mr. Nixon: They were lifted from the Liberal program holus bolus.

Mr. Conway: Just like the member for York Mills (B. Stephenson) and her sidekick from Sault Ste. Marie (Mr. Rhodes); lifted from the Liberal fold.

Interjections.

Mr. S. Smith: The enthusiasm of my colleagues, Mr. Speaker, is such that it hardly knows any bridle.

Mr. Swart: Or any direction.

Mr. S. Smith: I wish now to turn my attention, if I might, to certain of the problems that I think are the major ones right now; and I start with the economy of this province.

Let me begin by saying that we understand that the difficulties that beset our economy in Ontario cannot all be laid at the doorstep of the provincial government. We recognize fully that, first of all, a lot of what has happened to us economically in Ontario and in this country frankly is beyond the understanding of economists and so-called experts—at least the ones I have come in contact with, and I have met quite a few.

As far as I am concerned, there has been a combination of circumstances in the free world which partly is related to the increased energy costs and the change that has come about in our understanding of energy supplies for the future; maybe partly as a result of the waste of real resources that occurred in the Vietnam war; partly as a result of the general direction of government policies in the free world. But frankly, I don't think anybody knows all the reasons why we are now beset by this peculiar and drastically bad combination of unemployment and economic

slowdown on the one hand, and yet continuing inflation on the other. I believe, frankly, that there are many explanations from many economists.

Mr. Philip: Some say it's 10 years of Liberal mismanagement.

Mr. S. Smith: Although economists have been defined as that group of persons who can usually provide the answers to yesterday's questions, I have found that in this instance most of the economists can't even do that. The situation now is simply beyond the total understanding of anyone.

Furthermore, the situation in Canada obviously has a very large impact, for the policies of the federal government, be they unwise or wise, and I am not going to get into that here, have a drastic effect on Ontario, and Ontario is limited in what it can do within a world and federal context.

But I say this sincerely: There is much that can be done within Ontario to help us understand the dilemma we are now in economically, and to influence the direction in which we should be going. We can do this directly as a government that can form opinion in the province, as a government that can form financial policy in the province, and as a government that can influence the federal government and other provincial governments. There is a real role for Ontario to play.

Although I don't want to exaggerate this—and I really would like, in my reply to the Throne address to try to be reasoned without exaggerating the situation at all—I do believe, and I say this from the bottom of my heart, that there has been an excessive abdication of responsibility in the present unemployment crisis as far as the provincial government is concerned. I say this fully aware that the blame doesn't lie entirely here. It may lie here only in small measure.

Mr. Cassidy: You believe in abdication without going quite so far.

Mr. S. Smith: There has been an abdication of what could have been done as far as the job situation is concerned. I don't want to take up time unnecessarily to regale a knowledgeable audience, such as the members of this House, with regard to the numbers of persons unemployed, but we know that the sheer numbers and the percentages are far beyond what any reasonable person, what any member of this House would regard as acceptable and as something of which we can be proud.

Certain parts of the province of course are suffering even more than others. We know about the problems in northern Ontario. How many people realize, for instance, that in the St. Catharines-Niagara Falls area and in

Windsor the unemployment percentage is 11.4 per cent? These have traditionally been thought of as prosperous parts of Canada.

Hon. B. Stephenson: Northern Ontario is much better.

Mr. S. Smith: The Minister of Labour is expressing a certain pleasure, or perhaps just a statistical accuracy, in the fact that northern Ontario is actually even better in terms of the unemployment rate than the situation in the peninsula. Well she is correct. However, with the layoffs in Sudbury I suspect that the statistics for northern Ontario are shortly going to become just as bad as those in the peninsula.

In any event, there is no cause here for rejoicing at the fact that in Sudbury before the Inco layoffs there was 7.1 per cent unemployment and in Ottawa 9.4 per cent, while in Windsor there is 11.4 per cent. There was a time a few years ago when the Treasurer of Ontario said that anything above three per cent was unacceptable in this prosperous province. We are not now talking about outposts in Newfoundland and so on, where it may be difficult for people to derive other forms of employment when there is a little trouble in the one resource that normally employs them; we are speaking of highly populated, very complex areas of Ontario where such unemployment really should not be tolerated.

What has the Ontario government accepted as its responsibility in its Throne Speech regarding the stimulation of employment during this time of unacceptable unemployment? What they have said basically is that relieving the current state of unemployment is really in many respects beyond the control of a provincial jurisdiction. They have basically come up with no proposal whatsoever with regard to those unemployed who are over the age of 24. As I pointed out yesterday in this chamber, the actual rate of increase in unemployment in that group is even worse than the rate of increase in the already seriously unemployed and under-employed youth of our province.

Yet there is not a single proposal regarding that particular age group. What we have in the Throne Speech is a promise to create 36,000 jobs for \$26 million.

Let's look at that promise, Mr. Speaker. One must realize that the two programs they are talking about in order to accomplish this are the Youth Employment Program, which is a summer job program, and the Career Action Program, which I believe is six months to 12 months, as a means of employing certain young people. Without in any way wish-

ing to be critical of these programs—although there are certain administrative aspects which the Provincial Auditor has criticized—but even accepting that these are worthy programs, the fact is that last year the Youth Employment Program provided approximately 26,000 summer jobs at a cost of approximately \$12 million and the Career Action Program provided 4,500 jobs for \$7.3 million.

If you total that, Mr. Speaker, you realize that last year the government spent some \$19.3 million and all they are suggesting this year is an increase of \$6.7 million. The only item that this government is willing to advance to deal with the present terrible crisis in unemployment, possibly the worst since the Great Depression, is \$6.7 million. I suspect they spend that amount on postage stamps in the course of a year. It is incredible that on a \$12 billion or \$13 billion budget they are able to provide a grand total additional expenditure of \$6.7 million with regard to the provision of jobs.

[3:45]

And what will this provide in the way of jobs, Mr. Speaker? It will provide an increase from last year's 26,000 summer jobs and 4,500 Career Action jobs to a sum total of 36,000. That means a total of 5,500 new jobs—5,500 when 316,000 people are unemployed, and even these 5,500 are almost entirely going to be summer temporary jobs.

Mr. Conway: So much for the charter.

Hon. Mr. Grossman: It's a lot like yours.

Mr. S. Smith: I really believe Mr. Speaker, even though I think you know very well that we are totally unwilling to launch a large public expenditure in the way of creating new public service jobs—we do not believe we should go into huge expenditures of this kind for make-work projects and so on—we believe that \$6.7 million is an embarrassingly, pathetically low amount of money at this time of crisis. It is an absolute insult to the unemployed of this province and something I think the government should be thoroughly ashamed of.

Mr. Foulds: How much should they spend?

Hon. Mr. Grossman: Oh now, that's a tough one.

Mr. S. Smith: There are a few items that the government has mentioned with regard to manpower planning.

Mr. Foulds: You are saying they shouldn't expend large expenditures and \$6.7 million is too small. Give us your figure.

Mr. Rotenberg: Michael will tell us.

Hon. Mr. Grossman: Harold will send them in a note.

Mr. S. Smith: The Throne Speech has made a number of vague promises with respect to manpower planning and labour relations.

Mr. Foulds: What would be a Liberal amount?

Hon. Mr. Grossman: It depends when the election is.

Mr. S. Smith: Provincial policies with respect to manpower forecasting, career counselling and manpower training have, in my view, been shameful. We know of teachers, we know of nurses and many others who have had their expectations raised, and then destroyed. As far as I'm concerned, there's a human tragedy in this. To lure people into teaching and into nursing when it has been obvious for years that there would be no employment for these people is absolutely tragic and utterly wrong.

Hon. B. Stephenson: Lure? Nobody's luring anybody. Is he taking lessons from Cassidy?

Mr. S. Smith: The fact of the matter is that while these people have been educated in a way that leaves them with little alternative but to leave the province in order to find employment—

Interjections.

Hon. B. Stephenson: I have a towel for you when you need it.

Mr. S. Smith:—while these people have had to leave the province to find employment, we have another very peculiar situation. Many Ontario employers, Mr. Speaker, are facing a shortage of skilled labour, including machinists, welders, certain types of engineers.

The fact is that in Kent county, for instance, in an area represented in part by the Treasurer (Mr. McKeough), there is an urgent need for 300 skilled tradesmen and they'll require an additional 1,700 tradesmen over the next 10 years. But we have not been producing these people. In another example of shortsightedness on the part of the Ministry of Colleges and Universities and the Ministry of Education, there has been little effort made to provide the kinds of job market information that would have led to the training of people to fill these jobs. There has been mention in the Throne Speech of some improvement in this regard, but we'll wait to see exactly what this consists of.

You will remember that we in this party have called for a vastly expanded apprenticeship program to provide relevant, on-the-job training in a variety of occupations, and that in fact we also said in June of last year that we would establish a labour market informa-

tion service and vocational counselling service.

Hon. B. Stephenson: It's already been done, Stuart, you don't have to do it.

Mr. S. Smith: And now they're just going to start to think about it in the Throne Speech.

Mr. Eakins: Now, Bette, just listen.

Hon. B. Stephenson: I just want him to keep up to date. It's already been done.

Mr. Eakins: You look at your record over there.

Mr. Gaunt: Tick that one off.

Mr. S. Smith: Let me talk a bit, Mr. Speaker, about the manufacturing industry in this province. I put it to members of this House that we in this country and in this province have been basically living on our resource wealth. There has been an assumption made at the federal and provincial levels that we simply can look at Canada as a vast storehouse of natural resources; that foreign countries would be quite happy to lend us money almost without limit and trust our ability to repay these loans because of the resource wealth of this great country.

We have simply assumed as a small population, able to exploit these resources, that we have had it made. We have made the assumption that, based on that wealth, we can borrow without limit; that we can invite other countries to handle our resources and to create manufacturing opportunities simply behind a tariff, without worrying about the potential for export or about competitiveness in the real world; and that most of us and our children could be employed in the service sector. The wealth would come from the resources and the rest of the people would become social workers, doctors, nurses, teachers, civil servants and so on.

For a while that worked very well. For a while, based on that wealth, Ontario became a centre of manufacturing behind a tariff. Behind this tariff there came branch plant operations from other countries. The rest of the country was forced to buy the products from those branch plant operations because of the existence of the tariff. We could provide employment in these manufacturing industries, we could provide employment in the service sector and all this could be financed by people's dependency eventually on our natural resource wealth and the resource of our food industry.

Mr. Foulds: What was your solution in Sudbury? Ship out the matte, the unprocessed stuff. Don't you find that slightly inconsistent?

Mr. S. Smith: The fact of the matter is that that wonderful situation, where we could

live on our resource wealth, has now come to an end. And if it was ever true that we could get by for the rest of this century, we now know the bitter reality is otherwise. We know now that it is difficult to sell our nickel in competition with other parts of the world. We know now that it is not so easy to sell our pulp and paper in competition with parts of the United States and other parts of the world.

Mr. Foulds: Our paper exports have been increasing.

Mr. S. Smith: We know now that it is not as simple for us to continue to produce wealth from our fisheries when we have polluted a good many of our inland fisheries.

Mr. Cassidy: So the Liberal Party wants to export jobs.

Mr. S. Smith: We know now that the truth, whether we like it or not, is that we need a competitive manufacturing sector in Ontario. And I think we should be plain about that. In devising a competitive manufacturing sector for Ontario, let's not make the same mistakes we have made in the past. Let's not rely on foreign capital to come here and put up branch plants with no other purpose than the selling of their own product; although I am quite happy to have them come and do just that, let us not rely on only that.

Let us recognize that we are going to have to have Canadian-owned industries that take advantage of natural advantages that we have in Ontario and in Canada and that the manufacturing sectors that we decide to enhance and to really go into in a competitive way with the rest of the world must be those sectors where there is a real future for the products, for the general direction of those industries and for us to be world competitive.

Hon. B. Stephenson: You've been reading the Treasurer's speeches. Astonishing!

Mr. S. Smith: Now, how do you normally pick an area in which to really put your resources to be world competitive? The first thing you have to do is create an atmosphere where you can be competitive; that means you have to keep under control the taxes, the interest rates, the level of government spending and the wages—all the expenses that are, in fact, required to make business work.

Hon. B. Stephenson: That's what we are doing very well.

Mr. Cassidy: He sounds like the Treasurer.

Mr. S. Smith: If we do not keep those under control, if people are not prepared to keep those under control, then we can

forget any idea of making manufacturing investment because we will invest it today and close the plant tomorrow. Let us recognize that we have to have that degree of restraint, control and, to some extent, belt tightening.

Hon. B. Stephenson: We are glad that you are now recognizing it.

Mr. S. Smith: But I tell you this—and I say this constructively, and I hope it will be taken in that sense—

Mr. Foulds: Is this the 1978 version of Moral Rearmament?

Mr. S. Smith: I will tell you, Mr. Speaker, you give a message of that type of restraint to citizens, to working people, when you ask people to show that kind of self-control, it is no good just saying to people that you have to restrain yourselves or you have in some way to cut back, unless you show people at the same time how you're going to use that restraint to enhance their future and their children's future.

In other words, you do not just go and ask people to show restraint; you have to show them how that is going to turn out in the long run to be in their benefit. You have to show them the direction in which you intend to take the economy. You have to show them the way in which this restraint will be translated by competitive manufacturing industries into really meaningful jobs for them and for their children and their children's children. Unless you have that kind of plan to show people, unless you can show them a sense of direction where you would like to take them tomorrow, you can't ask them to make sacrifices today.

That is one of the great problems that seems to exist right now at various levels of government in this country.

Hon. Mr. Bernier: We started three years ago. Tell that to the federal government.

Mr. Foulds: Show some restraint.

Hon. B. Stephenson: Your kissing cousins in Ottawa haven't got that message unfortunately. The fact you are mouthing ours is great.

Mr. S. Smith: What is the plan that we can put before people? After all, I remind members that no wind blows in favour of a ship that has no destination. You have to have a sense of where you're going if you want in some way to be able to handle the ups and downs of the world economy and take advantage of those vagaries as they occur. How do you chart a direction? How do you pick an area where we can become competitive in manufacturing?

I put it to you, Mr. Speaker, that the United States has a great advantage over us in this regard because they can use the great effect of the marketplace and there is really no better chart than that provided by the marketplace. They are big enough that they can afford in fact to launch a thousand ships and presume that if even a few of them get to port eventually they will in fact do very well and prosper at their destination.

Mr. Foulds: You certainly have nautical metaphors today, don't you?

Mr. S. Smith: Our problem is we're too small for that. We cannot afford to rely totally on the marketplace to select those areas of manufacturing in which we should be specializing and taking on the rest of the world. We're not a big enough country to compete for gold medals in every item at the Olympics. We're got to pick the items where we think we have got a real chance to win and put a real effort into those areas.

Mr. Foulds: Who writes your metaphors for you?

Hon. Mr. Grossman: Sesame Street.

Mr. Foulds: Don't degrade Sesame Street.

Mr. S. Smith: How do you pick it? The fact remains that there are a number of suggestions. There are those who suggest that government has a responsibility to choose all by itself the areas in which we should try to be competitive. There are those who believe that we have to leave the whole thing to the marketplace. Personally, I believe we have to have a group in which government shows considerable leadership but is joined by industry, by businesses large and small, by labour and by academics and is basically a joint group to chart a direction and to pick specifically sector by sector—I speak now mostly of manufacturing, although the same is true in resources and the same is true in the service sector—within manufacturing those areas where we feel in this country we can be competitive with the rest of the world. That is how Ontario can prosper again.

Hon. B. Stephenson: You are three years late. That is what we are already doing.

Mrs. Campbell: You haven't even started buying Canadian.

Mr. S. Smith: I have some ideas. The fact of the matter is that we have some clues as to where we might be competitive with the rest of the world. We know from the present situation that some of our industries already have that capacity. I think of the steel industry, for instance.

Mr. Cassidy: You wouldn't call that typical.

Mr. S. Smith: We have certain clues that

can guide us. First of all, we have the fact that we do have in this country an enormous investment in education. We have in terms of years of education probably the most highly educated work force in the world. We have put an enormous amount of money into the education of these people.

We can say it's enough that they enjoy life a little more because of education—that's certainly a value; I don't diminish that—but we will not recover our investment in this social capital which we call our educated population unless we find a way in which they can use that education to create real wealth for all of us.

[4:00]

Part of it, of course, can be in the selling of knowledge to other countries; part of it the provision of services, tourism for instance. Part of it can be, of course, in basically banking, finance, things of this kind where we can bring real wealth into the country. But most of it, in some way, has to be put to work in the productive sector, in what they call the "value added" sector of our economy. If we don't put these intelligent minds to work then we have not only performed a human tragedy but we have, in fact, wasted an enormous amount of money, pure billions of dollars, if we can't put these people to work in a way that uses their education and their knowledge.

So when we decide where we're going to compete with the rest of this world we must pick those areas that require knowledge, that require education, things that can't easily be duplicated tomorrow in some other country of the world, in some of the developing nations, or whatever. We should pick that type of industry, and that means to me an enormous commitment to research, to development, to design. These are things which we have neglected in our province and our country. I don't blame any individual person or government but I tell you we have the worst record in the whole western world in terms of research and development as a percentage of our gross national product.

The fact is that in Ontario, for our own future, whether the federal government has enough intelligence to do it or not, to make good on our own investment in our own people, we should become a world centre of research and development. We should be encouraging those industries which are high technology.

Look at the United States of America. Look at the enormous wealth which has accrued to that nation because of its stranglehold on the computer industry and on the high tech-

nology of modern day. No longer is resource wealth the only real wealth in the world. Technology is now wealth. Knowledge of that kind is wealth provided it's translated into real technology. I say to you, Mr. Speaker, and I plead with the government, we must make Ontario a world centre for research and development. We must pick those high technology areas here which, in fact, can be our salvation for the future.

What type of high technology area? Again, I wouldn't suggest that I have all the answers to that. It would be up to people far more expert than I to make these selections, but I say to you, Mr. Speaker, that there are the technologies of renewable energy. There are the technologies of all types of energy. There are the technologies related to mining, where we have expertise; to agriculture, where we have expertise; to metallurgy. There are the various technologies related to pollution control, to waste management, to the treatment of toxic chemicals, to the managing of our environment. These are technologies that will be demanded throughout the world in the coming years. These are the technologies that we have an opportunity to pioneer in in this province.

I point out to you, Mr. Speaker, that merely by delaying a \$2 billion investment in a nuclear power station for one year, you save close to \$200 million in financing costs. If we took that money and invested it right now into research in the private sector, in the public sector, in the universities, if we now did that we could make Ontario a centre for development in the high technology areas, which could assure a real future for our children. Every year that we delay—and I tell this to the Minister of Energy—every year that we delay in doing that, we are further guaranteeing that our children will have to leave this country to get jobs that employ them at their level of education and expertise, and—

Hon. Mr. Baetz: With the lights out.

Mr. S. Smith: —furthermore, that we shall become ever more a client state of the United States. We will be a client state of Japan, of western Europe and all those countries that are at present going ahead and developing the very technologies of which I speak, but countries with whom we could compete.

Mr. Gaunt: So get busy, Reuben.

Mr. Stong: Smarten up.

An hon. member: That's buying Canadian, George.

Mr. S. Smith: Now, instead of that kind of leadership, instead of that kind of in-

spired view of where our future lies, instead we get something about "buy Canadian" and things of this kind; all of which is helpful, I am sure, but really it is not very inspiring.

Mr. Foulds: Neither is your speech.

Mr. S. Smith: We have some comments on the Throne Speech on other matters as well.

The GATT negotiations: it would appear that finally after a lot of comment from this side of the House and after an exchange of speeches which probably most of the public is not aware of—these occurred when the Treasurer and I went about the province for a few months speaking and including comments about each other in our speeches; it will be a pleasantry that some historian might look at some time just to pass the time.

Mr. Foulds: I would doubt it.

Mr. Cassidy: I would doubt it, too.

Mr. S. Smith: Frankly, I doubt it as well, as the member for Port Arthur says.

Mr. Foulds: If we are lucky, it will be lost to posterity.

Mr. S. Smith: It's of some interest that the Treasurer came out and called for a freer trade; and I started to make speeches saying that we should not go to freer trade, and that Ontario must raise its voice for more protection for its industries, for agriculture and for manufacturing until such time as we have in place those high technology industries in which we are prepared to compete, and that to actually lower our tariffs now, before we even know where we want to compete, is suicidal. But I note that after a series of speeches in which I was variously described by the Treasurer as a Neanderthal or a medieval thinker or heaven knows what else, the Treasurer has now decided that maybe we shouldn't go headlong into freer trade, that maybe we do need protection and that maybe we don't have the faintest clue where we are going in Ontario, given the lack of economic leadership that this government has provided.

Hon. Mr. Kerr: Wilfrid Laurier would roll over in his grave.

An hon. member: He's pausing for applause, fellows.

Mr. Cassidy: They over-exerted themselves the two previous times.

Hon. Mr. Kerr: The Leader of the Opposition sounds like R. B. Bennett.

Mr. S. Smith: I want to listen to the minister, the new Solicitor General—

Mr. Conway: On his way back to becoming the Minister of the Environment.

Mr. S. Smith: I suppose he is just Solicitor

General today. He hasn't gone back to Environment again, has he?

Mr. Reid: They are calling him Boomerang George.

Hon. Mr. Kerr: Stick to the facts.

Mr. Reid: Boomerang George.

Mr. S. Smith: There were comments, Mr. Speaker, in the Throne Speech about the auto pact and about the need for us to get our fair share of employment under that pact, and we are pleased to see that the comments which have been made by both opposition parties in this regard are finally being listened to. But I really wonder what the province has truly done to put forth its case at the federal level. I get the feeling that the province has this way of paying lip service to things but is giving the tacit message that we don't really expect a whole lot of action. In any event, perhaps they are negotiating, and more power to them.

As far as the construction sector goes, not a word. Nothing in the Throne Speech related to construction; yet innumerable bureaucratic delays are causing enormous slow-downs in that industry. Surely, the recognition that if we ever want to stimulate any part of the economy in this province where we have, after all, a furniture industry languishing in all the smaller towns and centres of Ontario, where we have carpet industries languishing, where we have people who make television sets practically at the point of having to leave the country; surely, it is in construction, which automatically not only provides money for those who are working and for the building products industries but also for all the furnishings industry that goes with it, surely—if you are going to spend a dollar at all—it's the construction industry that you want to stimulate. And the interesting thing is that we could stimulate part of that industry without an enormous expenditure, simply by getting rid of some of the bureaucratic delays and red tape which, unfortunately seem destined to continue.

Mr. Bradley: And by building a new courthouse in St. Catharines.

Hon. Mr. Baetz: And Ottawa.

Mr. S. Smith: That comment from the member for St. Catharines reminds me of the sort of national advertising on which a local company can add a tag line at the end. I timed it at about 11 seconds, and I will send a bill to the member for St. Catharines, as far as this is concerned.

The other notable absence in the Throne Speech of any comment with regard to the economy has to do with the small business

sector. Hon. members know that we in this party are committed to the support of small business in this province. Small business employs probably between 50 to 60 per cent of Canadians. We think it is a very important sector; we think it has been discriminated against. And we hope we will be able eventually to adopt, with some changes, the Act respecting small business which was introduced by my esteemed colleague from Victoria-Haliburton (Mr. Eakins).

I want to mention also this matter of restraint in the public sector. I enjoyed watching the first ministers' extravaganza, although I must say I didn't have that much time to spend in front of the television set. But when you think back—

Mr. Cassidy: I was helping to pay for it.

Mr. S. Smith:—you, Mr. Speaker, as much as any others will recall how we went around this province and we said that you have got to make sure that the share of every dollar in the economy that goes to government gets no larger, that you have to have a guideline—and at the time we spoke of the anti-inflation guideline—which says that the government share of each dollar, and I include all three levels of government, doesn't go up any more—

Mr. Cassidy: Including the Liberals in Ottawa? Did you read the paper this morning? They are going up by 10 per cent.

Mr. S. Smith:—than the wages of the people themselves. When we went around the province and we spoke of this need to restrain, to have some guidelines so the share that the government takes out of each dollar doesn't go up, we were greeted with derision from the government benches.

Mr. Cassidy: And from Ottawa.

Mr. S. Smith: We were told how impossible this was, how simplistic this was, how impossible it was to accomplish anything resembling that; that there would be hardship and squalor introduced into Ontario if we tried to accomplish that. Now all levels of government, at least as represented at the first ministers' conference, have agreed that you can't take any larger share of each dollar than it already is taking.

Mr. Foulds: There was one voice of integrity dissenting from that yahoo view.

Mr. S. Smith: But may I draw to your attention in this regard the fact that although the Treasurer of this province is proud of the fact that he is finally, belatedly, learning something about restraint, he conveniently forgets the municipal sector of government. In fact, the Treasurer has followed a policy

specifically designed to increase the property tax burden in Ontario by his so-called rewording of the Edmonton commitment and including such matters as teachers' superannuation funds—

Mr. Cassidy: But you support that. You just said you supported that.

Mr. S. Smith:—the complete renegeing on the Edmonton commitment—he has in fact decided that the property taxes shall go up, even if other taxes might or might not.

Hon. Mr. Kerr: Not necessarily.

Mr. S. Smith: The Solicitor General now says to me it's not necessary. You tell me, sir, how it is possible for school boards to live within a 4.7 per cent increase —

Hon. Mr. Kerr: Declining enrolment, laying off teachers.

Mr. S. Smith:—even with a slight decrease, a declining enrolment, when you think of the fact that their salaries have already been negotiated, with the approval of the government, at the anti-inflation level last year of eight per cent, plus the fact that teachers become more senior all the time, plus the fact that energy costs for heating these schools have gone up. You know perfectly well declining enrolment doesn't handle that.

He has followed a policy deliberately designed to increase the property taxes in Ontario, and he has said in this House that he believes the property taxes of Ontario have not gone up rapidly enough to keep pace with other taxes. He believes that. That is how he is the great apostle of restraint. He is able to stand and posture as the great restrainer and criticize and point fingers at other levels of government when he is the cause of increased municipal spending.

Hon. Mr. Grossman: Come on, even you don't believe that.

Mr. S. Smith: Let me tell you, when it comes out of the taxpayer's pocket, it doesn't matter if it goes to the city, the province, the region or any of the other levels of government. It is money and it goes to government, and it is money not available then for the private sector of the economy.

Hon. Mr. Kerr: Let the employer of the teacher deal with the teacher.

[4:15]

Mr. Eakins: George, we're going to have to make you Minister of Education.

Mr. Kerrio: Going to ask you to change your ministry.

Mr. Eakins: He's got the most to learn.

Mr. S. Smith: Mr. Speaker, I put it to you,

therefore, that with regard to the economy, with regard to the crisis in front of us right now with regard to jobs in Ontario, the Throne Speech is terribly disappointing. It shows no chart for the future of this province. It provides a pittance of \$6.7 million at a time when we should be creating real jobs. I remind you at this time of the continuing program of the Liberal Party to pay 20 per cent of the salaries of new employees in the province of Ontario, knowing full well that the majority of that money will be recovered in terms of taxes paid by these employees and in possible arrangements to be made with the federal government regarding the diminished unemployment insurance benefits which would have to be paid as a consequence of the program's existence.

That program, which would have created thousands and thousands of jobs, remains available for the government to use. They use the principle of it for their little summer job program. Why will they not show the imagination necessary to create the jobs in the private sector that they're so fond of speaking about but that they do absolutely nothing to accomplish?

Hon. Mr. Kerr: Did John Bulloch write that for you?

Mr. S. Smith: With regard to matters other than the economy itself, I want to speak for a while on the uranium contracts that we discussed at great length in the select committee of this Legislature, the committee which has been named by its chairman as the select committee on Hydro affairs.

Mr. Conway: Hear that, Reuben—Hydro affairs?

Mr. S. Smith: My colleague, the hon. member for Halton-Burlington (Mr. Reed) submitted a comprehensive motion to the select committee—

Mr. Ashe: Which said nothing. Six pages of garbage.

Mr. Bolan: Who woke you up?

Mr. S. Smith:—which explained why we feel that the contracts are not in the public interest of Ontario.

Mr. Foulds: Was that ever a weak document.

Mr. S. Smith: We know already that the motion was not supported by the Conservatives and it was not supported by the New Democratic Party, and they all have their reasons for this and they will no doubt explain these to the voters in due course.

Mr. Cassidy: When you had the opportunity to get a majority report you backed down.

Hon. Mr. Baetz: Because it was hypocrisy.

Mr. Cassidy: The Liberal Party backed down from a majority report.

Mr. S. Smith: The views of this party have been well explained.

Mr. Kerrio: You're being abrasive.

Mr. Cassidy: No question about that.

Mr. Kerrio: Aren't you going to speak tomorrow?

Mr. Cassidy: Just getting a few licks in in advance, that's all.

Mr. Kerrio: You're going to run out of gas.

Mr. Foulds: That it easy, Vince. Take it easy.

Mr. Deputy Speaker: Order, please.

Mr. S. Smith: Nobody has greater sympathy than I for the trials and tribulations of a person newly elected to be leader of the third party in this House. I know the strains and I know the difficulties and I know the problems only too well, but I would hope—

Hon. Mr. McMurtry: Mike, he's being condescending.

Mr. Cassidy: I'm doing a lot better than you did.

Hon. Mr. Baetz: Get him on the couch.

Mr. S. Smith: —the member for Ottawa Centre would bear his bruises from his first two question periods with a little better grace and would in fact—

Hon. Mr. Baetz: Give him a little psychiatric help.

Mr. S. Smith: —confine himself to interjections which demonstrate either wit or accuracy, but refrain from those that show signs of neither.

Mr. Reid: He's certainly going to be quiet.

Mr. Handleman: The battle of wits is on our side.

Hon. Mr. Baetz: You are on the couch now, Mike.

Mr. Cassidy: I think you've got to charge the Leader of the Opposition with some order, Mr. Speaker.

Mr. Foulds: He certainly was convoluted.

Mr. Bradley: Have you got all three supporters in the House with you?

Mr. Cassidy: Yes—one, two, three.

Mr. Reid: Where's Ziembra? Getting the inside goods?

Mr. McClellan: This is graveyard duty.

Mr. Mackenzie: Graveyard performance, too.

Mr. S. Smith: I want to comment briefly if I might on the appearance and the evidence of the Premier (Mr. Davis) at the conclusion of the select committee's hearings.

Mr. Foulds: Why don't you deal with the substance?

Mr. S. Smith: I invite all members of the House to read the record of that evidence on February 20 last and they'll find that what I'm about to say is a sad but fair and accurate summary of what the Premier told the select committee. Mind you, he was not provoked, he was not tripped up, he was not trapped into embarrassing answers. He was simply invited to say what part, if any, he played in negotiating the Denison contract which is now before the government and to say anything else he wanted to say about that contract.

What did the Premier say? He said he knew little or nothing about the matter. He said he had not been involved in the negotiations in any meaningful way. He said he was vaguely familiar with this or that aspect of the problem, but that he had full confidence in Hydro to negotiate contracts which were in the public interest of Ontario. But there had been one occasion—he wasn't quite sure when—he wasn't even sure where—

Mr. Martel: The Albany Club.

Mr. S. Smith: —when he had played apparently a small role. That was when Stephen Roman, the chairman of the board, and largest shareholder of Denison Mines—

Mr. Bradley: And former Tory candidate.

Mr. S. Smith: —had protested, or complained or suggested to him—he wasn't sure which—that Hydro was being very tough in the negotiations and was refusing to pay world price for the uranium it needed.

And what did the Premier of Ontario tell Mr. Roman? Did he say to Mr. Roman that he had full confidence in Hydro to negotiate a fair deal in the public interest of Ontario, and that he fully supported Hydro's position? Did he, in fact, tell them that he knew that Hydro was asking to buy that uranium only for the cost of production plus a fair profit and not more, and for no price related to world price?

No, what he told Mr. Roman was that he felt Mr. Roman and Denison Mines, in the public interest of Ontario and in the interests of the power consumers of Ontario, should be so kind as to accept "something other than world price, something less than world price."

Mr. Foulds: Oh be fair—less.

Mr. S. Smith: He said both those things: something other than, something less than. That was all he said. Although, of course, he added that being a politician he was happy to think that he had been influential with Mr. Roman and that he could in some small way

take credit for the so-called compromise on price which is reflected in the contract now before the government.

As far as I am concerned, we are very happy that the Premier accepts that much responsibility for the contract. In our view the contract provides for unjustifiably high prices, and unconscionable profits to Mr. Roman and the shareholders of Denison Mines.

Hon. Mr. Baetz: Spell it out. Prove it. Details—

Mr. Ashe: What is your alternative?

Mr. S. Smith: I have been asked by the Minister of Energy to spell it out and provide details. I trust Hansard has heard that particular interjection. I'll spell it out, Mr. Minister.

Hon. Mr. Baetz: —monotonously often.

Mr. S. Smith: There is no reason why the public of Ontario should have to pay for uranium in the soil of Ontario any more than the cost of production of that uranium, plus a fair incentive level profit, and not one cent more. And I'll spell that out if you like.

Interjections.

Mr. Martel: Would you tell the federal government to give the oil companies exactly the same thing?

Hon. Mr. Baetz: You tell your Liberal colleagues in Ottawa that.

Mr. Foulds: Would you like to define fair profit for us?

Mr. S. Smith: There is not the slightest—

Mr. Martel: Tell your federal friends in Ottawa to stop ripping us off.

Interjections.

Mr. Deputy Speaker: Order.

Mrs. Campbell: Since the NDP doesn't agree, can we get on with it?

Mr. Cassidy: We are fed up, Stuart. You had the chance to block the contract.

Mr. Martel: You might tell Pierre that.

Mr. Eakins: It's nice to see you are feeling well, Elie. Back to your old self.

Mr. Martel: Don't you worry about it.

Mr. Cassidy: The fact is your members would have signed that contract if you hadn't—

Mr. Deputy Speaker: Order.

Mr. S. Smith: There is not the slightest reason why we in Ontario should not be insulated against the possibility of escalation in the world price. As even the Minister of Energy must know, for every \$10 or \$12 in-

crease in the world price in the next several years—given that we're asking for 200 million pounds of uranium—and we had experts who said it might go up as high as \$60—

Mr. Foulds: How much?

Mr. S. Smith: For every \$10 or \$12 that is an extra billion dollars in clear profit for the companies involved.

Mr. Cassidy: How much?

Mr. S. Smith: I don't know if I have to spell that out any more clearly for the Minister of Energy—that is b-i-l-l-i-o-n—billion, for every \$10 or \$12 increase that might occur in the world price for uranium.

Hon. Mr. Baetz: Talk about after taxes.

Mr. S. Smith: I have not heard a single cogent argument as to why Ontario's people should have to be exposed to such a penalty because of the escalation which might occur—

Mr. Foulds: Watch the way you are waving that finger, will you?

Mr. S. Smith: —in something called the world price when the uranium is in our soil and it's to be used to produce electricity for our people and our companies in this province.

Hon. Mr. Baetz: Talk about after taxes. Let's hear those figures.

Mr. Roy: Your taxes, as you know, are red herrings.

Mr. S. Smith: We hear from the Minister of Energy that we should talk about after taxes. Did you hear that, Mr. Speaker?

Mr. Cassidy: You were a six-day wonder when you made that promise.

Mr. S. Smith: He says we should talk about after taxes. He is not concerned that they are to get an extra billion dollars in extra profit for doing nothing other than sitting on their chairs and watching the escalation in the world price for whatever reason in South Africa or Korea or whatever. He is not concerned that they are going to receive a windfall of an extra billion dollars for doing that, according to the contract that his ministry has recommended and which the Premier will probably sign.

Hon. Mr. Baetz: How much after taxes?

Mr. S. Smith: He has not any worry about that. He is worried about after taxes. Mr. Speaker, you know who is going to get the lion's share of those taxes?

Hon. Mr. Baetz: The people of Ontario.

Mr. S. Smith: The federal government is going to get the lion's share of those taxes because the corporation taxes will go largely to the federal government.

Mr. Martel: To the lion always goes the lion's share.

Mr. S. Smith: What good is that going to do the power consumers of Ontario?

Mr. Cassidy: Why don't you talk to your friends in Ottawa?

Mr. Martel: No good at all. Look what they did with oil.

Mr. S. Smith: There is a comment made by a member that I respect from the NDP, the member for Sudbury East, who comments on the fact that—

Mr. Foulds: Now you are in trouble.

Mr. S. Smith: —there is a policy regarding oil. He draws some parallel, as the Premier did in front of the committee, regarding oil and uranium.

Mr. Nixon: There is a great similarity between the two policies.

Mr. Martel: You should check with Prime Minister Trudeau and demand less than the world price for oil, as has been requested for uranium.

Mr. S. Smith: Let me at this point make it clear for any who care to listen what I consider to be the very vital differences between the two. We recognize fully, of course, that in both instances you could if you so chose develop electrical power from those two substances. In that sense it is perfectly obvious that there is to that extent a similarity. Furthermore, they are both energy-related substances and consequently there is a very obvious similarity there. But there are such fundamental differences that it astonishes me that the member is unable to see them.

Mr. Martel: Where? Tell me where.

Mr. S. Smith: With regard to oil we are now net importers of oil. It is quite obvious that in the next few years we shall find ourselves with less and less in the way of domestic oil supply and more and more requirement to import oil. Consequently, no matter how much we would like to protect ourselves, when that time comes, against the world price we can hardly do so, because we will be buying oil on the world market. Therefore, we are headed in that sense at some point to having to deal with the price of world oil whether we like it or not.

Mr. Foulds: So you would rather do it sooner than later.

Mr. S. Smith: We have a choice. We can—and it's a legitimate policy and I respect the member—

Mr. Martel: The tar sands have not even been touched.

Mr. S. Smith: —if we wish, continue to have low prices for oil and wait for that day to come upon us when we have to pay world price for oil and, at that time, hope that our economy can somehow accept the lurching adjustment that will be required at that time, or we can accommodate ourselves gradually to that day. That's a possibility.

Mr. Martel: That's a long way down the road. That's a red herring.

Mr. S. Smith: In the case of uranium we are exporters of uranium. We have a large segment of the world supply of uranium. The very contracts we are speaking of are to supply 30 or 40 years' supply for all the reactors we presently have on the drawing board. Consequently we can hardly see any necessity to artificially expose ourselves to higher prices for uranium which is in our own soil when we have an assured supply of that uranium.

Hon. Mr. Baetz: Tell Uncle Pierre and Alastair Gillespie that. They are the dummies.

Mr. S. Smith: We can see no reason in the world to draw a parallel between oil and uranium as far as that goes. It would be like saying we ought somehow or other to charge ourselves world price for somebody putting up a hydro-electric dam and pay the cost here—

Mr. Cassidy: Why don't you argue to bring the uranium into the provincial resource base?

Mr. S. Smith: —at what it might cost to put the same thing up in Kenya. That's ridiculous. If we happen to have the water power here and it's cheaper to put it up here, we are obviously going to take advantage of an inherent resource. There is very little oil in the soil of Ontario. There's lots of uranium, and that's the difference.

Mr. Foulds: So?

Hon. Mr. Baetz: Right, and we are going to use it wisely.

Mr. Martel: That was pretty weak stuff.

Mr. Foulds: What does that mean? What is the implication of it?

[4:30]

Mr. Speaker: Order.

Mr. S. Smith: The implication of it—no, they want a lesson, Mr. Speaker. It's not every day—

Mr. Speaker: I'd prefer you didn't give them one at this time.

Mr. S. Smith: Oh, Mr. Speaker.

Mr. Speaker: Speak to me.

Mr. Martel: Teach me, Stuart.

Mr. S. Smith: You understand, Mr. Speaker,

that when you have three such willing, open, and some might say very open minds—

Mr. Breithaupt: Vacant.

Mr. S. Smith:—vacant is another word—such as those three members have—

Mr. Martel: That's better than having none at all.

Mr. S. Smith:—it is too much to resist filling the minds with some knowledge.

Mr. Roy: A short lesson in economics.

Mr. S. Smith: The member for Port Arthur wants to know the implication of the fact that we have a lot of uranium, maybe 50 years' worth, here in Ontario, whereas we have virtually no oil and have to buy it either on the world market or at the very least from our friends in Alberta—

Mr. Cassidy: Do you want uranium to be under provincial jurisdiction?

Mr. S. Smith:—and he wants to know the difference. The difference is this, whereas Mr. Loughheed has only one way that Albertans can make money from his oil—

Mr. Foulds: Watch that finger.

Mr. S. Smith:—and that's to sell it at the highest possible price, we in Ontario have two choices as to what to do with our uranium. We can either sell it at the highest possible price, or we can use it to generate the cheapest possible electricity. We have two choices.

Mr. Foulds: I would have thought that's the same with oil.

Mr. S. Smith: I tell you, Mr. Speaker, that we have that choice and should exercise the choice in order to generate the cheapest possible electricity.

Mr. Foulds: I would have thought that if the Liberal government in Ottawa had any leadership they would do the same with oil.

Mr. S. Smith: I trust the members of the New Democratic Party have now learned their lesson with regard to the difference between uranium and oil.

Some hon. members: Give us another one.

Mr. Kerrio: No, that's all you can soak up in one day.

Mr. Martel: I'm a slow learner. Can you repeat that?

Mr. Speaker: Thus endeth the lesson. Now back to the text.

Mr. Martel: I didn't catch the lesson. Will you repeat it?

Mr. S. Smith: I warn you, there's going to be a spot test shortly, so watch it.

Hon. Mr. Baetz: You'd better cross the floor.

Mr. Nixon: Maybe even a saliva one.

Mr. Martel: A saliva will be better.

Mr. S. Smith: Mr. Speaker, we believe therefore that these contracts are not in the public interest, and I want to say something—

Mr. Cassidy: But you wouldn't vote that way when it came to the crunch.

Mr. Roy: We did.

Mr. Cassidy: No, you did not.

Mr. S. Smith: The Premier has said that the committee has somehow not given him a message. I think that everybody who was present at that meeting is fully aware that the majority of the committee has, in fact, let it be known very clearly that we do not accept that those contracts are in the public interest and that we regard those contracts as not being in the public interest. A majority of the committee, namely the members of the New Democratic Party and the Liberal Party, voted in that way and the message could not have been any clearer. There is no doubt about that.

The Premier complained that he was not given a message. That's the message. If he still doesn't understand it, I'll give it to him again. The contracts, according to a majority of the committee, are not in the public interest.

Hon. Mr. Baetz: You tell us what is.

Mr. S. Smith: The second thing the Premier has said is that we haven't given him any alternative. To begin with, the New Democratic Party gave him an alternative. The alternative suggested by that party—

Hon. Mr. Baetz: It is unrealistic.

Mr. S. Smith:—is to acquire shares of Denison Mines at this time.

Mr. Martel: That is called control.

Mr. Cassidy: Or to acquire the uranium assets.

Mr. S. Smith: Now it's just been changed. It's not the shares of Denison Mines; the leader of the party has just said "acquire the uranium assets."

All right. Let me make it clear that we have had legal opinion on these matters. Let me make it clear that it is absolutely impossible to expropriate the uranium assets of that company.

Mr. Cassidy: Who said that?

Hon. Mr. Baetz: We told you that a long time ago.

Mr. S. Smith: The fact of the matter is

that it is under federal jurisdiction and such expropriation cannot occur.

Mr. Martel: No one talked about expropriation.

Mr. S. Smith: If the hon. gentlemen in the New Democratic Party believe that instead of expropriation they can merely make a business transaction, then I would put it to them that although I personally believe that in 1974 that company should have been acquired without a moment's hesitation—

Mr. Germa: You can't; you just said you can't do it.

Mr. Cassidy: You can't sit on both sides of the fence like that.

Mr. S. Smith: In those days Mr. Roman was willing to sell, and would, in fact, have arrived at a reasonable price for that sale—

Hon. Mr. Baetz: How do you know?

Mr. S. Smith: Furthermore, the world price for uranium was a small fraction of that which it is now. But in point of fact he is not now talking about selling. In fact he would probably sell if the price were enormous, but I believe that the price would be so high that we have other use to make of the money that would be involved.

Mr. Cassidy: Do you know?

Mr. S. Smith: Furthermore, I believe that with the increase in the world price and with the impossibility of expropriation—

Mr. Foulds: The economics are essentially the same as in 1975.

Mr. S. Smith: —that, in fact, we would find ourselves at a huge price for these assets which would allow Mr. Roman to sell the company to us.

Mr. Foulds: The economics have not changed.

Mr. Roy: It is obvious you have never traded in the world market.

Mr. Speaker: The member for Port Arthur does not have the floor. Stop mumbling, please.

Mr. S. Smith: My view, therefore, is that because, under federal control, we cannot expropriate and because the price has gone up enormously and because we are in a position where if we tried to make a market offer—in fact, Mr. Roman has control of a good proportion of those shares and we would not succeed with simply an open market offer to gain control of the company, and even if we did we would have to operate with them at arm's length at this point—I believe the chance to acquire that company has now passed. I believe, therefore, that the alternative suggested by the

New Democratic members of the committee is not at this time a real alternative—although it was a real and, in my opinion, a very good alternative back in 1974 when the Hon. Mr. McKeough, at that time Minister of Energy, simply decided not to pursue it any further.

Mr. Cassidy: It was good four years ago, but it isn't good now, right?

An. hon. member: Well, sure—things were different.

Mr. Cassidy: There's no difference.

Mr. Foulds: The economics have not changed.

Mr. Roy: It is a difference in the price of shares.

Mr. Speaker: The member for Ottawa East is being provocative.

Mr. Roy: Oh, I am sorry. It is not my style, you know that.

Mr. Deans: No style. No content.

Mr. S. Smith: What is the alternative that the Liberal Party is recommending? I have to put before you some of my thinking process with regard to the task that was set before the committee in deciding whether or not these contracts were in the public interest.

Mr. Foulds: Do not betray the weakness of your position.

Mr. S. Smith: I had to ask myself two questions. What would I have done had I been Premier when all this started?

Mr. Deans: Collapsed.

Hon. Mr. Grossman: He did anyway.

Mr. S. Smith: What would I have done had I been elected Premier in 1977 and, of course, as maybe a corollary of that, what would I do right now; what am I suggesting the Premier do right now? But really what would I do if I were Premier today? Those are the questions really that we have to ask.

Mr. Deans: Get better advice than you are getting.

Hon. Mr. Grossman: Call Harold Greer.

Mr. S. Smith: I will tell you that had I in fact been Premier in 1974, I would not have hesitated to acquire the assets of the Denison corporation. I believe Hydro was correct when it requested that course of action.

Hon. Mr. Baetz: With the advantage of hindsight, the Indians would not have sold Manhattan Island, either.

Mr. S. Smith: The Minister of Energy is now suggesting that this deal that the gov-

ernment is arranging on our behalf is equivalent good business to the Indians selling Manhattan Island. And you are right. You said it and you are right. That is exactly what it is. Truer words were never spoken by that new minister. This is a sellout. This is a sellout equivalent to the Indians selling Manhattan Island. I could not have found words more appropriate to express it than those the new minister has found. Out of the mouths of babes; out of the mouth of Baetz.

Mr. Sweeney: Open your mouth and put the other foot in it.

Mr. Deans: How many mouths do you have?

Hon. Mr. Baetz: Let's hear your proposition. Let us hear the proposition. We are hanging here waiting. The better-idea man.

Mr. S. Smith: The next thing: Let us say that for some reason you decide, for doctrinaire political reasons, not to acquire the company. The next thing to do and the next thing I believe I would have done—I say this sincerely and I have given a lot of thought to this, Mr. Speaker—the next thing to do is to make a statement of public policy. The statement of public policy that I would have made was simply the statement that the uranium to be bought by Hydro should be bought for a price that represents the cost of production and a fair incentive profit but which is in no way related to the world price. That would have been public policy.

Hon. Mr. Baetz: Tell that to Uncle Trudeau.

Mr. S. Smith: Then it would be a matter of making sure that that public policy was actually brought into practice. It would have required a Premier who was knowledgeable, of course, which this Premier admits he was not at that time. It would have required a Premier who was interested enough in the matter—

Mr. Martel: You said the same thing about oil.

Mr. S. Smith:—and who was, of course, informed by his cabinet. It would have required a campaign to make certain that Mr. Roman and that everyone else in Ontario understood that that was to be the public policy of this province. Sure, if that were done and carried through two elections in 1975 and 1977, it is possible that the federal government would still have done absolutely nothing to assist in this and might even have actively opposed that public policy.

Mr. Cassidy: I thought they were Liberals in Ottawa and friends of yours.

Mr. S. Smith: It is obvious that the federal

government's policy is in no way in keeping with that kind of protection for the domestic consumer. It is obvious that the federal government's policy in this regard is about as short-sighted and as unprotective of the citizens of Ontario as it could possibly be.

Hon. Mr. Baetz: That's a typical Liberal position.

Mr. S. Smith: But it is also evident that the people who are supposed to be representing the best interests of Ontario, the people who are elected to protect the citizens of Ontario, the Progressive Conservative government of Ontario did absolutely nothing—

Hon. Mr. Baetz: Wrong. The record proves otherwise.

Mr. S. Smith:—other than to send a few perfunctory and timid Telexes from time to time. Is there a citizen of Ontario who has ever heard the Premier stand up at a first ministers' conference or on television or during an election campaign or at any other public gathering to demand a change in the policy of this country—

Mr. Roy: Never.

Mr. S. Smith:—and to put forward as a basic policy of this province to protect the domestic consumers, to demand back the resources which should belong to us. Why has he not stood up and had a policy of Ontario uranium for Ontarians? Why have we never heard that from the Premier of this province?

Hon. Mr. Baetz: The Liberal government of Ottawa decentralizes.

Mr. Roy: The Ontario government was asleep at the switch and they know it.

Mr. Ruston: All the Premier talks about is oil.

Mr. Cassidy: What about the failure of the Liberal government to act in Ottawa?

Mr. S. Smith: Why is it that you never stood up and demanded control of that resource? It would be one thing if all the energy resources were under federal control but only our resource is under federal control. Water power isn't. Coal is not. Oil is not. Natural gas is not. Our uranium is. Nobody in Canada is making atomic bombs from this. Why should we leave it under federal control? Why has the Premier of this province never been heard publicly to be out there fighting for this resource when we're talking about billions and billions of dollars going to the corporations, the president of which is a good friend of the government of this province?

Mr. Cassidy: Where have you been for the last couple of years?

Mr. Samis: What else is new?

Hon. Mr. Baetz: We have some concern for other Canadians too.

Mr. Roy: You are irresponsible and you should be ashamed.

Mr. S. Smith: The question then comes, I would have done that. We would know by now whether there was any hope at all of getting protection for our consumer. However, that wasn't done.

Mr. McClellan: Protection from Trudeau.

Mr. S. Smith: We now find ourselves in the position where I have to ask myself honestly, what would I do on this issue if I were Premier tomorrow?

Mr. Martel: Sign the contract.

Mr. S. Smith: I'll tell you, Mr. Speaker, what I am recommending as an alternative.

Mr. Roy: That is something the leader of the NDP doesn't have to worry about.

Mr. Cassidy: My chances are better than those of the Leader of the Opposition's.

Mr. S. Smith: First of all, I would absolutely refuse to sign this contract. I would never have my signature affixed to a contract which in my view is a sellout to Steve Roman and to Preston Mines. So I would not sign.

Mr. Eaton: You would never have the chance.

Mr. Cassidy: When it came to the crunch your party refused to get a majority report.

Mr. S. Smith: I would declare the public policy of Ontario to be one such as I have just pointed out, where we are insulated from world price and pay a fair incentive profit but not more than that. I would then move heaven and earth to bring about a situation where we could accomplish this. I recognize that Mr. Roman is threatening that on February 28, if the Premier's signature is not there he will turn around and sign a contract with Japan for our Ontario uranium.

Mr. Germa: He would sell his grandmother.

Mr. S. Smith: I suppose it is conceivable that the federal government might be stupid enough to let him do that—

Hon. Mr. Baetz: You're right.

Mr. S. Smith: —but I don't believe it.

Mr. Lane: You are contradicting yourself.

Mr. S. Smith: I believe that if the Premier refuses to sign that contract and then carries on a genuine battle, if he believes, as I do in my gut, that it is wrong to do that and he carries the battle to the people of Ontario

and to the government of Canada, then Mr. Roman wouldn't dare turn around and sell that uranium out from under our feet to Japan or any other country of this world when we need it for our own hydro-electric system. I don't believe that.

Mr. Philip: Don't underestimate him.

Mr. Germa: You don't know Stephen.

Mr. S. Smith: There are two problems and they are the reason the Premier is probably going to sign.

Hon. Mr. Baetz: One is in Ottawa.

Mr. S. Smith: One is that he doesn't agree with me that that should be the policy of Ontario. He's willing to tie this to world price and he's pretty well indicated that to us.

[4:45]

Hon. Mr. Baetz: Wrong.

Mr. S. Smith: All he asked Steve Roman for was something less than world price, that's all. He did not support Hydro when Hydro was asking to have nothing more than a fair profit.

Secondly, not only doesn't he believe it, and won't, in fact, take such action, but I believe he's afraid of Mr. Roman. He told us what a tough negotiator he is, and I tell you, even if we don't sign and Steve Roman turns around and sells that stuff to Japan, the one thing we would have learned anyhow is who runs this province and who runs this country if he could get away with that kind of thing.

So if the Premier wants to have my alternative, the alternative is, don't sign. Declare that we will not sign anything that gives Mr. Roman anything other than a fair profit and then move heaven and earth to bring it about and dare Mr. Roman to sell our own uranium out from under our feet to the Japanese or to any other country in this world. That's what the Premier should do and that's our alternative.

Mr. Martel: And if he decides to sell, what do you do then?

Mr. S. Smith: We call you in, Elie.

Mr. Martel: It would be much easier if we bought him out.

Mr. Roy: Too expensive.

Hon. Mr. Baetz: Talk about post taxes.

Mr. Roy: And you're talking about taxes, my God.

Mr. Martel: You move heaven and earth and he says no; what do you do then? Give me that economic lesson. When he says no, what do you do then?

Mr. S. Smith: We call you in, Elie.

Mr. Martel: If he says no what do you do then?

Hon. Mr. Baetz: Is that what you said? Let's hear Ed Broadbent on leadership.

Mr. Speaker: Let's have some order please.

Mr. S. Smith: I can't believe that the member for Sudbury East is also afraid of Mr. Roman. He must be a very powerful man.

Mr. Speaker, I want to turn now to a matter which I consider a very, very serious one and one which I hope will not be taken in a partisan way. I say that very sincerely.

Hon. Mr. Baetz: Wasn't the other one serious? You were kidding?

Mr. S. Smith: I want to turn now to the question of minority language rights. During the last two months there has been a lot of discussion concerning the role Ontario should play in expanding minority language rights in this province. Speaking before the Canadian Club in Toronto on February 6 and to the Sales and Marketing Executives of Montreal in that city on February 16, the Premier has most recently set out his approach and that of his government.

The general thrust remains that which he first set before the Legislature on May 3, 1971. The fundamental principle enunciated at that time, and, indeed, by the Premier's predecessor, John Robarts, in 1968, is that, and I quote: "The government of Ontario agrees to provide wherever feasible public services in French as well as in English so that the people of Ontario will be able to deal in either language with the various levels of government with which they come in contact." That is a quote from Mr. Robarts at the federal-provincial constitutional conference in February 1968.

I share with the Premier this commitment, and a belief that respect and opportunity for both major language groups is a basic principle of Canadian society. I share with him the concern he also expressed in his Canadian Club speech, that in implementing federal government policy on this question a number of serious errors were made in its development. These errors have affected negatively the way in which many people now understand the term "bilingualism" and the approach they take to minority language services.

I share with the Premier his belief that each province should develop a minority language program which meets its needs. Ontario, Quebec and New Brunswick can all respect a common principle but develop minority language policies and programs which may be quite different one from the other in their implementation.

I share with the Premier his commitment made in the Throne Speech to the Franco-Ontarian community that French-language government services should be expanded in accordance with need and population distribution. Clearly, there is a requirement for common sense and practicality in the way in which Ontario's minority language program is elaborated.

Let me add, and let me make clear, that in no way is French being forced on anyone. It isn't now and it won't be in the future, no matter which party forms the government of Ontario. Simply put, I share with the Premier his desire to continue to expand French-language services in Ontario. The members of my party, and I believe those of the New Democratic Party, would share these views which the Premier has set out.

I have tried to outline areas of agreement because I believe all parties in the Legislature can find common ground on this issue and because I believe we can move farther and faster if all parties work together. The document which the Premier tabled before the Task Force on Canadian Unity sets out in summary form what has been accomplished in the field of minority language rights. One regret I have is that this story has not been told by the government as effectively as it might. I believe that more vigorous leadership is needed to convince Ontarians as to the need and worth of expanded minority language programs.

I also believe it is the duty and responsibility of all political leaders to speak to this issue and to provide leadership. This is one of the reasons I have asked my colleague, the hon. member for Ottawa East (Mr. Roy), to take on the responsibility in our caucus for federal-provincial relations. He is able, in an extremely articulate and understanding way, to speak to all Ontarians, English- and French-speaking, about the need for expanded minority language programs and services.

Furthermore, it is my view that this issue and its solution is one which should be borne by all of us, not just the government. We all recognize that there are those in Ontario, including Conservatives, New Democrats and Liberals, who believe more attention should not be given to French-language services. Politically, this issue is not an easy one. As the Premier has stated, it can be divisive. It can generate fear, rancour and distrust. Nonetheless, it is an issue where we politicians, for the sake of our country, must resolve to seek fair and meaningful solution.

I therefore want to propose today that the three parties unite to make a major

thrust to complete Ontario's minority language program. It has been my personal view, and one I have expressed frequently, that the most effective way to proceed in implementing Ontario's minority language program was to bring together in one statute all the legislation pertaining to French-language services. Such a statute would then clearly define in one place the official status of the French language in Ontario. This statute would serve as a kind of charter for minority language rights.

Mr. Cassidy: Are you backing down from French as an official language?

Mr. S. Smith: In his speech to the Canadian Club, the Premier suggested that his government was prepared to examine an approach which is, I believe, somewhat similar to mine. In that speech he made the following statement: "While we have set aside official proclamation of bilingualism"—

Mr. Cassidy: As have you.

Mr. S. Smith:—"we have not as a government set aside the possibility of a statutory framework to the French-language service commitment we already have and which we will be expanding. These exist already in the context of education."

Mr. Cassidy: You are backing down.

Mr. Roy: You wouldn't understand—

Mr. Cassidy: Do you support this approach?

Mr. Roy: Of course I support legislation—

Mr. S. Smith: In our view, the statutory or legislative route in developing minority language services is an excellent one. Coupled with progress which can be made through simple administrative changes, legislative status in such areas as health, justice, municipal and social services and others would be a real step forward. This would not be anything radically new as legislation now exists in the educational area. Indeed, the standing orders of this Legislature include the following resolution, which was passed unanimously on July 22, 1968:

"Resolved: That henceforth every member of this House may as a matter of right in this House address the House in either of the two official languages of Canada." That's the resolution which was passed here.

The Premier has already alluded to this legislative approach in the Throne Speech. He stated that his government will be introducing legislation to increase the availability of French-language court trials by amending the Judicature Act and the Juries Act. We welcome this initiative and this approach. By putting down in statutory form the rights of the French language,

Franco-Ontarians can feel more assured about their future as French-speaking Canadians in their own province.

I therefore recommend that an all-party committee of the Legislature be created to do the following:

1. Review the state of minority language programs and services in Ontario and prepare in both English and French a comprehensive information document on what programs and services currently exist;

2. Set out what programs and services remain to be developed;

3. Recognizing current budgetary limitations, propose a timetable for the implementation of such a program.

I would propose that this committee be constituted as soon as possible and that it report to the Legislature at the beginning of the fall session. I would further suggest that we all ensure that senior members of our parties take part in this committee. I believe that consideration should be given to permit the inclusion of one or more ministers.

There is a wealth of goodwill and common sense in this Legislature; let us now use it to give Ontario a strong minority language rights program with all-party support. I say to the Premier that this proposal is made in a spirit of co-operation and in the recognition that this issue requires not only patience and understanding but also perseverance and progress. He will find us serious in our support of his stated objectives and firm in our resolve to help in meeting them.

I want to make it clear that I have stood in every public forum and on every media opportunity and I continue to stand, for the fact that we must have our French-language services provided as a matter of right and inscribed in the law in a way that they can clearly and easily be understood to exist in perpetuity and not as something to be given as a privilege from time to time, depending on the circumstances or the mood of the government of the day.

It is not right that Franco-Ontarians should feel that the services they do require, and which are being expanded by the government, are services that they should have constantly to request and practically ask for over and over again. They should be written down and brought together in one statute, which in that way would give official status to the French language in terms of all the services that are required.

I believe that in the province of Ontario, which after all has a sizable minority of French-speaking citizens, although only ap-

proximately six per cent of its population is in that language group, it would be patently ridiculous for the government to try to implement here a program of bilingualism in any way resembling that which was adopted at the federal level.

Bilingualism in that sense is not an appropriate word for Ontario. In fact, given the pejorative emotional connotation which it has taken on, probably because of some of the federal experience, it probably would be better not even used. I have tried to make a point of saying that it is impossible even to consider a bilingual Ontario, given that we are speaking of a six per cent minority, but that where numbers warrant and where need and demand exists for French-language services, we should have those services inscribed in the law as a matter of right rather than as something that has to be begged for.

No English-speaking person has to have French forced on him or her in any way. It is merely the same program which has already been accepted by the government, but brought together, brought to fruition and probably added to in some way so that you can have a trial in the French language; so that it will be possible to have reasonable health services in the French language, reasonable municipal services where numbers warrant and demand exists, and reasonable educational services.

[5:00]

It shouldn't be something that has to be fought for and begged for and struggled over in the local community. It should be written down as something which is a matter of right because we consider Franco-Ontarians not just to be the six per cent of the population, but to be a very important group in Ontario, representing something fundamental about the nature of our country.

After all, in sheer percentage terms there are probably more people of Italian origin. But there's something about our country, something special and something meaningful, and the French-speaking population outside Quebec is one of the main arguments against separatism. It's one of the main arguments against having to set up separate cultural walls around the province of Quebec, which in my opinion would be counterproductive for the French culture in Quebec.

So I say, therefore, let us stop referring to the question of shoving French down people's throats or official bilingualism à la Ottawa. Let us realize that what we really want are services. Let us define the services, and let us inscribe them in a law so that our Franco-Ontarians can see that it's inscribed there and

they don't have to worry about whether it's something to be given or taken away at the whim of the government of the day or the whim of an individual minister.

That is really what we are asking. To define that, we are asking that an all-party committee of the Legislature be established to work on exactly that possibility. I think there's very little difference in what I've said from the intentions of the Premier. But I believe that the official status that the French language would gain simply by having that Act there would satisfy the people who, after all, want their rights looked after—the Franco-Ontarian minority who depend on us in this Legislature to protect them. It would be a genuine gesture taken very seriously by our friends in the sister province of Quebec at this crucial time for our country's future. I put it therefore to the government in the hope it will be considered very seriously so we can avoid any of the political divisiveness which might otherwise occur.

I'm sure you agree with me, Mr. Speaker, that this topic, being so poorly understood and the word bilingualism having so many emotional connotations, is potentially a far more divisive topic than even the separate school controversy was in 1971. It's not the kind of topic we want to have as a partisan wrangle right now. It's not good for Ontario. It's not good for Canada. It benefits no one. I hope therefore that that will be taken seriously.

I was disappointed in the words of the hon. Minister of the Environment (Mr. McCague), and perhaps there's some explanation—I trust that with my remarks today any misapprehension about my policies will now have been cleared up. I was disappointed that on February 22—that's last night—in front of the Canadian Cattlemen's Association, he said, "Bob McKessock and Murray Gaunt are here tonight. I know that, as Liberals, they would not agree with their party leader's desire to make this a bilingual province. In this province we need only one language."

Mr. Cassidy: Shame.

Mr. Cunningham: Resign.

Mr. Reid: Did you really say that, George?

Mr. Cassidy: That kind of red-neck attitude does nothing for Ontario.

Mr. S. Smith: Personally I believe that that was undoubtedly a personal comment—

Mr. McClellan: That's a real Canadian for you.

Mr. S. Smith: —and I trust that this is not part of an orchestrated—

Mr. Martel: Another red-neck over there. He and Red Horner.

Mr. S. Smith: —political strategy of any kind. I trust it was merely a personal comment, and it may well have developed from a misunderstanding on the hon. minister's part of what our policy has been.

Hon. Mr. Baetz: We are all confused now.

Mr. S. Smith: I have never been for a bilingual Ontario in that sense because it makes no sense, given the population figures. I am for bringing together services and guaranteeing them in law so that they no longer have to be a matter to be begged for but are actually written into the law in a way that gives the language an official status of that kind.

Hon. B. Stephenson: Oh, come on. He criticized the Premier.

Mr. Martel: No, no, he's changed his position again.

Mr. S. Smith: I am more disappointed, by the way—

Mr. Martel: Oh, that doesn't matter. That was last week. This is this week.

Mr. Speaker: Order.

Mr. S. Smith: —that the audience, following that remark which I quoted from the hon. minister, gave him a standing ovation immediately upon—

Mr. Gaunt: Not a standing ovation.

Mr. S. Smith: Not a standing ovation, I'm sorry, but some ovation—take that from the record, it is my error—but gave him an ovation following those remarks.

Mr. McClellan: Another big contribution to national unity.

Mr. S. Smith: My feeling is that that type of thing does no good whatsoever for any person in Ontario, and I trust that with the clarification that I presented today and with my genuine effort to work on this in a non-partisan way—

Hon. B. Stephenson: Clarification? Sounds like a different position to me.

Mr. Martel: The Premier should take him out of the cabinet.

Mr. S. Smith: —that we can put an end to the divisiveness that exists in great potential in that topic.

Mr. Speaker, I will draw my remarks—
(Applause).

Hon. B. Stephenson: Who is holding up the cue cards?

Mr. S. Smith: I will draw my remarks to a close, Mr. Speaker. I have tried on this occasion, at some greater length than I had originally intended, to point out why I feel that the Throne Speech has failed to give us a sense of direction. I have expressed my very sincere disappointment with the mere pittance which the government has offered in terms of job creation initiative. I have tried to outline a sense of the future direction for our manufacturing sector—especially in the high technological area—in this province and in this country. I have tried to put forward what I believe is a genuine statement and a genuinely held belief regarding the uranium contracts and regarding the alternatives we would present.

Mr. Foulds: Your speech was as vague and as wishy-washy as the Throne Speech itself.

Mr. S. Smith: And I have attempted as well to make a constructive contribution to the debate regarding the status of French language rights in Ontario, and made the suggestion of an all-party committee which, I think, could advance the cause of unity and the cause of a more united Ontario in a way that would be very desirable.

I thank the hon. members for their attention and I thank you for the opportunity to address the assembly.

On motion by Mr. Cassidy, the debate was adjourned.

On motion by Hon. Mr. Welch, the House adjourned at 5:10 p.m.

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Friday, February 24, 1978

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, FEBRUARY 24, 1978

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

CONSTRUCTION INDUSTRY BARGAINING

Hon. B. Stephenson: Mr. Speaker, members will recall that in October 1977 the Labour Relations Amendment Act, 1977, or Bill 22, came into force. That Act provides for single-trade, province-wide bargaining in the industrial, commercial and institutional sector of the construction industry and is effective April 30, 1978.

Prior to third reading, the Act was referred to the standing resources development committee of this Legislature for detailed consideration. During their deliberations, concern was expressed by committee members that provision should be made for inclusion of the electrical power systems sector in the province-wide bargaining regime. In response to that concern, I proposed that an industrial inquiry commission be established pursuant to section 34 of the Labour Relations Act to consider the extension of Bill 22 to the electrical power systems sector of the construction industry.

This proposal was accepted by the committee and was included as part of its report to the House made on October 25, 1977. Accordingly, on November 1, 1977, I appointed Mr. S. R. Ellis as an industrial inquiry commissioner on the following terms of reference:

To inquire into, report upon, and make recommendations to me concerning the extension or application of Bill 22, entitled The Labour Relations Amendment Act, 1977, passed at the first session of the 31st Legislature of Ontario, to the electrical power systems sector of the construction industry referred to in clause (e) of section 106 of the Labour Relations Act, including and without limiting the generality of the foregoing:

(a) The feasibility of the merger of the electrical power systems sector with the industrial, commercial and institutional sectors;

(b) The desirability of the retention of multi-trade bargaining, as opposed to single-

trade bargaining, in the electrical power systems sector;

(c) The process of, and timing for, such extension, application or merger, if same be recommended; and

(d) Generally, any matter in relation to the foregoing which in the opinion of the commission is relevant to the foregoing.

Further, I requested that the commission report to me not later than January 31, 1978, and in accordance with that request Commissioner Ellis submitted his findings to me on that date. In fulfilment of the undertaking which I made to the committee, I am tabling the report at the appropriate time before the House.

Public notice of the inquiry was given and the interested parties were invited to meet informally with the commissioner and to make written submissions to him, if desirable. Throughout the months of December 1977, and January 1978, 20 such meetings were held in which some 50 individuals and 35 separate organizations took part, a limited number of whom also gave written submissions. In addition, the commissioner appointed two recognized experts in the field of construction industry labour relations, representative of management and labour, to act as technical advisers to the commission.

The report is an exhaustive study of the issue placed before the commissioner. The commissioner's major recommendation is that a parallel province-wide bargaining structure be established for a redefined public power sector. If adopted, the recommendation would require appropriate amendments to be made to the Labour Relations Act.

Although an initial assessment has been made of the implications of the report by officials within my ministry, further detailed analysis of it is continuing. Further, the report, which runs about 170 pages, has been reproduced and made available to all interested parties.

I hope to receive the recommendations of my officials regarding the report within the next several weeks.

ORAL QUESTIONS

Mr. S. Smith: Mr. Speaker, I wonder whether there is going to be a presence here

later today by the Premier (Mr. Davis) or by the Treasurer (Mr. McKeough) or the Deputy Premier (Mr. Welch) or the Minister of Education (Mr. Wells)? May we have some indication from whoever is in charge over there?

Mr. Warner: Who is in charge?

An hon. member: They are in Montreal.

An hon. member: They are at the conference, are they not?

Mr. Warner: You are all in charge, that's the problem.

An hon. member: Lorne Henderson is in charge.

Mr. S. Smith: I will reserve my questions until a little later on in the question period, Mr. Speaker.

Mr. Cassidy: I have a question which I think should be directed to the Minister of Natural Resources (Mr. F. S. Miller) in the absence of the Premier, the Deputy Premier and the Minister for Northern Affairs (Mr. Bernier). In the absence of the Premier, the Deputy Premier and the Minister for Northern Affairs, can the minister provide the House with—

Hon. W. Newman: He is not here.

Mr. Cassidy: Oh, sorry. He is not here either? Goodness me. Well, I'll try again, Mr. Speaker.

Mr. Ruston: Bombed out again.

Mr. Cassidy: What a bunch.

Mr. Warner: Too early for them.

Mr. Reid: Three up, three down.

CONDOMINIUM LEGISLATION

Mr. Cassidy: I'd like to ask a question of the Minister of Consumer and Commercial Relations. Can the minister explain why, with all of the promises of high priority that have been given on condominium legislation from the time of the creation of the Kealey task force two years ago until the publication of its report just before Christmas, there was no mention of condominium legislation in the Throne Speech? And can the minister say what the government's intentions now are?

Hon. Mr. Grossman: The government's intentions have not changed one bit; we will be introducing condominium legislation in this session.

Mr. Cassidy: Supplementary, Mr. Speaker: Since the minister gave condominium groups only a month—and that over Christmas—to reply to the Kealey commission study, can the minister say why that time limit cannot be extended in view of the very evident

dragging of feet which is going on in the ministry at this time?

Hon. Mr. Grossman: I was really quite interested to compare the remarks of members of the NDP who have been complaining about the delay in bringing forth condominium legislation, and the remarks that followed by one of the hon. member's competitors, the member for Oshawa (Mr. Breaugh)—

Mr. Renwick: A former competitor.

Mr. Blundy: Ed Broadbent's man.

Hon. Mr. Grossman:—who tried to build his campaign in part around the delay in bringing in condominium legislation, piecemeal legislation, and all of those silly things, when in fact what we were doing was trying to implement the Kealey report as quickly as possible. In order to do that, I took the position that most people with interest in the condominium situation had had two advantages: firstly, as much hearing before the Kealey task force as they needed; and, secondly, obviously a great deal of time to reflect upon those submissions and their tactics prior to the time at which the study group reported.

With those two elements there, I thought quite properly that I owed it to the condominium unit owners in Ontario to proceed forthwith to move towards legislation upon receipt of the study report. I know that the hon. member and his party would have been up on their hind legs screaming if I then announced, "Well, now that I've got the study report, I'm going to have more public hearings or hold back legislation three or four months in order then to permit the public to once again comment at length and submit briefs." That's what they would have been saying. They would have been saying, "Haven't you heard enough? Isn't it time you guys got off your butts and started to bring forward legislation?" So I tell the hon. member that we are.

Mr. Warner: The report's a disaster, and you know it.

Hon. Mr. Grossman: I've got the report of the task force. I am now moving to legislation. We're going to have that legislation this spring. If he is making the suggestion that we should now delay it and permit more public hearings, I think the hon. member should level with me. Does he want us to hold off legislation while we have more public input? In that case he should say that he doesn't want the legislation this spring.

Mr. Cassidy: We had no evidence you are acting. It wasn't even in the Throne Speech.

Hon. Mr. Grossman: The only thing I would add is that I indicated last December in this assembly, in the face of some questions from the hon. member's colleagues—

Mr. Kerrio: The minister would have made a good quarterback; he's running down the clock.

Hon. Mr. Grossman:—that we would in fact be receiving public submissions to the end of January. There were no squawks coming at that time. In any case, those people who have written saying they cannot get their comments in by the end of January have been told by my ministry and myself that we will be happy to receive their comments, indeed at any time up until the passage of the legislation.

Mr. Breithaupt: Would the minister acknowledge at this time that such legislation would of course go to standing committee so that if there was a requirement for any additional public input at least it could be accommodated then?

Hon. Mr. Grossman: I've always presumed, on a piece of legislation like this, that it would no doubt end up in committee where there would be more public hearings.

Mr. Philip: Can the minister inform the House how many submissions he has received from condominium groups over the month that he gave them to reply; and can he tell the House why he has not fulfilled the promise that he made to members of this House of Xeroxing in some form, at least in the same way that he Xeroxed the replies of coffee companies, and sending us the submissions of the condominium associations?

Hon. Mr. Grossman: Yes; we have 29 so far, I think. That includes some from municipalities, so not all 29 are from condominium associations. We just thought we would try to organize it in some reasonable fashion for the hon. members before sending it to them.

Ms. Gigantes: What a disaster.

Hon. Mr. Grossman: If the hon. member would like me to send him the 29 that we've got, I'd be happy to.

Ms. Gigantes: You are going to have to bring in legislation each and every year.

Mr. Warner: You don't know what you're doing over there.

Mr. Cassidy: Mr. Speaker, I would like to reserve my second question in the hope that one of the responsible ministers for the north actually shows up.

HEALTH RECORDS

Mr. S. Smith: Mr. Speaker, I'll ask my first question of the Minister of Health. Can the

minister comment on the report on the CTV network last night which seemed to indicate that whole psychiatric files—not merely the demographic data that is in the possession of OHIP, but entire OHIP files—have found their way into the hands of the RCMP? Would he like to tell us what he knows about that and in some way explain how that fits, if it is accurate, with his previous statements in the House?

[10:15]

Hon. Mr. Timbrell: Mr. Speaker, I was made aware of this a few days ago by my colleague, the Attorney General (Mr. McMurtry), and at this point it is not clear to what the RCMP are referring. Since being made aware of it, I've have asked my officials in the ministry and in OHIP to meet, along with the officials of the Attorney General's ministry, with representatives of the RCMP to clarify as much as is possible exactly what it is the inspector referred to in a recent letter to the Attorney General. The member can anticipate that once that has been clarified the Attorney General and/or I will be making a statement in this House.

Mr. S. Smith: By way of a supplementary, since the minister says it has been some days since he heard about this, may I ask why he doesn't already have the information that I would imagine he should be in possession of regarding exactly what it is that was in the possession of the RCMP and how they came to acquire it, whether there was a warrant exercised or not?

Hon. Mr. Timbrell: Mr. Speaker, it is two days—in fact less than two days if you wanted to go by the hour—since I found this out; some meetings have already been held and further meetings are in progress or being arranged.

Mr. Deans: Go by the hour.

Hon. Mr. McMurtry: Do members want accurate information on it?

Mr. McClellan: That would be nice for a change.

Hon. Mr. Timbrell: The point is that we are investigating it thoroughly. The other thing that should be emphasized is that whatever information is turned up in this investigation, involving the officials of our two ministries and the RCMP, all of it will be turned over to the Krever commission. Obviously we are concerned in the Ministry of Health and the government as a whole that, given our determination to maintain as secure a system as is humanly possible, if this indicates something lacking in the system then we want that corrected and we would like Mr. Justice Krever's recommendations on it.

GLENDALE TRAINING CENTRE

Mr. Nixon: I would like to direct a question to the Minister of Correctional Services. Since the inmates from Glendale, according to the minister's announced plans, will begin to be transferred Wednesday next week, would the minister give any consideration to delaying that decision until it can be reviewed, either by a group established by the ministry or, preferably, by one of the standing committees of the House? It could be the standing committee on justice or the standing committee on social development.

Does the minister agree that in the time since the evaluation study done by Dr. Coons, the people directly associated with Glendale have not, at least in their mind, had ample opportunity to put their alternatives? Would the minister not consider that such a review by a committee of the House, however the terms of reference might be constructed, would be in the best interests of justice and fair play, involving the ministers and the members of the House in improving the quality of the program under corrections?

Hon. Mr. Drea: Mr. Speaker, first of all, as of this morning there are about 62 inmates still in Glendale. Thirteen of them will complete their sentences within the next few weeks. The others will be transferred to adult training centres that have identical or equal programs, such as Burtch near Brantford, Brampton and so forth. One will be transferred to the Ontario Correctional Institute because he does require treatment, that would have occurred in any event. Secondly, I think if the member would talk today to the person that he is quoting about a very brief report he made last fall, he would find that he is completely in agreement with my decision.

Mr. Nixon: The Coons report, the minister has indicated, is simply a brief report.

Hon. Mr. Drea: It is a letter, not a report.

Mr. Nixon: Well the letter or the opinion. What we want to do surely is in the best interests not only of the people that we want to assist—as well as, I presume, to some extent incarcerate during this period. We want to assist them—but surely the minister would agree that the members of this House, many of whom have received delegations and letters of concern from people working there and others in the community, should have a better opportunity than simply the question period in the Legislature to get a view of what is going on? What would be wrong with a brief delay in the transfer of the people concerned? Or if not that, at least a review by the

standing committee so that the people concerned can be satisfied and maybe the minister would have the benefit of these additional sources of information?

Hon. Mr. Drea: Mr. Speaker, in all fairness, most of the inmates at Glendale are on relatively short sentences. We want to keep their program, be it education or social therapy, going. It can be duplicated in other institutions. It is a matter of record that when I met last Friday with the Glendale staff—and that's what it was, there was only one concerned citizen who was not of the Glendale staff—I offered them the opportunity that if they could show me that their program was not being duplicated or matched in any other institution we have under operation at the moment, then I would reconsider. After about five minutes of consultation they agreed that there was no point in pursuing that because the programs could be offered, or are being offered, elsewhere.

Mr. Nixon: There's not another institution with a similar record.

Hon. Mr. Drea: That is not true. If you read the Ombudsman's report—and I would think somebody from Brant county should—you will find out that the Burtch Correctional Centre, which is in your county, comes out far ahead of Glendale.

Mr. Nixon: As far as recidivism?

Mr. Speaker: Order. The hon. member for Brantford with a supplementary.

Mr. Makarchuk: The minister has in effect partially answered my question in what he has said. He is transferring some people to an institution in Brantford that carries on a similar program. But my question is where in the world in and around Brantford is there an institution that carries on a similar program?

Hon. Mr. Drea: Mr. Speaker, I did not say I was transferring them to an institution in Brantford. I specifically said that they would be transferred to the Burtch Correctional Centre near Brantford, to the Brampton Correctional Centre, and if they are bilingual, to the Rideau Correctional Centre near Ottawa. The member will find that in our correctional centres, particularly those devoted to the adult training program which is youth oriented, the programs are there.

Mr. Worton: Supplementary: In the last few days I have been in touch with the officials in regard to the complement of the Hillcrest Training School in the Guelph Correctional Centre. Could the minister tell me when that complement will be approved for that particular institution?

Hon. Mr. Drea: Yes. First of all, the initial complement will be for the transfer of the Hillcrest Training School to my ministry, and it will replace the old Guelph jail. The initial complement will be the staff of the Guelph jail. We have made a commitment that everybody qualified from the Hillcrest Training School will be brought on stream by this ministry. They may not be in the Hillcrest facility, they may very well be across the highway in the Guelph Correctional Centre.

Mr. G. I. Miller: Supplementary, Mr. Speaker.

Mr. Speaker: I think we have had enough supplementaries. The hon. member for High Park-Swansea.

Mr. Worton: Supplementary.

Mr. Speaker: The previous question from the member for Wellington South really wasn't a supplementary to the original question. But go ahead.

Mr. Ziemba: Point of order, Mr. Speaker.

Mr. G. I. Miller: If the minister—

Mr. Ziemba: Point of order, Mr. Speaker.

Mr. Speaker: Is the member for High Park-Swansea's question a supplementary?

Mr. Ziemba: Yes it is, and if the last wasn't a supplementary I would like to get my supplementary in now.

Mr. Speaker: I thought yours was a new question.

Mr. Ziemba: No it was not.

Mr. Speaker: You may have a supplementary.

Mr. Ziemba: Thank you. Given that the Glendale facility has a rehabilitation success rate twice as good as any comparable facility elsewhere in this province, and given that there is a real team ethic there where the community trusts and works closely with the facility, and given that there are nowhere near the community resource centres to take care of the prisoners—the minister talks about 30 resource centres yet we will need 300—why doesn't he consider just delaying the closing of this very worthwhile facility until there is more consultation with the people in the community?

Hon. Mr. Drea: In response to the member for High Park-Swansea, the only research that was ever done about the recidivism rate at Glendale was one that the ministry has never accepted on the grounds of empirical data.

Mr. Ziemba: The minister didn't want to accept it.

Hon. Mr. Drea: The reason we didn't accept the study was it showed they had exactly the same recidivism rate as Guelph

Correctional Centre, which is almost absolutely without programs.

Mr. Ziemba: That's nonsense.

Hon. Mr. Drea: I find it highly inconsistent on the part of this member, who in December in my estimates told me to get into the CRCs, the community resource centres, right away as they were the only answer, not the institution. Then when I do it, he says to delay it for a couple of years.

Mr. Makarchuk: So why are you closing them?

Hon. Mr. Drea: In December he was telling me to move right ahead.

Mr. Cassidy: You pick on the best part of your system to close rather than the worst.

Mr. Ziemba: That was in December.

Mr. Speaker: Order.

Mr. G. I. Miller: Supplementary: If the minister is so sure that the program he is working towards is so good, what would be wrong with allowing a debate to clear the air for the citizens who has supported the program, particularly in the area of Simcoe and across the province?

Hon. Mr. Drea: I have no quarrels with debates or anything, but I find when I write back to people in the area and tell them exactly what we're doing they turn around and write me a letter in support.

Mr. Nixon: There are some who certainly won't buy that.

Mr. Makarchuk: Table the letters.

Mr. Nixon: They didn't send copies of their agreement to me.

Hon. Mr. Drea: I say in response to the second part of that question the difficulty is that, were I to hold off much longer, my friend and colleague, the Minister of Community and Social Services (Mr. Norton) would not have a training school on site on April 1 and that would cause that ministry a considerable amount of difficulty.

Above all, I have looked at the Glendale situation. I have the advice of my staff and of consultants, including the one named by the House leader of the opposition, that my decision to put youthful offenders as close to the community as possible is the correct one. On that basis, while I'm certainly open to suggestions at any time—

Mr. Nixon: Are you going to table the report?

Hon. Mr. Drea: I think a formal debate would only beg the question and lead to more delays in the implementation of a very positive policy by the ministry.

Mr. Cassidy: You are moving youthful offenders into jails.

Mr. Speaker: The hon. member for Ottawa Centre has a new question.

Mr. Cassidy: If the Leader of the Opposition has his second question, I'll take my second question later.

MULTICULTURAL TV STATION

Mr. S. Smith: I have a question of the Minister of Culture and Recreation, if I might just engage his attention for a moment.

Does the minister have his own policy or has the government established a policy which agrees with that expressed by the Minister of Transportation and Communications (Mr. Snow) regarding the multicultural television station that is proposed for the Toronto area? The minister is undoubtedly aware that the Minister of Transportation and Communications approached the federal minister to ask that assurances be given that this multicultural station not displace on the cable one of the Buffalo stations. Is that government policy and is that his ministry's policy?

Mr. Reid: Ask the Minister of the Environment (Mr. McCague).

Mr. Cassidy: He looks well informed and well briefed.

Hon. Mr. Welch: I'm sure the position taken by the Minister of Transportation and Communications, who has the responsibility for making representations on our behalf, was clearly stated. I'm not so sure that it was quite as stated by the Leader of the Opposition.

Mr. McClellan: Unfortunately, it was.

Mr. Cassidy: It was a pretty offensive statement. Ask the member for Renfrew South (Mr. Yakabuski) if he agrees with it?

Mr. McClellan: It was as stupid as that.

Mr. Conway: I'm sure he will.

[10:30]

Mr. S. Smith: By way of supplementary, can the minister tell us what his viewpoint is with regard to the multicultural television station which is proposed for Toronto, as to whether it should or should not supplant, if necessary, an American station; and will he be making a statement on behalf of the government or will the government be making a statement at some point?

Hon. Mr. Welch: I think perhaps the simplest way to answer the question this morning is that we would make a statement clarifying the issue at the first of the week.

ONAKAWANA LIGNITE DEPOSITS

Mr. Cassidy: It is my understanding that the next question will go to a backbencher from my party. I think that's the way the order went.

I have a question of the Minister of Northern Affairs now that the north finally has a representative on the cabinet side. Who are the principals of Onakawana Development Limited? What has happened to Manalta, the company that was going to develop those deposits? When is the project expected to begin; and can the minister give some more understanding to this House about the guarantees that have been provided for employment of natives and of northerners from the region in the project?

Hon. Mr. Bernier: In my earlier responsibilities as Minister of Natural Resources, naturally, I was directly involved with all these discussions. Since that particular minister is not here today and will be back, I believe on Monday, I think that question asking for all those details should be more appropriately directed to him.

Mr. Cassidy: Supplementary: I appreciate the redirection. It's a bit difficult when the minister isn't here and something important to that area is announced.

Hon. B. Stephenson: He will be here on Monday.

Mr. Cassidy: Has an environmental assessment been done on the project and what does this announcement mean in terms of the Hartt commission's responsibilities for assessing major projects of importance to the area north of the 50th parallel?

Hon. Mr. Bernier: I can only repeat what I said in my early involvement. Certainly all the areas to which the member has referred were considered. I am sure when the minister comes back on Monday he will be able to acknowledge and respond to all those specific questions.

INCOME TAX DISCOUNTS

Mr. Davison: I have a question of the Minister of Consumer and Commercial Relations. Would the minister tell the House what he has done to ensure that companies still involved in the practice of discounting income tax returns are abiding by the legislation he introduced and we passed in the House last session? Has the ministry investigated any cases in which the provisions of section 4 of that Act have been contravened by the application of unreasonable handling charges to the people involved? Specifically,

has the ministry looked into the activities of two firms in Hamilton, Premium Tax Services of 175 James Street North, and Instant Tax of 290 Ottawa Street North?

Hon. Mr. Grossman: I wouldn't want to comment just now on which specific outlets my investigation staff has visited, either openly or not openly, but we have had a rather wide investigation of who is carrying on in spite of the legislation and who is not. I might comment at this time that if the member has any specific branches—and he has mentioned a couple—I will be pleased as a result of his question to go back and see if those happen to be two that have been checked.

I would also say that I wouldn't purport to acknowledge openly whether they have or haven't, because that would be unfair to the operators, I think. The other thing I would add is that we have found certain practices being carried on which may have succeeded in loopholing the Act a little bit. Perhaps next week I will be introducing in the Legislature a short amendment Act to close some loopholes, because I do want to get those people this year.

Mr. Davison: Supplementary: I trust, then, from the minister's remarks, that he will, if he hasn't, take a look at those two companies I have mentioned specifically. Would the minister confirm that the use of rather substantial handling charges is one of the methods that some of these companies are using to get around the Act?

Hon. Mr. Grossman: I must say that in my short check of the practices we know are being carried on, we haven't found that one as one they have stuck to. Those two that the member may have mentioned may be, but as I say mostly they are using some other more clever means to get around section 4.

TOURISM ADVERTISING

Mr. Kerrio: I have a question of the Minister of Industry and Tourism. Is he aware of the impact that Bill C-48, as approved in the House of Commons, is having on tourist resort and attraction operators throughout the province as it relates to the advertising done in the United States not being an allowable deduction as a cost? Is the minister aware of the impact that that is going to have on the tourist attractions and operators across this province, particularly in view of the huge deficit that we are facing in the tourism industry right across the country?

Hon. Mr. Rhodes: Mr. Speaker, I don't have specific numbers on what the impact will be. I am assuming that the provisions of Bill C-48 as passed by the federal government will certainly have some impact on persons who are attempting to advertise in American publications. The hon. member well knows the very public debate that was held on that particular bill; the bill itself was aimed at advertising in such magazines as Time and Reader's Digest. The spinoff from that may very well have an adverse effect on the smaller operators and the attractions that need to advertise in those American magazines.

What we can do about it would be, I suppose, to make some sort of submission to Industry, Trade and Commerce, and ask them to bring to the attention of their colleagues the effect it can have on tourist attractions and on costs to the operators in Ontario and Canada as a whole.

Mr. Ruston: The minister should set up a meeting with Horner.

Mr. Kerrio: Supplementary: I wonder if the minister is aware of the fact that it is not only periodicals and weekly and monthly publications that I am talking about. I am also talking about radio and television advertising as it relates to some of the attractions we have across the province. It seems strange at this time that we would inhibit those people from advertising to get tourists to come to Ontario particularly.

Hon. Mr. Rhodes: I am not sure whether or not the media the hon. member is referring to, and the advertisers of the type he and I are talking about, were in fact exempt from the taxation. If that were so then his comments are well taken. However, with respect—and not being facetious—I would suggest that this Legislature had absolutely nothing to do with the passing of Bill C-48 and as he has some colleagues who are gathering, I understand, in large numbers in Ottawa, he may want to talk to them over the weekend.

Mr. Breithaupt: They are large, very large.

Hon. B. Stephenson: Insignificant numbers.

Hon. Mr. Rhodes: But not in the House of Commons.

Mr. Conway: A lot of your old friends, John.

Hon. B. Stephenson: No, there won't be.

Mr. Kerrio: Mr. Speaker, the advice might be very well put by the minister. But the suggestion I am making is, would he in his office, as it relates to the protection of and interest in Ontario resorts and tourist oper-

ators, make known to the federal government his feelings that it is causing grave concern? I have very recently had from a man who does a great deal of television advertising in the States a submission that he will not be able to deduct this cost from his advertising. He brings thousands of people here. I wonder if the minister, through his good offices, would investigate further to see if he can have some impact on the government to change this bill.

Hon. Mr. Rhodes: As a result of a phone call from the hon. member to my office yesterday, indicating his interest—and I think his genuine interest in this matter—we have already started that. Certainly, we will contact the federal agencies, particularly Industry, Trade and Commerce, and indicate our concern and pass it on to the others.

Mr. Speaker: Final supplementary, the hon. member for Brantford.

Mr. Makarchuk: Supplementary to the minister: Would the minister clarify with the Ministry of Revenue that advertising done on a foreign station and directed to a foreign market is deductible? Would he get that information and get it out to the operators, and tell them exactly what it is?

Hon. Mr. Rhodes: I am sorry, Mr. Speaker, I missed the first part of the question.

Mr. Makarchuk: The point is that if the advertising is done on a foreign station, directed to a foreign market—in fact to a United States' market—then that cost is deductible. If he would get this information and convey it to the people concerned, I am sure that would clarify the matter.

Mr. Reed: Is that a statement or a question?

Mr. Eakins: That's advice, just advice.

Hon. Mr. Rhodes: I will look into that. I wasn't aware that situation existed.

WASTE DISPOSAL

Ms. Bryden: Mr. Speaker, I have a question for the Minister of the Environment. Will the minister tell us what priority he is giving to finding alternative sites or disposal methods for the liquid industrial wastes which are now being dumped in the Beare Road site in Metropolitan Toronto, and can he assure us that there will be no further requests for extension of the use of this site beyond April 30? There have been several extensions already and it is creating a very smelly atmosphere in the area and it is already overloaded.

Hon. Mr. McCague: I cannot give the hon. member the undertaking that we will not request an extension of the deadline that

we have at present. We don't have other facilities at the present time. As the hon. member knows, we're working on others—St. Lawrence Cement, Nanticoke—and some more may be directed to Tricil. We are working on this project and looking for an early resolution but, as she knows, the various hearings are holding things up. We hope to be in a position to handle these in other areas by the end of the year.

Mr. G. I. Miller: Supplementary: What progress is being made as far as recycling these wastes is concerned? Is there any progress in recycling this type of waste rather than dumping in lagoons and waste disposal sites?

Hon. Mr. McCague: The process that we're going through at St. Lawrence is one of destroying waste by burning, and there is a program at the Ottawa Street site in Hamilton.

Mr. Makarchuk: Supplementary: Did I hear the minister correctly, that burning of waste is carried out at the St. Lawrence Cement plant in Mississauga at this time?

Hon. Mr. McCague: No, I didn't say that at all. I said in response to the member for Beaches-Woodbine that there was a hearing into that matter coming up later this year.

OHIP CLAIMS PROCEDURE

Mr. Conway: A question to the Minister of Health: Is the minister aware that under the present OHIP legislation it is possible for a doctor who has opted out of the direct payment scheme to refuse with impunity to submit to OHIP the bills his patients have paid, thereby preventing the patients from being reimbursed for the moneys they have paid to that doctor?

Hon. Mr. Timbrell: Refuse to do what? There were a couple of words there that I think were crucial to the member's question which I couldn't hear.

Mr. Conway: For the minister's edification I will re-read the question.

Hon. B. Stephenson: Enunciate clearly

Mr. Conway: Is the minister aware that under the present OHIP legislation it is possible for a doctor who has opted out of the direct payment scheme to refuse with impunity to submit to OHIP the bills his patients have paid, thereby preventing those patients from being reimbursed for the moneys paid by them?

Hon. Mr. Timbrell: The patient submits his or her own bills to OHIP and is reimbursed directly for any services rendered

by an opted-out physician which are in fact OHIP benefits.

Mr. Conway: Would the minister then care to comment upon a case brought by OHIP to the College of Physicians and Surgeons where this is the matter at hand and where in fact that very point is being disputed? Is the minister aware that there is a Metropolitan Toronto physician at present before the College of Physicians and Surgeons for refusing to submit bills or OHIP claims to OHIP, thereby allowing the reimbursement to take place for the patients involved? Is he aware of that case? What does he plan to do about it, particularly as regards reimbursement for the many elderly people in this instance? The minister might be interested to know that the challenge was made by an Ontario public servant working for the Ministry of the Environment.

Hon. Mr. Timbrell: Either something's missing from the question or—

Mr. Mancini: I think there's something missing from the answer.

Hon. Mr. Timbrell:—perhaps having the details of the name and so forth would assist. I repeat that in the case of an opted-out physician it is the patient who submits the claim to OHIP and, assuming that it is a service for which there is a benefit under the Health Insurance Act, then the patient is reimbursed according to the OHIP schedule benefits.

If the hon. member would care to give me the name—there are many cases before the college at various stages—I will look into it and if there is anything further to be added I will do so.

[10:45]

Mr. Conway: Is the minister then denying that there is, under the present OHIP legislation, no obligation on behalf of the doctor involved to submit claims proving that the medical services have been provided? Is he saying that there is no obligation on opted-out doctors to supply those claim forms to OHIP? They have to, and the minister must be aware of that. Without that the patients cannot be reimbursed.

Mr. Speaker: The question has been asked.

Hon. Mr. Timbrell: As I said, something was missing from the question.

Mr. Reid: That was clear to most of us.

Hon. Mr. Timbrell: It seems to me that what the hon. member is talking about is providing proof of having performed a service. What he is talking about is submitting a claim which, with respect, is totally different

from what he said in the beginning. The member should get his questions straight for once.

Interjections.

Mr. Nixon: Now that you understand it, what is the answer?

Mr. Conway: As a supplementary to that, I want to know if the minister intends to act in this particular case. It is clear to everyone, if not to the Minister of Health, that there must surely be an obligation to remove that loophole because there are several people in Metropolitan Toronto out several hundreds of dollars because of it. I am asking the minister to investigate and do something, with perhaps the help of the Minister of Labour, to plug that obvious loophole so that those people can be reimbursed for the moneys lost to them.

Mrs. Campbell: The Minister of Labour doesn't know either.

Hon. B. Stephenson: Sean, you are off your rocker.

Hon. Mr. Timbrell: Mr. Speaker, with respect, the hon. member didn't know enough about it in the first instance to even properly phrase his question.

Mr. Nixon: First you didn't understand it. Now you won't answer.

Hon. Mr. Timbrell: I will be glad to investigate. If there is, in fact, a loophole we will consider that. But once again the members of the Liberal Party try to damn the whole medical profession because of what they think might be wrong.

Mr. Nixon: It was directed at you—an inefficient minister.

Hon. Mr. Norton: I'd like to know your definition of a loophole, Sean.

Mr. Cunningham: Direct the question to the parliamentary assistant.

Mr. Speaker: Order.

MINIMUM WAGE

Mr. Mackenzie: A question of the Minister of Labour.

Interjections.

Mr. Speaker: Order. I can't hear the question.

Mr. Mackenzie: Would the minister enunciate clearly to the House, her thinking behind the possible elimination of the minimum wage in the province of Ontario as reported in one of the newspapers recently? Does she really intend to set up a committee to look into this matter? What would the committee really look into? Can we have assurance that

if such a committee was set up it will not be used to delay further increases that are announced for the following year in the minimum wage in the province of Ontario?

Hon. B. Stephenson: Mr. Speaker, I shall be very pleased to enunciate very clearly indeed that I did not say that I was looking forward to the elimination of the minimum wage. What I did say was that a number of eminent economists, a number of important social philosophers, sociologists and others have made statements and arguments within the last several months—

Mr. Cassidy: You are an apologist. Nothing but an apologist.

Hon. B. Stephenson:—stating that they believed—

Interjections.

Mr. Speaker: Do the members want an answer to the question?

Hon. B. Stephenson: I don't really think they do. Do they wish an answer, Mr. Speaker?

Mr. Swart: The real one.

Hon. B. Stephenson: I am giving members the factual answer, which is my wont.

Mr. Lewis: You were misquoted again, eh? You are the most misquoted minister in the House. You are always changing—

Hon. B. Stephenson: Oh no, I am not. I don't get misquoted nearly as often as the member does. Mr. Speaker, I am trying to answer the question honestly and fully, as I always do.

Mr. Conway: Just the whole truth today. Just the whole truth.

Hon. B. Stephenson: There have been a number of thoughtful specialists and consultants in this area who have expressed publicly a concern that I think indeed we must examine. They say that the minimum wage is not the most valid tool for the provision of a rational economic base for those people who are unskilled and must be employed.

Mr. McClellan: Who are those people?

Mr. Samis: Name one.

Hon. B. Stephenson: There are other mechanisms which have been suggested. I believe that when these suggestions are made by knowledgeable individuals—

Mr. Deans: If you are unskilled, do you get lower food prices, lower rent?

Hon. B. Stephenson:—it is indeed our responsibility to examine that philosophy and to look at the validity of the minimum wage

as a social tool at this stage of the development of our economy and our society.

Mr. Samis: Philosophy is back in the 19th century there.

Mr. Lewis: What a lot of blather.

Mr. Renwick: That's Milton Friedman.

Hon. B. Stephenson: That is the purpose of the study. There are no biases within the study. It is completely open and will be open to submissions from any and all groups who are interested.

Mr. Samis: A dollar an hour.

Hon. B. Stephenson: We hope to have some solid information about this which will be of guidance, not only to the government, but also to all members of the Legislature.

Interjections.

Mr. Mackenzie: Supplementary, Mr. Speaker. First, would the minister please give us the names of maybe two or three of the experts she is talking about. And would she answer the last part of my question—that is, if such a committee is set up, can she assure us it will not be used as a mechanism to stall the further increases in the minimum wage that have been announced?

Mr. Warner: One of the experts is Colin Brown.

Hon. B. Stephenson: Mr. Speaker, the increases proposed have been announced. They will take place on the dates on which they have been announced.

Mr. Lewis: Supplementary: Since the minister uses them fairly widely, could she not share with us some of the names? Not 10 or a dozen—I'm sure she has that at her fingertips—but just three or four.

Hon. B. Stephenson: Mr. Speaker, I shall be most pleased to provide the bibliography which has been established within the research department of the ministry.

Mr. Lewis: You don't have any of them?

Mr. McClellan: Not a single name?

Hon. B. Stephenson: No, I do not have them off the top of my head.

Mr. Eakins: Ask George McCague.

REGISTRATION OF NURSES

Mr. Gaunt: A question of the Minister of Health: Is the minister planning a meeting with the College of Nurses of Ontario to express concern over the college's proposal to decertify nurses who haven't worked at least 50 days in a year in the last five years; a proposal that in my view is unrealistic and certainly unreasonable in view of the high

unemployment, particularly among nurses in rural areas?

Hon. Mr. Timbrell: Mr. Speaker, to repeat the discussion which the hon. member and I had by telephone yesterday morning, this is in fact a proposal from the College of Nurses to the membership. Of course, I am sure the hon. member, like members on this side, would want to ensure that the rights of the nursing profession through the college to regulate its own profession should be maintained. Since it is a proposal from the college to the membership, one which the nurses are discussing at a number of meetings in various localities around the province, we are leaving it in their hands to work this matter out.

If the membership of the nursing profession makes it clear to the college that it wants this proposal to be amended or repealed as a proposal then that is clearly a matter for the College of Nurses. At this point it is not in the domain of anyone in the provincial government.

Mr. Gaunt: Supplementary: Then I take it that the College of Nurses has not made a proposal to the Minister of Health with respect to asking for a change in the regulation in this regard. If that proposal were advanced to the minister, what would be the minister's disposition at the present time?

Hon. Mr. Timbrell: At this point, Mr. Speaker, I think what they might put before us is purely hypothetical. I have already indicated the college's intentions. I did meet with Mrs. Evans and Miss Macdonald from the college about two or three weeks ago in one of our regular quarterly meetings with that particular college, at which time they reviewed with me the progress of the proposal and indicated which meetings have been held and that further meetings are going to be held, and that it is their intention, once they have the responses of the various local groups of nurses, to evaluate those responses and perhaps change, either in total or in some respects, their suggestion to their profession. So at this point I would not want to abridge in any way the right of the College of Nurses to deal with its own membership to develop proposals in the interests of nursing.

Mr. Sweeney: Supplementary: Given that one of the proposals is that nurses re-entering the profession would need to be upgraded, would the minister be prepared to give a commitment that if that proposal went through, he would assure those nurses that courses would be available for them to upgrade themselves? That seems to be one of their concerns.

Hon. Mr. Timbrell: I think, Mr. Speaker, what we would have to do, if in fact that is the final proposal of the College of Nurses—and I know my colleague in the Ministry of Colleges and Universities is already aware of the proposal and some of the implications of it—is that we would have to sit down with MCU to look at the ramifications of such a proposal for the college system to ensure that courses were in fact available, if that were to be the final resolution of this matter.

Mr. Gaunt: If this proposal is designed to limit the number of nurses in the province of Ontario would it not be better, and has the minister had any discussion with the college from the point of view of extending the two-year course to perhaps three or four years as another method to accomplish the same purpose?

Hon. Mr. Timbrell: I've neither heard nor read anything emanating from the college to suggest that it is a means of limiting the numbers.

Mr. Gaunt: I think that's what it would do in practical terms.

Hon. Mr. Timbrell: I think that's perhaps one of the concerns. All I'm saying is that I've had no such indication from the college in personal meetings with them or in written representations. My understanding of their intent is to attempt to recognize, as in many professions, that there have been significant advances in the methodology of their profession, and they want to assist their members to keep up to date.

The second part of the question had to do with the enrolment, I think.

Mr. Gaunt: Has the minister had any discussions with the college from the point of view of extending the courses to three or perhaps four years instead of the current two?

Hon. Mr. Timbrell: That is basically a matter for my colleague, the Minister of Colleges and Universities (Mr. Parrott), but I can perhaps remind the member that that ministry does have under way a review of the two-year nursing program. There have been representations made, I believe, to that review under the Minister of Colleges and Universities by the College of Nursing. Certainly the Ontario Hospital Association has made certain representations as, I'm sure, have other interested bodies and individuals. That matter is already under review.

WASTE DISPOSAL

Mr. Swart: My question is to the Minister of the Environment. He will be aware, I am sure, that the Ontario Municipal Board has rejected the sludge site in the Niagara region,

a sludge site which was on agricultural land, and that the region is appealing to the cabinet. Will the minister be making a recommendation? Has he done an examination of this and does he not think, as a matter of principle, that a site should be located on the vast amount of land which is already zoned for heavy industrial purposes rather than on good farm land?

Hon. Mr. McCague: I'm not aware of the particular item that the member mentioned. I will take the question as notice and report to him next week.

Mr. Swart: By way of supplementary, may I inform the minister—

Mr. Reed: Question?

Mr. Swart:—that there has been a site designated by the region as most satisfactory next to Welland Chemicals, and the region did not pursue it because the land was owned by a major landholding company.

Hon. B. Stephenson: That's a question?

Mr. Swart: Will the minister examine this and perhaps recommend to the cabinet that that's where the region should go?

Hon. W. Newman: You will have a chance to make a speech sometime later.

Mr. Speaker: That supplementary might have been acceptable if you had said, "Is the minister aware?"

Hon. Mr. McCague: I didn't hear most of what the hon. member had to say.

Mr. Swart: It was his colleagues who prevented that.

Hon. Mr. McCague: If he'd like to call me later today or on Monday, I'd be glad to discuss it with him.

Mr. Kerrio: Supplementary: Is the minister aware of the fact that when those hearings are taking place, there's very much pressure and influence brought to bear by the expertise on the one side? Would he be prepared to do something that would encourage and help those people who have to make their submissions in order to equalize the sort of submissions that might come in? It seems a very David-and-Goliath type of confrontation with the region on one hand with all their expertise and the people on the other hand in the area trying to defend themselves. Would the minister investigate the possibility that those people that are to defend themselves in such an action would get help from his ministry?

Mr. Swart: The hearing has been over for a month.

Hon. Mr. McCague: As I understand the question, it was "Would I investigate?" Yes.

NANTICOKE PLANT

Mr. Reed: I have a question for the Minister of Energy. Could he tell this House how the Nanticoke generating plant has been performing since the much-publicized announcement that it had reached a capacity of 6,000 megawatts, and could he tell us if there are any plans for a further shutdown coming on top of the shutdown that occurred last year for further repairs to this new installation?

[11:00]

Mr. Haggerty: Does he know where Nanticoke is, first of all?

Hon. Mr. Baetz: Mr. Speaker, during 1977 a repair program was begun to correct problems with the boiler suspension system and the generator rotors used at the coal-fired generating stations, and I can give some details if the member wishes. In 1977, hanger rods, which are used to suspend each unit's boiler from the station roof, were replaced in units one to six after repairs made to cracks and breaks in 1976 proved unsuitable.

Following the discovery of cracks in similar generator rotors installed in England, C. A. Parsons, the manufacturer, advised Hydro to inspect the generator rotor for each unit at Nanticoke. It was necessary to modify rotors on two units to remove potentially dangerous cracks caused by fretting. The Leader of the Opposition will be interested to know that steel, as well as human beings, frets. It was the result of steel rubbing against steel at the rotor shaft.

In working towards a solution to the rotor problem, Hydro and C. A. Parsons have agreed that the existing steel rotor wedges should be replaced with aluminum wedges. A rotor with new aluminum wedges was installed in unit number seven in 1977. The aluminum rotor wedges will be placed in units one to six over the next two years. The first unit is currently being modified and two other units will be shut down in March and April. The last three units will be modified in 1979.

Mr. Reed: What is Nanticoke capable of producing now? Is it capable of producing what it was built to produce or is it incapable of producing what it was built to produce?

Hon. Mr. Baetz: Mr. Speaker, I will give the precise answer to that either directly to the hon. member or to this House.

Mr. Germa: Supplementary. Could I ask the minister what loss of horsepower we are going to suffer as a result of going to aluminum wedges?

Hon. Mr. Baetz: Again, Mr. Speaker, that is a very technical question and I will supply the answer in the very near future.

WORKMEN'S COMPENSATION

Mr. McClellan: A question to the Minister of Labour: May I ask the minister whether she intends to introduce an amendment to the Workmen's Compensation Act in this session to raise the rates?

Hon. B. Stephenson: Mr. Speaker, I was informed at the beginning of this week that the report of The Wyatt Company, which has been examining the financial structure of the Workmen's Compensation Board, will be available to me at the end of March. When that report is available to me we shall be seriously considering what modification should be made as a result of the recommendations of the joint consultative committee and I shall be happy to inform the House as soon as possible.

Mr. McClellan: May I ask the minister just how much longer the injured workers of this province are going to have to suffer because of the financial incompetence of the Workmen's Compensation Board?

Hon. B. Stephenson: Mr. Speaker, there is absolutely no evidence in the interim report of The Wyatt Company, which was submitted at the end of November, that there is any financial incompetence at the Workmen's Compensation Board, but I must tell this House that the reason for the delay in the final report of The Wyatt Company is, in fact, due to the large numbers of representations which were made to the investigators by both employers and employees, and as a result of the hearings which they held with those deputations they have been delayed in the production of the final report. As soon as it is available, we shall be considering it.

Mr. S. Smith: Supplementary: Granting that the status of the fund itself and its possible ability to pay additional compensation is in question and is presently being studied, and is a logical thing to study, why is the government forcing the injured work-people of this province to have to suffer through this winter and this inflationary period with no increase at all while the minister is waiting for this particular bureaucratic study to be done? Why can the government not itself supplement, according to the cost of living, the compensation of these people at the very bottom of the economic ladder and not force them to wait for the valuable study to be finished?

Hon. B. Stephenson: Mr. Speaker, the hon. Leader of the Opposition has first said it was entirely logical to do the study and then says it is illogical to wait for the results before making modifications. Supplemental funds are available—

Mr. S. Smith: You can supplement from general revenue.

Hon. B. Stephenson: —to families of injured workmen through provincial programs at this time. The members very well know that amendments to those benefits cannot be made without introduction of legislation into this House. That must be done on the basis of all the valid responsible information which is available to us. We cannot do it without considering the total impact of whatever modifications may be suggested.

Mr. Makarchuk: You just don't want to do it.

Hon. B. Stephenson: But I would suggest to the hon. members that if indeed there are problems there are sources available through provincial funding and federal funding which are available to the families of those workmen.

An hon. member: Supplementary?

Mr. Speaker: We have had enough supplementaries. We have time for one more question. The hon. member for London North.

Mr. Lewis: Other than being objectionable, it is entirely unclear. What is the minister talking about? That injured workers should go on welfare because she won't give them the increase? What's wrong with the hon. minister?

TEACHERS' SUPERANNUATION FUND

Mr. Van Horne: A question of the Minister of Education: How does he explain the expenditure of over \$100 million for the teachers' superannuation fund, as revealed in the third quarter report of Ontario Finances, when he told the Legislature last session that the government was all paid up for the current fiscal year and that he was meeting his responsibilities in that regard?

Hon. Mr. Wells: I would suspect, Mr. Speaker, that the figure my friend is talking about is the same one we were discussing previously in supplementary estimates. I would have to take a look at that and find out, but I suspect that is probably so.

Mr. Van Horne: Supplementary, Mr. Speaker?

Mr. Speaker: The time for oral questions has expired.

PETITIONS

MINIMUM DRINKING AGE

Mr. Van Horne: I have a petition, Mr. Speaker. It is regrettable that we can't spend a little more time dealing with \$100 million but I will pursue that on Monday.

I beg to present a petition from some members of the congregation of Riverside United Church, bearing 136 names, requesting that the Legislature raise the age of the consumption of alcoholic beverages to 20 years of age and that the government curtail the advertising of alcoholic beverages. This petition is directed to the attention of the Lieutenant Governor and members of the assembly.

REPORTS

ELECTRICAL POWER
SYSTEMS INQUIRY

Hon. B. Stephenson: I would like to report the submission of the inquiry into the electrical power system sector by Mr. Ellis.

ORDERS OF THE DAY

THRONE SPEECH DEBATE

(continued)

Resumption of the adjourned debate on the motion of an address in reply to the speech of the Honourable the Lieutenant Governor at the opening of the session.

(Applause)

Mr. Cassidy: Mr. Speaker, perhaps I can begin by saying thank you to members from all parties, and I will ask you to save a bit of that applause for a few months hence when I hope you will have some more of that kind of support for me.

I want to begin, Mr. Speaker, by paying my respects to you in my new role as leader of the Ontario New Democratic Party, I look forward to serving in this Legislature under your firm hand because we have been party colleagues, because we are friends and because of a special affinity between the two of us—you, Mr. Speaker, as the first Speaker of this Legislature from northern Ontario, and me, as the first Leader of the New Democratic Party to come from outside Toronto. I think it is significant that even the Conservative government acknowledged that when it came to minding the legislative store the best person for the job was a New Democrat. And the people of Ontario are rapidly coming to understand that when it comes to minding the provincial store and making the economy of Ontario work, the

best people for the job are the New Democrats.

Mr. Havrot: You should try running a store.

Interjections.

Mr. Cassidy: Before turning to the Throne Speech, I want to say a few words about how I intend to approach the work of the Legislature in my new role as leader of the New Democratic Party.

Mr. Kerrio: Get the hook.

Mr. Cassidy: First, my party and I will do everything in our power to confront the government on the level of issues and not of personalities—

Mr. Lewis: With one exception.

Hon. Mr. Rhodes: You may have issues but you sure don't have any personality. I'll buy that one.

Mr. Makarchuk: The Minister of Industry and Tourism doesn't know the difference between a waffle and a cucumber.

Mr. Cassidy:—and to treat the Premier (Mr. Davis), his party and all of the members on a basis of respect. We have always treated this Legislature with respect and we will continue to do so.

Some hon. members: Oh, oh.

Mr. Cassidy: I trust that the public also understands, as we do, that the MPPs in this chamber are here overwhelmingly out of a sense of public service and not of personal gain.

Mr. Hodgson: You did pretty well.

Mr. Cassidy: I do want to caution, however, that the obligation to treat the Legislature with respect rests not just on the two opposition parties but also on the government.

Ontario is a big, complex province and this Legislature has difficult and important tasks to perform. If we just think back to the work of this winter, we have had select committees studying such complex issues as family law reform, the whole question of health and safety in the workplace, the difficult problem of how to protect jobs when a multi-national corporation like Inco pulls the plug on a community like Sudbury, and the equally difficult problems of our energy future and of how to secure Ontario Hydro's uranium supplies.

That's a far cry from the days in 1970 when the member for Scarborough West assumed the duties of leader of the New Democratic Party's program.

Mr. Lewis: That's progress.

Mr. Cassidy: The Ontario budget has tripled between then and now and govern-

ment has grown enormously under the guiding hand of the party which now says that Ontario is over-regulated and that there is too much government. These are the fellows who created that.

Mr. McClellan: Too much Tory government.

Mr. Cassidy: On top of all this, the current minority situation has enormously increased the importance of the ordinary MPPs in this Legislature as well as their workload.

Some new support has been provided since I came to the Legislature, but the ability of the opposition parties to participate meaningfully in the work of this House is still incredibly handicapped, because we work with such limited resources. Without going into detail, I would say to the Premier, and ask him to understand, that if this Legislature is really to perform the job for which the members are elected, adequate resources along the lines proposed by the Camp Commission and the select committee of the Legislature must be provided. That's essential.

Mr. MacDonald: The government House leader agrees.

Mr. Cassidy: Respect for the Legislature and for the people of this province must go beyond providing adequate resources for this Legislature alone. The cobwebs that encrust Ontario's government have got to be swept away. I want to put on the record here my commitment, and my party's commitment, to open the door on government operations by bringing in a genuine freedom of information law for Ontario to ensure that the people's right to know how their business is being conducted, is no longer the sham that it is under the Conservatives.

Mr. Foulds: Like the Liberals in Ottawa.

Some hon. members: Hear, hear.

Hon. Mr. Rhodes: An enormous response.

Mr. Cassidy: At this point I had planned to turn to the substance of the Throne Speech. Having found none, however, I want to turn to the flim-flam that is there as a replacement.

The Throne Speech is an abdication of responsibility for the many serious economic problems that are facing Ontario in 1978 and as we move into the 1980s. The government acknowledges that jobs in the economy are the most important problems facing Ontario this year. But instead of taking action itself and providing the leadership that Ontario so desperately needs, it has decided to stand aside and pass the buck to the federal government and to the private sector.

[11:15]

In short, this Throne Speech is a copout and nothing more. A strategy for economic recovery must begin with job creation; yet the government's only specific proposals are to modestly expand the program of temporary jobs for young people, and to give yet another promise of investment incentives which have proven so ineffective in the past. That's just not good enough for the 316,000 people who cannot today find work in this province because of the policies of this government.

There are some things that one can welcome in the Throne Speech even when it's as limp of content as this particular one. The government's decision to improve manpower training programs, an area for which it has had complete responsibility for years, is welcome. New Democrats have pressed for years for action on special education, and we hope that adequate funding will now be provided to back up the government's promises. We also hope this will not simply be an added burden on the back of the property taxpayers at the local level, but will be backed with provincial funding.

I, personally, have shared too much anguish with parents who have been involved, not to welcome the government's proposal to do something to try to stop the kidnapping of children by parents who are engaged in family disputes.

Hon. Mr. Kerr: Wait for it, wait for it.

Mr. Cassidy: We will wait for it, Mr. Speaker, with interest and concern. It's a serious area and action was long overdue; and on the administration front, this government could have been acting years ago without even the need for legislative change.

The government is preparing to make automobile insurance compulsory in this province. It must now face the need also to make the insurance universally available and affordable, lest the policy benefits the private insurance industry in Ontario at the expense of Ontario drivers.

I want to draw the government's attention to the study conducted by a private consulting firm for a committee of this Legislature, which estimated that there would be savings of more than \$50 million a year from a fully public automobile insurance program. Half measures are not enough. We will press in this Legislature for a public auto insurance plan that deals fairly with every driver in Ontario.

Hon. Mr. Grossman: What are you going to do with Lawlor and Renwick? Come on.

Mr. Cassidy: Mr. Speaker, there is a sort of Alice in Wonderland air, though, to some of the other proposals in the Throne Speech

and I have the feeling that the people of Ontario would do very well to read between the lines. I am sorry the minister has left now, the new Minister of the Environment (Mr. McCague). If the government did not intend to undercut environmental standards in this province, then I have to ask why it bothered to include the ambiguous and misleading references to the environment and resource development which are contained in the Throne Speech.

None of us in this party can fathom exactly what the government's reference to making the public assume more personal responsibility for the health system really means, but I want to serve notice that we will resist any effort by the government to shift the costs of our health insurance system on to the shoulders of those citizens who need health care most, yet can afford it least.

We welcome the news that the Conservative government is prepared to defend the family against its adversaries in the province of Ontario. But it is hard to take these assurances seriously when the government's disregard for the unemployed is, in itself, a major source of stress for hundreds of thousands of families in this province. If I can add a personal note, I will begin to accept that the government's concern about the family is real and not just a sham if it brings in legislation to put the needs of families with children ahead of the desire for profits by developers who are running adult-only buildings with the approval of the government of Ontario.

Then there's that fascinating gimmickry which governments resort to when they have nothing meaningful to offer to the citizens of the province. A government that was really capable of governing would not need a sunset law in order to eliminate obsolete or useless boards or commissions. It's ironic that this government feels it has to mount a crusade against counter-productive red tape when the people who wrote and approved all of those regulations are Conservative cabinet ministers. And wasn't it this government in Ottawa last week which spoke of protecting monopolies and of encouraging foreign takeovers at the expense—my goodness, at the expense of Canadian free enterprise? Bill Davis and Darcy McKeough are opposed to free enterprise in Ontario. The gospel of deregulation has got some very curious twists indeed.

On a more serious note, Mr. Speaker, everyone in this province should be concerned with the doctrinaire way in which this government has reacted to Ontario's economic problems by resolving to do nothing. What

we need in this province is leadership by the government, and not abdication. That applies to our economy, that applies to the proposed sellout of our uranium resources, and that applies in the area of national unity.

The Conservatives' lack of leadership, the Conservatives' lack of imagination, their lack of direction are evident now not just in this Legislature but all across Ontario. People are no longer just questioning one or two specific policies that are advanced by the government; they are questioning the basic competence of the Conservatives to govern this province.

Just how far this government has abdicated its responsibility for jobs and the economy was evident throughout last week's federal-provincial conference up in Ottawa. As we understand it, the government really began to compile its list of 10 job actions only about two weeks before that conference began. Half of those 10 proposals lack so much as a word on how they might be implemented. But when it came to two of the most pressing economic problems affecting Ontario, the Premier abandoned his role of coach and retired to the stands and acted as a spectator.

If the premiers and the federal government were really intent on showing Canadians that they meant business about creating jobs in this province, they had a golden opportunity one week ago. They had a golden opportunity, with the legislation that was before Parliament last week and this week, to ensure that Canadians will supply the pipe for the Alcan pipeline, rather than leaving that open to the rest of the world. That's what Premier Blakeney called for. But the Premier of Ontario preferred to talk in generalities about accelerating investment in energy areas, without even hinting anything specific on the pipe supply issue, despite the jobs that are at stake in Hamilton, in Welland and in Sault Ste. Marie.

The failure by Ontario and by Canada to intervene could result in some of the biggest steel contracts in Canada's history slipping between our fingers. Canada is saying that one of our major objectives from the pipeline is to maximize economic benefits from the construction of the line. But the only way to ensure this objective is to legislate a guarantee that the Canadian portion of the pipeline will be built with Canadian-made material.

Even though more than \$1 billion worth of pipe and jobs is involved, this government and their Liberal counterpart up in Ottawa are so doctrinaire in their belief that there must be no interference in market forces,

that both Premier Davis and Prime Minister Trudeau ignored the issue entirely.

Mr. S. Smith: That would give Stelco a licence to steal, you know. No competition.

Mr. Cassidy: The member for Hamilton West says Stelco is not a competitive firm and has suggested that Canadian steelworkers and Canadian steel management are not capable of providing steel at a competitive price.

Mr. S. Smith: What nonsense. I said that if you guarantee Canadian, then they have no competitor; consequently, they could name their price.

Mr. Cassidy: The member for Hamilton West thinks that Stelco is so irresponsible that it would rip off the Canadian taxpayer, in the case of being given an assurance of having the job.

Mr. Lewis: No faith in the private sector, for God's sake.

Mr. Cassidy: The member for Hamilton West has no faith in the managers who live in the boskier ends of his riding, nor in the steelworkers who live in part of his riding as well. We believe it is possible to negotiate a price that is a competitive price and ensure that those jobs remain in Canada. That is what Ontario should have been saying at the first ministers' conference.

Likewise, that conference began on the very day the layoffs at Inco in Sudbury took effect. Yet the Premier of this province couldn't even bring himself to mention the crisis that is affecting the Sudbury basin. I suspect it is because he had nothing to say to his fellow premiers, or to the 1,200 men whose jobs he refused to protect and who were thrown out of work a week ago Monday.

This government knew a full year ago, they were told a full year ago, that nickel was piling up and that massive layoffs were inevitable if world markets did not improve. Yet the government did nothing. They didn't prepare a contingency plan; they didn't bother to consult the unions or the companies, but just sat on the information. They even patted Inco on the back when it said it was going to mine the deepsea nickel nodule market at the expense of jobs here in Canada. Should the Premier really have been so shocked and surprised when the layoffs were announced last fall? No, he should not, because the government knew all along that that was going to happen, and they failed to lift a finger in order to protect those jobs.

Doing nothing has become a habit with this government. Of course, there was some

pretence of action. A select committee was established to come up with some ideas, on the assumption, I suppose, that it would not come up with any ideas. But when the committee did just that and made a proposal with a majority report to cushion the effects on the workers concerned, the government of Ontario not only ignored the recommendations, but deliberately undermined the effort to get federal co-operation to keep the men on the job and ensure that those layoffs did not occur.

Ms. Gigantes: Shame.

Mr. Cassidy: I say to the Premier that the people of Sudbury were looking for leadership. They got nothing but silence. That's an indictment of the way this government has proceeded.

According to the Throne Speech the health of the provincial economy and the security and generation of workers' jobs and incomes will be the primary targets for government action during the session. But so little is offered in this speech in that area that one shudders to think what might have happened had the government decided to give second priority to the economy and not primary priority. Both my party and I are determined to focus on the rebuilding of Ontario's economy and that will be our priority in this session of the Legislature.

I promise you, Mr. Speaker, that we will not be content with rhetoric and that we will have tough and specific measures. We will not abdicate our responsibility because we believe that Ontario can lead in creating jobs and in restructuring our economy for the needs of the 1980s. We reject the government's approach because it is both irresponsible and incompetent.

In a few weeks' time I'll have the opportunity to respond to the Treasurer's (Mr. McKeough) budget, since I have insisted on having my swan song as Treasury critic for my party. I would, however, like to focus just on one area. I'd like to focus on the buy-Canadian proposals in the Throne Speech because they are put forward as such a fundamental precept of the government's strategy for economic recovery and because these proposals are so obviously lifted from the plan that the Conservative government failed to embrace when my party put it forward one year ago.

Last year we proposed tough provincial action so that Ontario could start winning back our most important foreign market—the market for foreign products in this province itself. All we are promised this week, however, is a federal-provincial exercise in public

relations and one that is directed only at consumers. We agree that Ontario should press for a country-wide scheme to identify Canadian products on their labels, at the point of sale and in advertising, and to encourage people to buy these Canadian goods. But if the federal government drags its heels, as it has so often in the past, there is no earthly reason why Ontario should not sit down with the private sector in this province and work out a practical scheme for the Ontario retail market.

We New Democrats see a lot of sense in this kind of straightforward co-operation with the business community and we're fed up with the lack of action from the government. Not only that, but Ontario should do more than encourage action by consumers because it has an obvious responsibility to ensure that government contribute as much as it expects from the private consumers and the private sector.

In Ontario alone, billions of dollars of goods are bought by the Ontario government, by municipalities, by school boards and other agencies that use provincial tax dollars. We need now a buy-Canadian policy to govern these massive purchases. This is an area where Ontario can and should move immediately, if it really means business about creating jobs in Canada and relieving the current state of unemployment.

That's the way you could start now, Mr. Speaker, and that is a lot more than coming up with 10 job actions which apply to the feds, which apply to the private sector but which entail no meaningful commitment from Ontario alone. Nothing is more encouraging than a good example. We in the New Democratic Party believe the people of Ontario would respond to this kind of leadership from the public sector. When it comes to creating jobs in this province they look to this government for leadership, but all they are getting is public relations.

The Premier's behaviour on uranium was just as unbelievable as it was on the question of Inco and on the question of the pipeline. The federal government's uranium policy has done enormous harm to Ontario's interests in the exploitation of the uranium reserves at Elliot Lake. But when it came the Premier's turn to say something at the first ministers' conference, there was not even a whimper. The whole affair reveals a pattern of ideological rigidity that is without parallel even for this government and which will cost the people of Ontario billions of dollars. On this government's head be that cost.

I find the company unusual, but even such well known left-wingers as George Gathercole, the former chairman of Ontario Hydro, were urging back in 1973 that Hydro buy the uranium assets of Denison Mines in order to secure the fuel for Ontario's nuclear future. This was a view that was concurred in by the people from Consolidated Edison of New York, a privately owned utility, when they appeared before the select committee.

[11:30]

Even Sinclair Stevens, of all people, the federal Conservative MP—and there is none more Tory than he—said that if he had been on the board of a utility locking up a multi-billion-dollar uranium contract, he would have taken the acquisition route and therefore he supported Ontario Hydro's taking over Denison Mines.

Let me read some of the comments. George Gathercole wrote to the Minister of Energy in December 1973 and said: "We believe that either Ontario Hydro or some other agency of government should effectively own or control a substantial proportion of the uranium resources which are required to meet our need for at least the next 30 to 50 years. The conclusions reached both by Task Force Hydro and the advisory committee on energy support this. In our view we should proceed with the purchase of the uranium assets of Denison Mines, which are understood to have the largest low-cost reserves available, as quickly as possible." But the government failed to act.

Mr. Lawlor: The government deliberately missed the boat.

Mr. Cassidy: Half a year later, on June 4, 1974, Mr. J. G. Matthew, the manager of fuel and supply resources development of Hydro, wrote and made a presentation to the then Minister of Energy, who now is the Treasurer (Mr. McKeough). He said, on behalf of Hydro, that it is probable that with world shortages, price increases will greatly exceed changes in the cost of production from Elliot Lake reserves. "Payment of such prices by Ontario Hydro for an Ontario resource could mean unreasonable profits for the mining companies at the expense of electricity consumers in the province. In the case of Denison there are outside indications of a willingness to sell out. If this is a fact, Ontario Hydro could obtain one of the largest known uranium reserves, which would then be available on a cost-related basis with no market influence."

He concluded: "Acquisition of the Denison reserves is the key to Ontario Hydro's bargaining position now and in the future."

I suspect that on this matter alone, the ideology of the present Treasurer of Ontario may well have cost Ontario's taxpayers well over \$2 billion.

Mr. Foulds: Shameful.

Mr. Cassidy: As the Minister of Energy, he told Hydro: "There has to be a better way than simply buying a mine." And the die inexorably was cast.

So uninterested was the government in the alternative of acquiring Denison's assets that the Project Wellesley report, which also urged Hydro to expropriate Denison or buy its shares, was put on the shelf for 16 months before its contents were even communicated to the then Minister of Energy, the present Minister of Health (Mr. Timbrell); and the document itself wasn't examined by the next Minister of Energy (Mr. J. A. Taylor) until it had been called for by the select committee of this Legislature in January of this year.

Why did the government ignore the weight of evidence which suggested acquisition of the Elliot Lake uranium reserves to be the best course? The Minister of Energy from Prince Edward-Lennox (Mr. J. A. Taylor)—there's quite a cast of characters there, and he was another in that disastrous succession of those who have held this office—explained that "the acquisition of shares of a uranium company was rejected as not being compatible with this government's political philosophy."

If that is the case, one wonders whether even the ownership of Ontario Hydro is compatible with this government's political philosophy.

Adam Beck must be thrashing around in his grave right now, for his great motto of "power at cost" has been translated into "power at cost-plus" under the Conservative government of the member for Brampton (Mr. Davis).

The contracts with Denison Mines and Preston Mines are a decided second best that have been imposed upon Hydro by government policy, and not at Hydro's wishes.

Mr. MacDonald: They are destroying Ontario's tradition of power at cost.

Mr. Cassidy: The New Democratic Party is absolutely persuaded that these contracts are not in the public interest of Ontario. Unlike the Liberal Party, we intend to set this issue before the people of Ontario in terms of an alternative to signing the contracts, namely the purchase of Denison Mines or the acquisition of its uranium assets.

What is at stake, Mr. Speaker, is a windfall profit of \$1.6 billion minimum, and probably far more.

Mr. Breithaupt: Tell us how it can be done.

Mr. Cassidy: I am not even sure one should call it a profit. Certainly the fathers of liberal capitalist economics would not have recognized it as such.

Hon. Mr. Bernier: Like Saskatchewan.

Mr. Cassidy: I took the pains yesterday to consult the great British economist, John Stuart Mill, looking at his seminal work, Principles of Political Economy. I happen to have it here and I recommend it for everybody's consideration.

Mr. Lewis: Absolutely.

Mr. Cassidy: He said on page 406 of this edition, which I got from the Legislative Library and which I might say was last consulted in 1955—

Mr. Breithaupt: By whom? Probably the member for York South (Mr. MacDonald).

Mr. Lewis: By a Liberal, and they haven't moved in the intervening 23 years.

Mr. McClellan: Probably Wintermeyer.

Hon. B. Stephenson: Some of us have our own copies.

Interjections.

Mr. Cassidy: "Profits," he said, "must afford a sufficient equivalent for abstinence, indemnity for risk and remuneration for the labour and skill of superintendence." If I could translate that into more modern language, by abstinence Mill simply meant the return on invested capital. But under this contract Hydro will be putting up the capital, more than \$176 million, for the development of the Denison mine and, as the capital is interest free, no return on capital is warranted. By superintendence Mill meant management skills. But these management skills are handsomely rewarded already because all management expenses in connection with this particular deal are built into the base price of uranium for the cost-plus contract before any profit is even allowed. As for indemnity for risk, I have to ask what conceivable risk is left in this contract if it is signed next Tuesday between the government and Denison Mines.

Denison is using publicly-owned uranium which is not going to go away. It is selling to a Crown corporation whose credit and whose word are as good as that of the province of Ontario. Denison has locked up its capital advances from Hydro so that it doesn't need the risk, the insecurity of having to go to the bank, and the deal will last until the mine's resources are completely exhausted.

There is absolutely no risk entailed. There are no costs entailed for superintendence or management; and no return on capital is needed because the capital for this particular capitalist enterprise is being provided for free. In other words, this is a pure windfall, which is utterly without justification in terms of the classical doctrine of risk, uncertainty and management to which the Treasurer and his colleagues so readily and so frequently appeal in their ritual hymns of praise for private business and for free enterprise.

Mr. S. Smith: There is also some capital which Denison has there now.

Mr. Cassidy: And free enterprise this is not.

Ms. Gigantes: That's right.

Mr. Breithaupt: Call it rewarding their friends.

Mr. Cassidy: They are rewarding friends. As the Premier talks about his good friend Stephen Roman, it makes it very difficult for us to understand what is happening over there. We in the New Democratic Party will ensure that the people of Ontario know who is to blame for the staggering price which this contract will impose upon all users of electricity and how it will damage an economy already reeling from successive cost hikes imposed by federal oil policies.

If I could elaborate on that for a bit; in dollar terms this deal means at least an extra dollar a week on a Hydro bill for every family in Ontario over the 35 years in which these two contracts are going to take place.

Ms. Gigantes: Shame.

Mr. Cassidy: In economic terms, it means that we lose the opportunity of having cheap electricity which could give a major and significant cost advantage to our industry in competing for the markets, both within Ontario and around the world, over the course of the next 30 years. We've given up that advantage because of the Treasurer's decision and the Premier's decision to reward their friends in the private sector.

Ms. Gigantes: Change your minds; there is still time.

Mr. Cassidy: There is still time. Just let me add a couple of notes to show how handsomely the Davis-McKeough kind of private enterprise is rewarded in Ontario. That \$5 a pound guaranteed profit in the Denison contract has already escalated to \$5.83 a pound, and this year it will go up by more than the Anti-Inflation Board guidelines, because it is keyed to the cost of living and not to the AIB limits. At a modest five per

cent rate of inflation that guaranteed profit will have risen to more than \$27.50 a pound by the end of the contract, no matter what happens to the world price. That is apart from any additional escalations that may be coming as a result of higher world prices.

As a sweetener, Denison will be given 50 cents a pound to cover the cost of future explorations, even though there is no guarantee that this money will be invested in Canada. That happens to add a cool \$63 million to its returns from the contract.

Even if this were a good contract, and we don't think it is, it beggars belief that after a decade in which International Nickel has quite obviously and deliberately funnelled \$1.5 billion in profit from Sudbury and Thompson, Manitoba, into foreign manufacturing subsidiaries and foreign mines, Ontario has not even attempted to set conditions on where the minimum of \$1.6 billion worth of profit that Denison stands to earn will be reinvested. Denison will be just as free to take those profits and those jobs abroad as International Nickel has been over the past decade, and we should not be allowing history to repeat itself as the government is allowing under the terms of this particular contract.

Not only that, Mr. Speaker, but I ask members of the House to listen to this figure carefully. It boggles the mind that the mineral lands which are generating these staggering profits return to the people of Ontario in rentals and mining fees the princely annual sum of \$7,961.51. That is the total return. I'm glad for the 51 cents. It would have seemed rather inadequate if that hadn't been included. That is really quite incredible — \$1.6 billion profit minimum on the one hand; \$7,000 and change on the other; not even enough to pay the gasoline bill on the Premier's limousine. What is there left to say?

Hydro concluded in Project Wellesley that it was economically feasible in 1975 to acquire Denison Mines, and that was a high-level and very competent report. The research staff of the select committee has concluded that that acquisition is just as economically feasible today, in 1978, as it was three years ago. In other words, what the New Democratic Party proposes makes sound business sense, because it is actually cheaper to buy Denison now than it is to sign the contracts, and the profits from the contracts are at least twice as much as the price of acquiring Denison.

I want to reflect real concern at this point about what the Premier is so obviously planning to do. The Premier knows the positions of the two opposition parties, but he is using

the technicality that the Liberal Party refused to join with the New Democrats and say that the contracts are not in the public interest. The Premier is using that technicality in order to evade—

Mr. Reid: Come on, that's not what happened.

Mr. Nixon: That is another little technicality. Our motion saying they were not in the public interest was rejected by you.

Mr. Cassidy: The Liberal Party refused to join with the New Democrats and say that the contract was not in the public interest.

Mr. Deputy Speaker: Order.

Mr. S. Smith: Mr. Speaker, I rise on a point of privilege.

Mr. Cassidy: Oh, you are provoked.

Mr. Deputy Speaker: Your point?

Mr. S. Smith: On a point of privilege, considering the importance that the Premier not miscalculate and not in any way misunderstand what the opinion of that committee is, let me set the record straight. The committee had a number of motions put before it, the first motion being from a Liberal member—as I recall, the member for Halton-Burlington (Mr. Reed)—saying clearly that these contracts were not in the public interest and declaring a series of reasons.

Mr. Foulds: Fatuous and inadequate.

Mr. S. Smith: The member for Port Arthur (Mr. Foulds) then—

Mr. MacDonald: That's incorrect, Stuart. The first motion was from the government side.

Mr. Nixon: Saying that they were.

Mr. S. Smith: Saying that they were in the public interest. That motion was defeated with the seven opposition members voting against the six government representatives. Then there came a motion from the Liberal Party which said clearly that these contracts were not in the public interest and stated a series of reasons for that belief. There then came an amendment from the hon. member for Port Arthur—

Ms. Gigantes: Yes, that's right.

Mr. S. Smith: —accepting the part of the motion which said it was not in the public interest—

Ms. Gigantes: The substance of the motion.

Mr. S. Smith: —but striking out the reasons—

Mr. Davison: Is this a point of privilege or a speech?

Mr. S. Smith: —as the reasons were objectionable to that member. The amendment was

defeated. However, the motion itself then was also defeated.

Ms. Gigantes: No, it wasn't.

Mr. S. Smith: Then another motion was presented by the New Democratic member which again said the contracts were not in the public interest and asked for the resource to be nationalized now. That was also defeated.

It is absolutely clear, as the letter from the Chairman makes clear to the Premier, that both parties believe that these contracts are not in the public interest, and therefore it is not only dangerous for the Premier to assume, as he might by listening to the speech by the member for Ottawa Centre, that there is one party that doesn't believe that—it is very dangerous—it would be wrong, and I feel that my privileges as a member have been breached in this way because of the fact that the member for Ottawa Centre has implied—

Ms. Gigantes: Blame the federal government. It's all you are capable of.

[11:45]

Mr. S. Smith: —that the Liberal Party has in any way refused to declare that these contracts are not in the public interest. We declared it clearly in our motion and we declared it again yesterday in my remarks before this House.

Mr. Mackenzie: Say whether you are going to act or just talk.

Mr. Foulds: I thought you had a point of order, not a speech.

Mr. Cassidy: It is interesting how much time the Leader of the Opposition is prepared to spend on this. He spent yesterday clarifying his position on the official languages and today his is clarifying his position on the question of uranium.

Mr. S. Smith: If you are irresponsible enough to misrepresent it, then we have to clarify it.

Mr. Cassidy: It seems that the Leader of the Opposition is provoked. The best way to describe him is all puff and no stuff. I just want to point out for the record that there was an opportunity for a majority report from the committee to go before the government to say that this contract was not in the public interest. There was one opportunity when we offered an amendment that allowed the two opposition parties to say together that the contract was not in the public interest. There was second opportunity when the Liberal Party could have offered an amendment to the NDP motion that would have stripped it down to say that this contract

was not in the public interest. Both opportunities were not taken up by the Liberal Party because they were not prepared to carry through.

Mr. Nixon: You scuttled it.

Mr. Cassidy: If it had not been for the political pressure—

Mr. S. Smith: Now you are mind reading.

Mr. Cassidy:—if it had not been the political desire of the Leader of the Opposition to have something different to say from the Conservatives, if it had not been for that the members of his party who were on that committee would have gone along and endorsed those contracts.

Mr. S. Smith: That is a total fabrication.

Mr. Foulds: On a point of order, Mr. Speaker, I would ask you to ask the member for Hamilton West to withdraw that last remark. It is unparliamentary.

Mr. S. Smith: Speaking to the point of order, if the member for Ottawa Centre can prove that any member of that committee had the intention, which he ascribes to them by his marvellous ability to read their minds, that they were preparing to vote for those contracts, if he can prove in any way that that was the case, then I will withdraw my remarks and leave the chamber.

Mr. Deputy Speaker: Order. There is no point of order. I would ask the member for Ottawa Centre to continue.

Mr. Cassidy: I just have one final question to raise, Mr. Speaker. If the Leader of the Opposition had had confidence in his members on that committee then he would not have constantly been in that committee in order to ensure that they were toeing the line. I want to continue my speech.

Mr. Foulds: A serious allegation has been made in this House, Mr. Speaker. The member for Hamilton West has used the words "total fabrication" with regard to the remarks of the leader of this party.

Mr. Nixon: Which is correct.

Mr. Foulds: I put to you, Mr. Speaker, that that is unparliamentary and that a member of this House has been ejected for that. The Speaker of this House has ejected three members of the New Democratic Party when such accusations were made and were not withdrawn.

Mr. Reid: And properly so.

Mr. Foulds: I suggest to you, Mr. Speaker, that the leader of the Liberal Party withdraws his remarks or be asked to leave the House.

Mr. Mackenzie: He has not got the guts to stay and face it.

Mr. Deputy Speaker: I ruled earlier that the member for Port Arthur had no point of order. I would ask the member for Ottawa Centre to continue.

Mr. Cassidy: I regret that decision, Mr. Speaker, but will abide by it. It is clear that the Premier is prepared to go ahead and sign these contracts. I say through you to the Premier, that on the Premier's head be that decision—because we will not give up this fight on February 28. We will go across the province and say how the Conservatives have indulged in the biggest sellout of natural resources in Ontario's history.

Mr. Sweeney: What are you going to do about it?

Mr. Cassidy: I've already said that.

The third major issue which will concern us in this session is the one of national unity. No one would disagree when the Throne Speech says that it is well "within the capacity of this Legislature to exert a positive influence throughout Ontario and the nation as a whole to build and strengthen our future." What dismays me is that this government has increasingly failed to provide the leadership that Canada should expect from Ontario, to the point where I am not even sure that it is any longer within their capacity to give that kind of leadership.

Last November I heard the Premier deliver Ontario's brief to the Task Force on Canadian Unity. It was a bitter disappointment. What disturbed me was the cold, uninterested attitude which the Premier seemed to display on a question which is so essential to our future.

I looked for passion and for courage, for a sense of understanding, for sympathy and warmth, for what is happening among French Canadians in Quebec and in Canada. Instead I heard nothing but the dry words about constitutional realignment and economic restructuring which are echoed in this week's Throne Speech.

The Premier should have spoken for us all in Ontario, but he was not capable of rising to the occasion. The New Democrats in Ontario are prepared to be flexible on the constitutional question, and our commitment to use the powers of government as well as the private sector in rebuilding the economy of all parts of this country as well as this province are well known. The question we have to confront goes far deeper, and it is a question of attitude which doesn't just touch alienated residents of the province of Quebec. We face a cultural and economic dilemma in this country which also affects

angry Westerners, deprived Maritimers, forgotten Franco-Ontarians, and immigrants who feel they are caught in the middle.

The election of René Lévesque 15 months ago simply brought our concerns about the future of Canada to a head.

Les néo-démocrates croient fermement que les aspirations du Canada français en général et du Québec en particulier peuvent et doivent être réalisées à l'intérieur de la Confédération canadienne. En effet, il est clair que l'épanouissement culturel du Canada français et du Canada anglais ne peut être assuré que si les deux peuples fondateurs font face ensemble à l'influence américaine.

Nous croyons que le Parti Québécois fait fausse-route en tâchant d'abord de séparer le Québec du Canada pour ensuite tenter de négocier une nouvelle association économique.

We New Democrats believe that the aspirations of French Canada and of Quebec in particular must be recognized and can be realized within Confederation. In fact with American influences crowding across our border, the chances of cultural survival, both for French and English Canada, are much greater if we stand together than if we drift apart. That is why we believe that the Parti Québécois is on the wrong track when they seek to separate from Canada and then set up some sort of economic association.

However we must also seek to understand what has gone wrong in the relationship between our two great founding peoples. French culture in Quebec may seem strong to us, but there is still an enormous insecurity in Quebec that flows from English economic domination. French-Canadian language and culture have survived in our history, but they have survived against enormous odds.

Mr. Cunningham: Parlez anglais tout le temps.

Mr. Cassidy: Franco-Ontarians and Franco-Manitobans remember with bitterness the way that insensitive governments denied them their language rights in education and in other fields. What is at stake is how we can somehow break the pattern of linguistic and of economic domination which has marked our history, and how we can move into a true partnership between the two great founding groups in this nation. And it is in that context, the context of national unity, that the status of French is different from the status of all the other languages that have been brought to Canada by peoples from almost every country in the world.

Canada is a country with two official languages and no official culture, and the recognition of French which we in the New

Democratic Party are calling for must be seen as complementing the multicultural complexity and diversity which has developed in this province in the last 30 years. I say that because I understand that people from ethnic communities find it difficult to accept the preoccupation of so many Canadians with Quebec and with French.

Some simple truths need to be recognized when we come to deal with the future of this country. One is that the gulf between our province and Quebec is so much one of comprehension and of contact. My riding borders on the province of Quebec, yet even in Ottawa the two solitudes of our nations are embarrassingly present.

No one questions that the majority language and culture in this province is English, yet the same cannot be said for French in Quebec. That uncertainty helps to explain why Quebeckers, who are as far apart as Robert Bourassa and René Lévesque, could bring in language legislation which so many anglophones find repugnant. If there is to be a future for Confederation, we in Ontario must accept, and must be seen to accept, the fact that the majority language and culture in Quebec is French just as they accept that Ontario will be English.

The current pressures on the anglophone community in Quebec must not obscure the fact that Franco-Ontarians still have a long way to go ever to approach the rights that have been traditional for Anglo-Quebeckers. Our record in serving Franco-Ontarians and providing services for Franco-Ontarians in this province is not as bad as it is sometimes painted in Quebec. But we are not getting that message across, and a great deal of the blame must go on the Premier, on this government and on the constantly grudging attitude with which they have moved on the question of Franco-Ontarian rights.

Even though it was supposedly not an issue, the Premier came out of the last election in Ontario with enormous credibility on the issue of national unity. He had posed as the saviour of Confederation and people were prepared to see him in that role. That opportunity has been frittered away.

If Ontario wants to be understood in Quebec, our voice has to be heard—and the Premier has been almost mute. The Premier of Ontario can get public attention whenever and wherever he wants, but he has contented himself with visits to the winter carnival while his Minister of Industry and Tourism encouraged Sun Life to pull up its roots without even waiting to see how the new language legislation in Quebec will work. That's the

kind of dealings that they've had, and it's simply not good enough.

That brings me to the question of French-language rights in this province on which the debate in Ontario this year inevitably is going to centre. The Throne Speech was remarkably defensive, as was the Leader of the Opposition, when it came to the question of French-language services. The reason was the Premier's adamant refusal to take the important formal step of making French an official language in this province. No other single act has done more to undermine Ontario's credibility in its effort to help keep Canada together.

Already there are destructive consequences from the Premier's position—not just angry editorials in Quebec and front-page headlines, but clear signs that the Liberal leader in this province is running for cover. The Premier has started to propound myths that are totally untrue in an effort to defend an indefensible position.

Making French an official language in this province does not require anything like the federal bilingualism program. To suggest that, as the Premier has done and as the Minister of the Environment has done as well, is to feed the forces of division which are already threatening to tear our country apart.

The New Democratic Party of Ontario adopted the policy of making French an official language in the province back in 1969. We didn't make a great song and dance about it because it seemed the natural thing to do, and it still does so today. As members of this House know, I have consistently fought for Franco-Ontarian rights and services which are only now being promised in the Throne Speech.

We welcome the promises of the government and we will do our best to support their initiatives. We welcome the change of heart by which, after rejecting some \$500,000 in federal funds that was offered for the translation of our statutes over the past few years, Ontario now has decided to publish our laws in French.

As a party, however, we are still looking for legislative and not administrative protection for the right of Franco-Ontarians to services in health, in education, in the courts and in all government services so that they can have service in their own language wherever their numbers specify it. To make French an official language is quite simply a part of that approach. It is enormously important as a guarantee of survival to Franco-Ontarians as well as a sign of good faith to the rest of Canada and of our good faith and our commitment in keeping this country together.

And given the commitment to services in French which is contained in the Throne Speech, to make French an official language is a step whose additional costs are insignificant.

[12:00]

Last year, I made some modest suggestions in the Throne Speech debate and which I want to repeat here. One is that we must find every way possible for the citizens of this province to make contact and to reach out to their counterparts in French Canada. I would like to see school classes along the Ottawa River getting together in French and in English. I think that trade unionists and hardware merchants and ministers and priests and housewives and people like that—every individual and group who have things in common should be encouraged by every means possible to visit and make contact between our two provinces.

I think the suggestion that I made last year to take some of our Wintario funds to provide high school students in this province with the chance to go on exchange visits to Quebec and to welcome a Quebec student in return some time during their high school years is an excellent proposal and should be pursued.

I also submitted last year, and I want to repeat again, that it is not enough in this Legislature that only the party leaders are involved in the question of national unity. The future of our country is at stake and all of us in this House should be involved in some way.

Isn't it strange that this House has not had a single debate on Confederation since the election of the Parti Quebecois some 15 months ago? We have had some speeches of course. There was even the suggestion that a debate be held, but no debate has been held, no meaningful focus has been found for this Legislature to talk about the question of national unity.

I think this summer we should seek that focus. We should take one of our standing committees or we should appoint a select committee on Confederation and give it the task of travelling through Ontario and Quebec, of finding out what's happening and of working out the approaches that this province ought to take.

Both my caucus and I personally are committed to doing what we can to increase our understanding and make a contribution to the national unity discussion in this province. We do so in part because of the failure of this government to provide the leadership that Ontario so obviously needs. I am glad that

the member for York South (Mr. MacDonald), the former leader of my party, has agreed to join with the member for Riverdale (Mr. Renwick) so that these two senior members of my caucus can act as spokesmen as well as ambassadors on questions of national unity and federal-provincial relations.

We are also undertaking a series of visits to Quebec by caucus members, beginning the week of the school break in March, when we will seek to make contact with a wide variety of organizations and trade unions in Quebec, with individual citizens and associations, with people from the press as well as political figures from the major parties. I don't pretend that we will come back with answers from our first visit, but I intend to see that this contact continues on a regular basis and I think that will bring us increased understanding over time and that's sure what we need in this province right now.

There's a great deal that an opposition party can do in building bridges to Quebec and helping the cause of national unity, but there is so much more that Ontario could do if we had a government and a Premier that were prepared to provide leadership and to be heard on the questions of Canada's future.

Mr. Speaker, I want you to know that we in the New Democratic Party are approaching this session in good heart and eager for the task which lies before us—the task of unseating the Conservative government and providing a better alternative for the people of Ontario.

Interjections.

Mr. Cassidy: We intend to focus in this session on the issues of the economy, the sell-out of our uranium resources and the government's failure to make a meaningful contribution to national unity. We deplore the government's failure to provide leadership in these areas, and in our opinion the Conservatives are no longer competent to govern Ontario.

This Throne Speech clearly demonstrates just how incapable the government is. Its proposals on the economy are so vague and so meaningless that even Jonathan Manthorpe is offended. The people of this province want leadership and are entitled to receive it in the battle to create jobs and rebuild the economy. I should say even Claire Hoy was offended, let alone Jonathan Manthorpe. The government's answer is to stand aside and pass the buck and that is not good enough for Ontario.

The people of Ontario are entitled to the assurance that the great principle of power at cost, which was the foundation of Ontario Hydro when it was created by Conservatives 70 years ago, should be adhered to now that Ontario is in the nuclear age. We condemn the government for putting the financial interests of their friends in the mining industry ahead of the interests of the people of this province.

This province has a vital role to play in Canada as one of the cornerstones of Confederation and we condemn the government for failing to provide leadership on the national scene and for failing to settle, once and for all, the legitimate grievances of our 600,000 Franco-Ontarians.

Consecutive governments have seemed adept at running this province when times seemed good, but when times are bad and the country is in crisis, the Conservative government of William Davis and Darcy McKeough is no longer up to the job.

Mr. Lewis: And Bob Welch.

Mr. Cassidy: And Bob Welch—I was going to say that.

Mr. Lewis: Especially Bob Welch. That precious little fellow must be included.

Mr. Cassidy: For all these reasons, I wish to move an amendment to the motion.

Mr. Acting Speaker: Mr. Cassidy moves that the motion for an address in reply to the speech of the Honourable the Lieutenant Governor at the opening of the session be amended by the addition of the following words:

"That this House regrets the failure of the government to provide leadership in rebuilding Ontario's economy and finding jobs for the province's 316,000 unemployed, its failure to bring Ontario's uranium resources into public ownership and therefore needlessly forcing the people of Ontario to pay billions of dollars in windfall profits to the mining industry, and its failure to provide leadership on the question of national unity and Franco-Ontarian rights, and therefore no longer has confidence in this government."

Is there a seconder to this motion?

Mr. Lewis: I second the motion.

Mr. Sweeney: Where are Deans and Breaugh?

On motion by Mr. Kennedy, the debate was adjourned.

On motion by Hon. Mr. Welch, the House adjourned at 12:08 p.m.

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No. 5

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Monday, February 27, 1978

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, FEBRUARY 27, 1978

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

MINORITY LANGUAGE RIGHTS

Hon. Mr. Davis: Mr. Speaker, I would like to table the statement which I issued on the occasion of the premiers' conference in Montreal on minority language rights last week, as well as the final communique of that conference. This conference was held to follow up on the discussion on minority language rights which took place at the annual conference of provincial premiers at St. Andrews-by-the-Sea in New Brunswick last August.

Last week we reviewed a report on the state of minority language education in the 10 provinces of Canada which the premiers had commissioned from the Council of Ministers of Education. I am also tabling a copy of that report. The report shows clearly the progress that has taken place in recent years in the provision of schooling facilities in official language minorities, particularly in Ontario and New Brunswick.

At our meeting last week the premiers took one step beyond the agreement of St. Andrews. There was complete agreement on the principle that each child of a French-speaking or English-speaking minority is entitled to an education in his or her language in the primary or the secondary schools in each province wherever numbers warrant. We were unable to agree on specific criteria that would apply equally across the country regarding the numbers required to make the establishment of minority classes mandatory, and so this definition was left up to individual provinces.

Nevertheless, I am convinced that the meeting of last week has resulted in all of the premiers being much more aware of what has been happening in other provinces and will provide the spark for additional measures to be taken this coming year. Members of this House should take the results of this meeting as yet a further indication that the government of Ontario will continue to work towards the improvement of minority language facilities in our own province.

OECA AWARDS

Hon. Mr. Welch: Mr. Speaker, I am very pleased to inform the hon. members that the Ontario Educational Communications Authority, an agency of my ministry, has been officially notified by the Ohio State awards committee that they are the recipients of two prestigious Ohio State awards.

Mr. Cunningham: You mean like transportation man of the year?

Hon. Mr. Welch: Really outstanding awards. Very prestigious.

The first award is for a TV Ontario commissioned program entitled "Symphony" concerning the Thunder Bay Symphony Orchestra. It just shows you how objective they are—in Ohio.

The second award is for the OECA-CBC school radio program entitled "The Naturalist Notebook" with Arthur Black. This program won in the category of formal instruction for children and youth.

As the hon. members will be aware, the Ohio State awards have long been synonymous with educational broadcasting excellence and these awards will formally be presented to the OECA tonight at the banquet in Washington. If any of the hon. members would like to view the award-winning "Symphony" program, my ministry has made it available to the legislative library on quarter-inch video tape and I invite everyone to see first-hand the level of excellence which Ontario has now reached in the educational broadcasting field.

Mr. S. Smith: We can see it on the Buffalo channel.

Hon. Mr. Davis: Only if they pay.

An hon. member: That's not policy, is it?

Hon. Mr. Davis: No, that's not policy.

Mr. Foulds: Arthur Black is a resident of Thunder Bay.

SCIENCE AWARD

Hon. Mr. Welch: Mr. Speaker, I'm anxious that the hon. members would also share in the excitement which is ours in view of some news that has just come to my attention. The director-general of the Ontario Science Centre in Toronto, J. Tuzo Wilson, the Cana-

dian geophysicist who has spent a lifetime piecing together the earth's jigsaw puzzle of shifting continents, has won Columbia University's 1978 Vetlesen prize, the premier award in the earth sciences, and that's just been announced. I'm sure we share in that particular thought as well.

VISITOR

Mr. S. Smith: Before I address a question, Mr. Speaker, may I draw your attention to a prominent visitor in your gallery? He is Mr. Freeman White, a member of the House of Assembly of Newfoundland and Labrador, if he might rise.

ORAL QUESTIONS

HEALTH RECORDS

Mr. S. Smith: I had hoped to address a question to the Attorney General (Mr. McMurtry), but I'll address it to the Premier. It has to do with this matter of confidential information from the health system which apparently has found its way into the hands of the RCMP. I was wondering if the Premier has by now familiarized himself with whatever information is available and whether he is in a position to explain to the House how it is that such information apparently did get to the RCMP, despite the statement made in the House by the Attorney General that all information was simply bare-bones biographical information, including only address, date of birth and employer. That statement was given to the House on November 25. Would the Premier care to comment on where the matter stands?

Hon. Mr. Davis: Mr. Speaker, I have not had an opportunity to discuss it with the Attorney General. I believe he will be here later on. If he is not, I will make sure that he knows of the question so that tomorrow afternoon he or I can give the Leader of the Opposition an answer.

BARRIE ANNEXATION PROPOSAL

Mr. S. Smith: A question again to the Premier in the absence of the Treasurer: Can the Premier tell us what the position of the government is on the matter of the Barrie annexation proposals? I ask this question in view of the recent Ontario divisional court ruling that nullified the OMB decision based on the fact that the minister—the Treasurer (Mr. McKeough) in this instance—had given an opinion of so-called government policy and, according to the court, had in this way exerted an influence beyond what the court thought to be the case.

Can the Premier tell us two things: first, what will the policy be about the Treasurer's interventions in the future, and secondly and most importantly, exactly what population target, for that area, represents government policy at this time?

Hon. Mr. Davis: Mr. Speaker, without disagreeing, because I was not involved in the discussions before the divisional court, I think it is fair to state that ministers of the Crown do have a responsibility to make policy statements and I think that the decision of the divisional court was an important decision. We—or maybe the municipality—are presently contemplating the question of the decision of the court itself—not as it relates to Barrie because that is one part of it only—but whether this is something that should be clarified with an appeal to a higher court as it relates to a matter of principle; not, as I say, as it relates directly to Barrie.

With respect to the second part of the question, I shall ask the Treasurer if we have a specific population figure. I think it is obvious that in the planning stages certain figures are suggested. I think it is also obvious that with the apparent slowdown in growth generally, throughout this province and throughout the country, that some population figures suggested four or five years ago may not be as accurate as they were at that time. So while, I guess, we could debate in the House whether that figure should be 100,000 or 75,000, I think it is still obvious that the government policy is that Barrie is to be, or should be, a growth area. The specific size is important, I think, but not as relevant as the acceptance of the fact that Barrie, in our view, should be a growth community.

Mr. S. Smith: By way of supplementary, accepting what the Premier has said without any difference of opinion at all and not limiting in any way any possible appeal that the government or others may wish to launch, would the Premier agree with me that since one of the major matters in question at these hearings was the degree to which the Simcoe-Georgian task force report has been accepted, so as to constitute in whole or in part government policy, and as that is a very important consideration, would the Premier—if he does agree with me on that—be willing at some point to issue a statement or have the Treasurer issue a statement as to what parts of that task force report are still presently government policy and what amendments or changes from the report the government views as policy, so that we can eventually have a resolution of this matter without people con-

stantly arguing back and forth about the different population figures and so on?

[2:15]

Hon. Mr. Davis: Mr. Speaker, I think it would be possible to have some redefinition of the report. I think the Leader of the Opposition is somewhat optimistic that this will necessarily diminish in total any debates that may take place within those local communities. I just recall for his own memory the TCR where government policy was enunciated I think in 1969 or 1970—the exact date escapes me—where in some communities, some that I know very well, there is still some debate as to the population densities and the rate of growth. This applies as well to Mississauga and a number of other communities.

I think that one must keep in mind that these planning documents are published in advance, which I think is important. Potential growth that takes place and the possibility of these figures being altered, either upwards or downwards as the case may be, is something the government must always be open to consider.

If the Leader of the Opposition is asking for some updating of the way we see the Georgian Bay area—the figures that might be involved—I think that that would be possible for the government to do. I will discuss it with the Treasurer.

Mr. MacDonald: Supplementary to the Premier: Since it is the responsibility of the OMB as a quasi-judicial body not to make policy but rather to interpret and apply policy, while it may be appropriate for the provincial Treasurer to intervene to clarify what the stated policy happened to be, even though it is mistaken, is it not the responsibility of the OMB to reconcile one government with another—namely, whether or not you should gobble up 20,000 acres of prime agricultural land when there is another stated policy that agricultural land should be protected?

Hon. Mr. Davis: Mr. Speaker, I think—and I am not familiar with each acre that was under consideration—that a good part of the agricultural area in that very important part of the province was in fact protected and would be protected under the policies of the government. I think really it would be difficult for the Ontario Municipal Board in terms of its responsibilities to make some of the judgements that the member is suggesting. I am not saying that that should not be part of their considerations, but I think that really their function is primarily—and I say primarily; I don't say the other is not part of

it—but primarily, is to determine the extent of the acquisition in this particular case.

I don't think there is anything to preclude the Ontario Municipal Board from saying, as they have done on a number of occasions, rather than this particular 500 acres it should be some other 500 acres, as long as it was meeting the request made by the annexing municipality. I think, Mr. Speaker, that nothing in government policy has ever precluded the Ontario Municipal Board from that type of judgement.

Mr. MacDonald: A brief supplementary if I might, Mr. Speaker: In keeping with the Leader of the Opposition, would the Premier give a commitment that somebody on behalf of the government would give an up-to-date statement of what government policy is in connection with that proposed annexation and provide an opportunity in the House to debate it, so that we can all be aware of it in its full scope, rather than have all these uncertainties?

Hon. Mr. Davis: I think that would depend on the course of action taken by the government. If—and I think it is a possibility and, as I say, not just related to Barrie because I think the divisional court had some general statement about policy as it relates to the functioning of the board—if that matter is under appeal, I think a debate in this House would be probably premature until such an appeal were determined.

Mr. MacDonald: I was talking about the policy, not the procedure.

Hon. Mr. Davis: If the member would like to debate on whether or not this House feels that Barrie should be “a growth centre,” I think that is something to which the member might wish to address his remarks on the Throne Speech or on some other appropriate occasion. To get into a detailed debate on Barrie or the whole Georgian Bay area prior to the determination, if there is to be one, by the courts—and I expect the government may decide to go that route, as a matter of fact—I think would be premature.

Certainly if the hon. member has some views on that particular annexation, the Throne Speech debate might be an excellent opportunity for the rest of the House to learn what his views are, although I think I know already.

HYDRO CONTRACTS

Mr. Cassidy: A question to the Premier: In view of the fact that the proposed contract with Denison Mines would extract a windfall profit of a bare minimum of \$1.6 billion from the taxpayers and hydro consumers of this

province, and in view of the fact that the Premier has now received a letter from the chairman of the select committee on Hydro stating that the majority of the committee felt that they were unable to confirm that approving the contracts is in the best public interest, can the Premier say whether the government intends to heed the view taken by this majority of the select committee and reject the proposed contracts?

Hon. Mr. Davis: No, Mr. Speaker, I can't.

Mr. Cassidy: I have a supplementary, Mr. Speaker. Can the Premier elaborate on that very terse reply and, in particular, say whether the government is also prepared to heed the advice of such well-known people on its side in the past as George Gathercole, people from Consolidated Edison and the Hydro management generally, that it is in the public interest that the uranium assets of Denison Mines or Denison Mines itself be brought into public ownership in order to protect the interests of the people of this province?

Hon. Mr. Davis: Mr. Speaker, the one part of that question I can answer is the government has and will continue always to do its best to protect the public interest.

Mr. Laughren: Show us how.

Mr. Cassidy: Supplementary: In view of the fact there was a decided difference between that side of the House and between the other parties in this House as to what the public interest entails, and in view of the fact the cabinet is apparently meeting to discuss this question this afternoon, and in view of the fact there is a deadline of tomorrow on the signing of the contract, is there any extension of the proposed deadline in view and can the Premier give a commitment that the contract will not be signed until the opportunity for an emergency debate on this contract is afforded to this House tomorrow afternoon?

Hon. Mr. Davis: Of course, Mr. Speaker, this could all have been solved if the new leader of the New Democratic Party had been up before noon today and had given notice.

Mr. Cassidy: That was a cheap shot and you know it.

Hon. B. Stephenson: Just as cheap as some of yours.

Hon. Mr. Davis: I recognize that he has a lot of responsibilities and 12 o'clock does come early, so I won't comment any further. I would only say to the member opposite—

Mr. Conway: You were up watching your wife on television. She said some nice things about you.

Hon. Mr. Davis: I didn't have a chance to watch it. How was it? Was it all right? She was very nervous about it.

Mr. Conway: She was talking about retirement.

Mr. Speaker: Order.

Hon. Mr. Davis: Mr. Speaker, I have to tell the hon. member there is no possibility of an extension beyond midnight tomorrow night. Cabinet is meeting today. In case the leader of the New Democratic Party is getting nervous, the cabinet meeting was not called for this particular purpose at all. It happens that we sat last Wednesday afternoon, I had to leave to go to Montreal and, as a result, we didn't get our full agenda covered. So I don't expect there will be time, in the limited period this afternoon, to make a final decision on that matter. What the leader proposes to do tomorrow afternoon is totally within his control. As I say, he could have done it this afternoon.

I just want to make it very clear that the whole intent of this government was to have this contract well discussed publicly by members of the select committee, and everything that was available made known to members of the House and members of the public. While I know the leader of the New Democratic Party would like an opportunity to restate once again what some of his members felt, even though they were stated many times in the committee itself, and that he himself would like to have one further opportunity, that's a decision that he will have to make by noon tomorrow, I guess.

Mr. Cassidy: A final supplementary, Mr. Speaker: Would the Premier give a clear answer as to whether he is at least prepared, on behalf of his government, to listen to what may be said in an emergency debate tomorrow afternoon from the Legislature as a whole and not just the members of the select committee, before the cabinet goes ahead and gives its authorization to signing or not signing this particular contract? Has he that much respect for this Legislature?

Hon. Mr. Davis: Mr. Speaker, I'm always prepared to have any constructive advice from all members of this House. If the leader of the New Democratic Party is saying he has some new and enlightened views—

Mr. Warner: The Premier wants to check with Stephen Roman.

Hon. Mr. Davis:—that he would wish to present to us that already have not been expressed, I feel very badly that he hasn't done so. I would assume he has said just

about everything that can be said on this particular issue. In fact, I would say he has said everything that can be said on just about every issue, but if he is saying he has some new views, send them to me right away. Take a few minutes and scratch me some notes. I assume the members of his caucus, very able members, were expressing the views of his party. One thing I did learn from the select committee report is that while it was totally objective it did appear to break down on somewhat partisan lines, which perhaps should not have surprised me.

Mr. Martel: Not your members, Bill; not yours, though.

Hon. Mr. Davis: No, no—totally objective, totally objective.

Mr. Martel: That's right. Have you got a shovel?

Mr. Deans: I think the word is "objectionable," not "objective."

Hon. Mr. Davis: But I would suggest—I am quite serious in this—if the leader of the New Democratic Party has some ideas that were not part of the discussions, or weren't part of the chairman's lengthy report to me, if he would get them to me this afternoon, I certainly won't ignore them.

Mr. Reid: Supplementary, Mr. Speaker, to the Premier: Has there been any negotiation, shall we say, between the government and Mr. Roman as to an extension of time for the actual signing of the contract or is tomorrow it?

Hon. Mr. Davis: Mr. Speaker, I would say, to use the member's own words, that tomorrow is it. There has been no extension, no negotiation for an extension.

Some hon. members: What are you going to do?

Mr. Speaker: A final supplementary.

Mr. Cassidy: Mr. Speaker, do I understand the Premier to say that, despite the committee's rejection of a motion to approve the contracts as being in the public interest, the government is intending to go ahead without even giving the opportunity which does still exist for this Legislature as a whole to debate the issue, and the cabinet is simply disregarding this Parliament in its intention to proceed with the contracts?

Hon. Mr. McMurtry: Nonsense.

Mr. Warner: Roman rules the roost.

Hon. Mr. Davis: Mr. Speaker, this House sat last Wednesday. It sat Thursday. It sat Friday. The hon. member had until noon today and he neglected to bring any notice to the attention of the Speaker.

Mr. Deans: We were waiting to see what you were going to do.

Hon. B. Stephenson: Why?

Hon. Mr. Davis: It is totally within the hon. member's responsibility that he has not got this motion this afternoon—

(Applause)

Mr. Warner: You sell out the province and they applaud it.

Hon. Mr. Davis: I thought I had indicated to the leader of the New Democratic Party that cabinet was not called this afternoon to deal with this issue. I said that. Any suggestion on his part that we were going ahead and signing the contract without an opportunity for a debate is just totally erroneous. It doesn't surprise me but it's totally erroneous.

Mr. Cassidy: On a point of order. Mr. Speaker—

An hon. member: You bombed again, Mike.

Mr. Cassidy: On a point of order. Mr. Speaker—

Mr. Speaker: There's nothing out of order.

Some hon. members: Sit down. Sit down.

Mr. Speaker: There's nothing out of order. I have listened very patiently to the initial question and the four supplementaries that the member for Ottawa Centre has put to the Premier. You can ask your question in any way that's in keeping with the provisional orders or the standing orders. The Premier can answer it in any way he chooses within the rules of the House. There is nothing out of order. I will now hear your second question.

Mr. Cassidy: On a point of privilege, Mr. Speaker, if I may—

Mr. Speaker: What is it?

Mr. Cassidy: Thank you. The point of privilege is simply to draw to the Premier's attention that the matter was raised on Thursday—

Mr. Speaker: That's not a point of privilege.

Hon. B. Stephenson: Nor a point of rule.

ONAKAWANA LIGNITE DEPOSITS

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Natural Resources, who is now in the House and who was absent on Friday. Can the minister state who are the principals of Onakawana Development Limited, a company which has recently popped into public view as intending to develop the lignite deposits near James Bay; when it intends to begin its process of extracting the coal from that deposit and what guarantees

there are about providing jobs for people in the region, in particular for native peoples, in that proposed project?

Hon. F. S. Miller: Mr. Speaker, it's true I wasn't here on Friday.

Mr. Warner: Most of your colleagues were away too.

Mr. Reid: Ignore the cheap shots, Frank.

Hon. F. S. Miller: I seldom am away but I happened to be looking at lignite operations on Friday; so I have learned more about this Onakawana project.

An hon. member: After you gave them a licence to mine.

Mr. Martel: It sounds like Wanapitei all over again. You might learn something about that.

Hon. F. S. Miller: The principals of Onakawana Development Limited are Manalta Coal Company, and Manalta Coal Company is a Canadian-owned company. I believe it's wholly owned in turn by a company called Loram. Loram is owned by, I think, the Mannix family, principally in Alberta. They have been involved in the development work. I believe the hon. member has heard the name Manalta throughout the piece. This company was simply formed to be an Ontario company able to carry out that work here.

There are several phases through which the project is going. These phases will be, first, the work that progressed until about February 1 of this year, which basically I think was hydrological studies to tell them whether the soil was of a type that would allow easy extraction of the lignite. These I believe were quite positive. The second was to determine the qualities of the material. These, I understand, are good.

[2:30]

There are still a number of problems to determine whether the economics are good or not and whether in fact the lignite should be burned on site and made into electricity or sent out in some other form. The company is proceeding along those lines at the present time, and has certain dates by which it hopes to achieve each study's completion. I think everybody is pretty optimistic right now.

We have discussed the question of local employment, I would say, rather than native employment, because I hope there are opportunities not just for native peoples but for people in the general area of Cochrane and Moosonee. These, the company has assured us, will be given every priority in the hiring process. It is not one of the conditions of the

lease, but it is one of the understandings of our agreement that there should be a priority given both to native peoples and local people in the hiring process.

Mr. Cassidy: Supplementary, Mr. Speaker: Can the minister say whether an environmental assessment has been carried out on the Onakawana site, and if not, how does this particular granting of a lease fit in with the government's commitment to have projects north of 50 degrees reviewed by the Hartt commission?

Hon. F. S. Miller: Mr. Speaker, I issued a statement some months ago on that, you may recall, when I stated that the exploratory licence was being granted. The lease was signed I think sometime in January. I can only say that the company agreed, and we announced, that a full environmental assessment would take place on that project. I understand the company and the Ministry of the Environment are working on the details of that. It appears that the exploration and the environmental assessment can probably proceed at the same time.

Mr. Cunningham: Supplementary: I would like to ask the hon. minister if the agreement that has been signed would in any way preclude the development of the fire clay deposits which are immediate to that site, which if developed would provide another 25 jobs?

Hon. F. S. Miller: The fire clays were of real interest to us in the whole operation. We certainly hope they can be developed and that they in fact will be used for various purposes in that area and create employment. The real issue is, would you have two people extracting in one pit? I think you will find that the lease requires that one operator extract both the overburdens and the coal for the simple practical purpose that it can only be done that way. But the clays would be made available to people who would like to use them.

PUSLINCH TOWNSHIP

Mr. Sweeney: A question to the Minister of Intergovernmental Affairs, Mr. Speaker: What action does the minister intend to take on the report submitted to him by Mr. T. W. McEachern with respect to the irregularities in Puslinch township?

Hon. Mr. McKeough: Mr. Speaker, I would like to refresh my memory on that, but I don't think any action on our part is required. I think the council has dealt with the matter.

Mr. Sweeney: Is the minister aware of the fact that the latest reported irregularity is that a building put up by the Ministry of

Government Services, an agricultural building for the Ministry of Agriculture and Food, was overcharged by \$4,000 with respect to a building permit? What would the minister intend to do about that?

Hon. Mr. McKeough: I would suspect that this has nothing to do particularly with irregularities by the staff: It would seem to me that question might be directed to the Minister of Government Services (Mr. Henderson) rather than to myself. But the answer to the question is, no, I am not aware of it.

Mr. Sweeney: A further supplementary: Is the minister aware that this particular irregularity was caused by a member of the staff completely contravening a bylaw of the township? That's part of the whole problem.

Hon. Mr. McKeough: I have already explained that I am not aware of the situation.

BOARDING HOUSE FIRE

Mr. Laughren: Mr. Speaker, I have a question for the Provincial Secretary for Social Development. In view of the death of six senior citizens in a boarding house fire in Chelmsford on the weekend, and in view of the fact that the boarding house had little or no fire or smoke or heat detection system, would the minister assure us that such boarding houses that accommodate senior citizens, many of whom are not particularly mobile, will be brought under the Homes for the Aged and Rest Homes Act in this province?

Hon. Mrs. Birch: Mr. Speaker, I certainly will be discussing that particular incident with the Ministry of Health and hopefully checking into why such a home was allowed to operate without a licence.

Mr. Laughren: Supplementary: Does the minister have any idea at all how many senior citizens are housed in such accommodations across this province, and who is responsible for their safety? Would she stress very strongly to the Minister of Health (Mr. Timbrell) or to the Minister of Community and Social Services (Mr. Norton) that these people need to be protected, and that it requires provincial legislation that could be passed and supervised by the municipality in which the homes are located?

Hon. Mrs. Birch: I can certainly assure the member that it will be investigated. We do appreciate the responsibility of ensuring that senior citizens have that kind of protection. As I'm sure the member knows, there are a great many programs for senior citizens in this province and it's rather difficult to ensure that every private home where senior citizens are housed is protected by this kind of fire

protection. But we certainly will be looking into it.

Mr. S. Smith: Supplementary: When the minister is looking at this would she also look into reports, which may or may not be factual, that there were a great number of beds available at a nearby home for senior citizens—in fact 20 or 30 beds were available—and that these citizens were living in this particular boarding arrangement for reasons unknown, but possibly related to financial criteria and difficulty in obtaining access to these empty beds? These reports may or may not be accurate, but would she be good enough to look into them and report to the House?

Hon. Mrs. Birch: Yes, I will.

Mr. Laughren: Supplementary: Did the minister understand that part of my question when I asked her if she had any idea how many people live in such accommodations in the province?

Hon. Mrs. Birch: I thought I made that very clear. No, I don't have.

ONTARIO NORTHLAND RAIL SERVICE

Mr. G. E. Smith: I have a question for the Minister of Northern Affairs. Since the decision to withdraw rail passenger service between Toronto and North Bay by the Ontario Northland Railway was taken before the Canadian Transport Commission agreed to underwrite the 80 per cent subsidy on operating deficits, will the Ontario Northland now reconsider restoring this service?

Hon. Mr. Bernier: I am not aware that the CTC and the CNR have come to some agreement with regard to the subsidy. I think there was some passing of the ball in the backfield. There were some overtures that they would assist, but when it came down to the nitty-gritty, as many of the members of this House will know, as to getting any actual commitment the commitment was never forthcoming.

I indicated to the CNR that if they wanted to reinstate and use the Northlander service for the weekends—because they're using their conventional systems now—we would be willing to undertake that particular suggestion. But, at this point in time, I have not heard officially from the CTC that they are willing to accept that 80 per cent subsidy and at what price and what figure.

Mr. G. E. Smith: Supplementary: Assuming that they do accept and the Ontario Northland would then receive the same funding from the Transport Commission as the other two major carriers, will the minister consider re-assessing regular stops between Toronto and North Bay not only by the Northlander but the regular Ontario Northland rail

service, keeping in mind that the public purse is subsidizing the operation and that Ontario Northland should be assessing where the maximum passenger usage is coming from? Would the minister assure me of that?

Mr. Foulds: Is the member for Timiskaming (Mr. Havrot) listening to this? He is exercising remarkable control.

Hon. Mr. Bernier: I might say, further to this, we're looking at the overall transportation system in the northeastern Ontario corridor as it relates to rail passenger service, bus service and the excellent norOntario service that operates in the northeast Ontario corridor. The desire and the goal of the ONTC are to provide the service that the people of northern Ontario really want, need and should have. We're prepared to look at the suggestion that the hon. member has made with regard to additional stops on that route between here and North Bay.

Mr. Eakins: Supplementary: Speaking of service on the Ontario Northland Railway and in line with the Premier's announcement of buying Canadian, I wonder could the minister tell us is he now serving Ontario wine on the Ontario Northland Railway or is he offering only French wine?

Hon. Mr. Bernier: I'm not sure of that. I think I indicated publicly that we would make sure that Ontario wines would be served.

Mr. Eakins: Buy Canadian.

Mr. Speaker: I take it that was a supplementary, although one would have to stretch the imagination a good deal.

TRANSPORTATION OF HAZARDOUS SUBSTANCES

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of the Environment. Is the minister aware of the fact that in December 1975 I raised a question with the Premier—and I think I have waited a reasonable length of time for the answer—as to the release of chlorine gas in Niagara Falls, New York, which killed some four people and hospitalized 80 people? In view of the fact that there have been three very serious accidents within the last week in which many people were killed when a tank car ruptured in the southern United States, I again raise the question—a very serious question—is the minister aware of the kinds of substances being transported over the Penn Central railway between Niagara Falls, Ontario, and Detroit, from that huge chemical centre to very densely populated areas in my riding? Is he aware of that kind of transportation of these chemicals?

Hon. Mr. McCague: I don't recall the question asked of the Premier in December 1975—

Mr. Kerrio: Would the minister like to look it up?

Hon. Mr. McCague:—but I am aware that there are chemicals being transported in that area. I presume the member would like them transported by some other route.

An hon. member: What have you got against the railroad?

Mr. Kerrio: Yes. My supplementary question would be: Is the minister aware of the types of substances and dangerous chemicals that are being railed over that route, and would he as an alternative see if he can re-route those kind of chemicals that could cause a disaster—particularly in the summer months when there are literally thousands of people involved in that area where the tracks go through?

Hon. Mr. McCague: Mr. Speaker, I am sure it would be very difficult to find a route that suits everyone. I will be glad to look into the matter to see if there is anything that can be done.

Mr. Martel: By an Overlander.

Mr. Makarchuk: Supplementary: Can the minister indicate at this time what emergency procedures or personnel he has available to take care of some accident that could happen on that railway?

Mr. Laughren: Send Lorne out.

Hon. Mr. McCague: Mr. Speaker, as the member probably knows, we are at every accident site very quickly. There is an emergency plan.

Mr. Kerrio: Supplementary: Would the minister take action that would cause him to be on the scene before the accident occurs? That is my question.

Mr. Havrot: Great thinking over there.

Mr. Deans: I can't wait to hear the answer.

Mr. Kennedy: We need a clairvoyant minister.

Hon. Mr. Davis: Vince, you aren't even smiling.

Mr. Speaker: Order. I can't hear the answer.

Mr. Deans: Speak loudly. I want to hear.

Hon. Mr. McCague: In the past two and a half years, I can think of a couple of very bad accidents that happened in Niagara.

Interjections.

Mr. Kerrio: Actually, one was in 1975.

Mr. Warner: The one that is here is the good one.

Hon. Mr. McCague: I mean in chemical terms.

Mr. Martel: Are you saying that in French or English?

Hon. Mr. McCague: Mr. Speaker, we will take this under consideration. They must be transported by some means or banned. It is very difficult to say that they won't be moved in those ways. I think we can probably do better than we have in the past, by warning all kinds of people of the hazards of various materials, and we are working towards an education program in those matters.

Mr. B. Newman: Supplementary: As the railroad tracks that are generally used are the CPR tracks, because of the international railway tunnel, will the minister use his office to see that under no circumstance the tracks use the area that is referred to as the "Powell siding" in the city of Windsor because it happens to be a fairly well developed, fairly heavily populated area, and under no circumstance do the people in the city of Windsor want toxic and dangerous chemicals within 50 yards of their homes?

Hon. Mr. McCague: Mr. Speaker, I will make a commitment to look into the matter. [2:45]

PCB HAZARD

Mr. Mackenzie: A question of the Minister of the Environment: Can the minister inform the House if employees of the Ferranti-Packard plant in St. Catharines are still repairing transformers containing a coolant containing PCBs? Would the minister inquire into the medical and WCB records of the employees present and past—including some who have since died—and report back to the House as to whether or not there were any effects from working with the PCB coolant?

Hon. Mr. McCague: Mr. Speaker, I feel that question is more appropriately directed to the Minister of Labour.

Mr. Deans: No. She doesn't know the answer either.

Mr. Martel: She is fuming though.

Mr. Mackenzie: I really thought it would be the Minister of the Environment, but I will redirect it to the Minister of Labour.

Mr. Lewis: Good luck.

Mr. Mackenzie: Would she state as to whether or not the employees at Ferranti-Packard are working with this coolant in repairing the transformers?

Hon. B. Stephenson: Mr. Speaker, it was my understanding that there were no trans-

formers either being repaired or built in which PCBs were used. But I shall most certainly investigate to determine whether the workers in those plants are being exposed to PCBs, and will also investigate the medical records of those who have been in those plants and report.

MINORITY LANGUAGE RIGHTS

Mr. Rotenberg: Mr. Speaker, I have a question of the Premier. I listened with interest to his report on the premiers' conference last week, particularly discussing the rights of English minorities in French Canada and French minorities in English Canada. But I'm wondering if the premiers' conference discussed the rights of the one-third of Canadians who are neither English nor French—particularly the rights of those minorities whose mother tongues are neither English nor French—and the rights of their children to be educated in the official language of their choice.

Hon. Mr. Davis: Mr. Speaker, the discussions both in St. Andrews and most recently in Montreal were all based on the language of instruction in the two official languages of Canada, that is, French and English. I think it is fair to state that some observed the interesting and important make-up of the population of this country. It was pointed out in casual conversation the wide differences that exist in terms of population and young people in our school system—in some of our western provinces for example and, as has been pointed out in this House, even here in our own province. But the subject matter that preoccupied the attention of the premiers in matters of education related to instruction in English or French.

Mr. Rotenberg: Supplementary: I am particularly concerned about the right to have instruction in English by minority groups whose parents' mother tongue is not English or French, in another province.

Mr. Kerrio: What are you asking this Premier for?

Mr. Rotenberg: At the present time, citizens of Canada—

Mr. Speaker: Question.

Mr. Rotenberg: I am asking the Premier if they considered citizens of Canada whose children are denied the right to have education in the English language in parts of this country.

Hon. Mr. Davis: I guess on two or three occasions I reminded the Premier of Quebec of my concern with respect to the position of minority language education. While one can

look back historically in terms of the English-speaking people in our sister province of Quebec, there is no question that in terms of an educational program it has been well established. I have raised with the Premier of that province my concern that a Canadian is a Canadian, and that when a Canadian, particularly in these days of mobility, moves from one province to another, he or she should have the right, irrespective of what the mother tongue may be, to an educational program in whatever province one chooses to locate.

At St. Andrews I pointed out to the Premier of Quebec the very difficult situation for a youngster who, say, is in an Ontario grade 11 or 12 class, a student who perhaps has had some difficulty with English, being a new Canadian. He might be a very excellent scholar in math or science yet perhaps he is forced—and I say “perhaps” because of the sections in the Quebec bill that could relieve some of these situations if implemented—into the very difficult academic program apart from anything else that a youngster would have who might be forced into a French-speaking course of instruction with no knowledge of that language at a senior grade level. It's very different when a youngster starts at kindergarten, but by the time he gets to the senior grades it is very awkward indeed.

I have made this view known to the Premier of the province of Quebec. It's a view I have held very strongly. In spite of the fact that at the conference—and I want to make this clear—the question of a constitutional amendment was not formally up for discussion there because the Premier of Quebec has made it very clear he would not participate in any such discussion, I still feel that, while some other premiers do not yet share this point of view, one of the best solutions which Ontario will continue to support—and I emphasize this very strongly, in my view, knowing that the constitution provides the educational jurisdiction for the provinces—could be an amendment entrenched in the constitution providing for minority languages in the two official languages of Canada.

Mr. di Santo: Supplementary: Apart from the fact that the teaching of other languages was not the subject of the conference of the premiers in Montreal last week, does the Premier think that the province of Ontario, on its own, can implement the teaching of other languages through the heritage language program which was introduced last year, removing the difficulties that now make it difficult for boards of education to adopt that program because of the funding formula?

Hon. Mr. Davis: I think that would be a question more properly put to the Minister of Education (Mr. Wells), who has just arrived, and who could take 10 or 15 minutes in a very important answer to that important question.

Ms. Gigantes: Supplementary.

Mr. Warner: He shuffled it off. That's a copout.

Ms. Gigantes: He never answered.

Mr. Speaker: I think we've had enough supplementaries.

FINANCIAL PROTECTION FOR FARMERS

Mr. Riddell: I have a question for the Minister of Agriculture and Food. At a mass meeting of farmers from right across Canada, arranged by the Ontario Federation of Agriculture and held in Ottawa last week—a meeting which, I might say, two members of this Legislature attended, my colleague from Haldimand-Norfolk (Mr. G. I. Miller) and myself—there was very great concern expressed about declining farm income. In view of the fact that there was very little mention made in the Throne Speech pertaining to agriculture in this province, is the minister planning any new programs to deal with the serious situation that the agricultural industry is faced with today in Ontario?

Hon. W. Newman: I am fully aware of the meeting that the hon. member was at last Wednesday night in Ottawa. I commend him for going. I commend the Ontario Federation of Agriculture for the four points they made to the National Food Strategy Conference. Some of the most meaningful points made were made by the federation in their brief the next day. I commend them for their action.

As the hon. member knows, as far as declining farm income is concerned, we have a corn stabilization program in place for the 1977 crop. It looks as if there will be a pay-out on it. We've just finished working out a three-year program for the corn stabilization program. We've had many other requests for stabilization programs for various commodities which we are now looking at through the commission for stabilization.

We have the cow-calf stabilization program, by the way. The member might not have noticed the news release that came out from Ottawa where, with their great generous heart, they gave our farmers \$5 a cow, whereas we paid \$38 a cow in the provincial program. I point out to him that we are doing things for the farmers. We are concerned

about their declining income. That's why we've brought in many of the programs we have. The stabilization program is a very important program, which is now just nicely getting into position, to help the farmers when they get into low-price situations.

We have the crop insurance program. We have other programs. We had a serious storm recently. I anticipate I'll be making an announcement on that, as soon as I hear word from Ottawa, because that's a shared-cost program. We are concerned about declining income and we do have programs in place to try to help the farmers with these programs.

Mr. Riddell: Supplementary: The minister mentioned a lot of old programs. My question was what new programs is he going to introduce? As far as some of the ministry's newer programs are concerned, I am wondering just how effective they are—and I am talking now about the Foodland Ontario promotion program—when I read and hear that at the agricultural conventions being held in Ontario—

Mr. Speaker: Question?

Mr. Riddell: —imported foods are being used. What is the minister's response to that?

Some hon. members: Shame.

Mr. Riddell: And how does the minister account for the fact that imported meat is being served in the correctional institutions?

Hon. W. Newman: Mr. Speaker, it is too bad that the hon. member for Huron-Middlesex does not keep up with what is going on today, because if he had been following some of my comments recently in speeches I have made—I will just quote a couple of figures so that I won't take too much of the House's time.

Mr. Martel: They are hard to follow.

Mr. Reid: There's no shortage of corn there.

Mr. Martel: Don't be bashful, Bill.

Hon. W. Newman: There were three million pounds more turkeys sold last Christmas than a year ago. That program was working.

Mr. Nixon: Put yourself on the list.

Mr. Foulds: You're the biggest turkey of them all.

Hon. W. Newman: If the hon. member would like to join me this Thursday in London, I will be telling how the present promotional program is working. One chain of stores has told us it has already sold four times what it sold last year of Ontario winter vegetables because of our promotional program.

Mr. Foulds: How much more bull have they sold?

Hon. Mr. Davis: And the member thought he knew a lot about turkeys!

Mr. Gaunt: I am certainly delighted to hear we are eating more turkey, but I am wondering what effect the Foodland program is having, particularly in view of the fact that in January, at the Ontario Fruit and Vegetable Growers' Association annual meeting at the Royal York Hotel, the delegates were served orange juice for breakfast and imported wine for dinner.

Hon. Mr. Davis: You want imported wine for breakfast?

Mr. Gaunt: Has the minister reviewed his program with all of the major hotels in the city of Toronto, to alert them to his program and to tell them that he would really appreciate it if they would serve Ontario produce?

Hon. W. Newman: Mr. Speaker, I am not quite as acquainted with the hotel business as the hon. member probably is—

Mr. Reid: Just one end of it.

Hon. W. Newman: —but I can assure him that we are working continually to move Ontario produce into the food chains and in other areas and we will be making a major contribution to the restaurant people during the coming year. About marketing boards, the hon. member will be pleased to know that many of the marketing boards are now setting levies or raising funds to join in our promotional program themselves; they realize that we can grow it but we have got to sell it, so they are joining with us in this program to promote Ontario produce.

Mr. Martel: You have to get out of the bar, Bill, to know what is going on in the other rooms.

COMMUNITY LAW CLINICS

Mr. Lawlor: Would the Attorney General be at all inclined to think that the arbitrary decision cutting off Legal Aid funds to People And Law without reason is precisely that, an arbitrary and irresponsible position? Secondly, would he do anything to amend the regulation governing this situation?

Hon. Mr. McMurtry: Mr. Speaker, as the hon. member for Lakeshore knows, the regulation that provided for the funding of Legal Aid clinics was brought in at a time during which the future of many of these community clinics was threatened by the decision of the federal government to get out of this LIP type of program that had resulted in the formation of a number of these community Legal Aid clinics.

Because of my support for the community law concept, I persuaded the Law Society to agree to a regulation which would provide a better guarantee of ongoing funding for community law clinics. This probably was done in somewhat of a hurry, in view of the fact that there was some urgency involved in relation to establishing this regulation in order to ensure the future of these clinics, which I might say since the introduction of the regulation have increased in number—probably they have doubled—and the funding for community law clinics I think has at least tripled during my tenure as the Attorney General.

[3:00]

I say this because I recognize that the regulation in its present form may not be entirely satisfactory and probably should be refined in order to provide better criteria for both the guidance of the clinics that are in operation and for those that are seeking to be funded.

Now in relation to the matter of People And Law I recognize the fact that it would appear that no formal reasons have been given. I have indicated to the Legal Aid funding committee that it would be helpful if formal reasons could be prepared.

Mr. Warner: You should give them the money instead.

Hon. Mr. McMurtry: And certainly from what I know of it to date, I am not sure at all that I can agree at this moment that the decision was in any way an arbitrary one. There were many weeks of warning, and it would appear from what I have been able to learn of the matter to date and my information is not complete—

Mr. Warner: It is the law society of upper-crust Canada.

Hon. Mr. McMurtry: —that the People And Law clinic had decided themselves to change their own direction from that of assisting people with legal problems to the assisting and training of clinical workers for community law clinics; they decided on their own, unilaterally, to change this emphasis in direction to matters of law and social reform.

Ms. Gigantes: They should have gone to the Law Society.

Hon. Mr. McMurtry: And while it is perhaps a desirable goal in itself, it certainly was not the basis on which Legal Aid community clinics were established, and that is to assist in the delivery of legal services to people who have a need, a specific need, as opposed to the reform of society in general, notwithstanding the fact that some members

might decide that this is a desirable goal but it seems to me that there are other forums.

Mr. O'Neil: You must read the Sunday Sun. Who wrote that article in the Sun?

Hon. Mr. McMurtry: That, in brief, is the information that I have at this point.

Mr. Lawlor: Supplementary, Mr. Speaker.

Mr. Speaker: Could you possibly find a supplementary to that?

Mr. Lawlor: Would the Attorney General be prepared to meet with this group as they have requested?

Hon. Mr. McMurtry: I would like to have more complete information before I decide whether such a meeting would be worthwhile, Mr. Speaker.

Mr. Makarchuk: He is asking are you prepared or not?

Mrs. Campbell: In view of the fact that this type of clinic is serving a large proportion of the people in downtown Toronto who feel otherwise no access to the law, be it social or otherwise, would the minister not consider meeting without first being briefed by the Law Society, but rather meet with the people themselves at this point in time?

Hon. Mr. McMurtry: I don't think there is anything that I could add to what I have already said.

Mr. Warner: Listen to the law society of upper-crust Canada.

WORKMEN'S COMPENSATION

Mr. S. Smith: A question for the Minister of Labour: Does the minister agree with me that in order to fund for six months, on a temporary basis, until her famous Workmen's Compensation report comes in—in order to fund a 10 per cent increase in pensions—that the cost would be approximately \$4.5 million and that that money would go directly into the economy since it would undoubtedly be spent for the very basic necessities of life? Is that the approximate figure and cost that she believes to be involved in, for instance, a 10 per cent increase on a six-month basis until the report is completed?

Hon. B. Stephenson: Mr. Speaker, I don't have my pocket computer with me and I cannot verify that figure, I would think it is probably within the ball park.

Mr. S. Smith: By way of supplementary—and again imploring the minister to bring forward exactly that remedy to the present situation—can she advise the House whether one of the problems with the Workmen's Compensation fund has not been investments that have paid poorly over the years, such as

25-year mortgages at five or six per cent, some of these investments having been liquidated at a loss of approximately \$5 million in 1976 and \$4.5 million in 1975? If this investment problem is a real problem for the board, can she justify why people at the very lowest end of the income scale should have to now pay for the unwise investment policy of the Workmen's Compensation Board?

Mr. Laughren: Blatant discrimination.

Hon. B. Stephenson: Mr. Speaker, I do not accept the argument placed by the hon. Leader of the Opposition that this is the reason for any kind of situation. Nor am I aware that, indeed, the Workmen's Compensation Board investments fared any worse than any other investment made by any single individual or any group of individuals—

Mr. Laughren: Anything the board touches has done badly.

Hon. B. Stephenson: —in the years 1975 and 1976. But I would remind the hon. member that, indeed, the Workmen's Compensation Act precludes the possibility of any adjustment to the figures which have been established within that Act, without an amendment to the Act.

Interjections.

Mr. Lewis: So bring it in.

Hon. B. Stephenson: And it is not possible, Mr. Speaker, for the Workmen's Compensation Board to be responsible for increases in benefits without amendments to the Act.

Mr. Martel: I'll introduce it if she wants.

Mr. Cassidy: I have a supplementary, Mr. Speaker. Will the minister agree that her comment suggesting that workmen's compensation recipients who find their income is inadequate should seek welfare is not only gratuitous but it is also inaccurate, in view of the fact that welfare exists to provide income for people who have no income and not for people whose income is inadequate?

Hon. B. Stephenson: Mr. Speaker, I have never made that statement. That was a statement made by the hon. members of the third party and not by myself and I do not see any point at all in responding to that question.

Interjections.

Hon. B. Stephenson: I do not see any point at all.

Mr. Speaker: Order.

Mr. Lewis: Mr. Speaker, on a point of privilege. I don't have Hansard directly in front of me but I remember very clearly that the full import and implication of the minister's reply was that workmen's compensation recipients could seek additional moneys

through the traditional remedy of social welfare allowances even if she didn't use the words. She said it clearly and she is misleading the House now.

Mr. Havrot: You phoney bleeding heart.

Hon. B. Stephenson: I did not say it.

Mr. Lewis: I'm tired of the way you toy with that in this House.

Hon. B. Stephenson: Mr. Speaker, on a point of privilege.

Interjections.

Mr. Speaker: Order.

Hon. B. Stephenson: I'm not like that, gentlemen.

Mr. Speaker: Order.

Hon. W. Newman: Come on, Stephen, watch your language.

Mr. Speaker: Order.

It has always been held in this House that no member will accuse another member of misleading the House and I will ask the hon. member for Scarborough West to withdraw.

Mr. Lewis: I withdraw, Mr. Speaker.

Mr. S. Smith: May I just have another supplementary if I might? Since both opposition parties clearly would be willing to support an amendment brought through for the purpose of helping these people get some relief with their pensions, which have not increased for several years now despite inflation, what is stopping the minister from bringing that forward? It would not break the government and it would surely be the proper thing to do at this time.

Mr. Foulds: Just give them what is due to them.

Mr. Martel: It doesn't cost the government a cent.

Mr. Warner: Try being the Minister of Labour.

Hon. B. Stephenson: Mr. Speaker, I am not sure whether the hon. Leader of the Opposition is requesting that we amend the Workmen's Compensation Act at this time or that we amend some other Act in order to provide for a supplement. That has not been made clear, Mr. Speaker.

Mr. Foulds: You do toy with words, don't you?

Hon. B. Stephenson: I would remind the hon. member that he supported in this House, not longer ago than last Friday, the validity and the necessity for the study which is being carried out. It would seem to me, Mr. Speaker, that it would be entirely irresponsible to suggest amendments to the

Workmen's Compensation Act at this time until—

Mr. Laughren: Nonsense. You're being irresponsible.

Hon. B. Stephenson:—we have the full report of that study, which the hon. Leader of the Opposition feels is a reasonable study to carry out.

Mr. Speaker: The time for oral questions has expired.

POINT OF PRIVILEGE

Mr. Lewis: On a point of privilege, Mr. Speaker. In Hansard of last Friday, February 24, it is recorded after an exchange between the Leader of the Opposition and Mrs. Stephenson—

Hon. B. Stephenson: I'm not Mrs. Stephenson.

Mr. Lewis: I'm quoting the Hon. Mrs. Stephenson as named in the draft of Hansard. I wouldn't impute things to the minister that didn't appear in print.

Mr. Deans: Who are you?

Hon. B. Stephenson: I know who I am—just because you don't—

An hon. member: Take off your mask, Ian.

Hon. B. Stephenson: Wash your face, Ian, you might find out.

Mr. Deans: Are you not Mrs. Stephenson?

Hon. B. Stephenson: No, I am not Mrs. Stephenson.

Mr. Speaker: Order. I'd like to hear the point of privilege if there is one.

Mr. Lewis: In Hansard, Mr. Speaker, it is recorded the minister said: "We cannot do it without considering the total impact of whatever modifications may be suggested"—meaning increasing the workmen's compensation allowance—"but I would suggest to the hon. member that if indeed there are problems, there are sources available through provincial funding and federal funding which are available to the families of those workmen."

What did the minister mean if not social welfare allowances?

Mr. Martel: Come on, tell us.

Mr. Lewis: What else did she mean? I withdrew the word "misleading," Mr. Speaker, but I did it with regret.

Mr. MacDonald: Mr. Speaker, I have a point I would like to draw to your attention and for your consideration.

Mr. Speaker: A point of what?

Mr. MacDonald: A point of order.

Mr. Laughren: It's time the minister resigned.

Mr. Speaker: I don't know that anything is out of order. You may speak to the point of privilege if you wish.

Mr. MacDonald: I will speak to a point of privilege then. Many times in this House, Mr. Speaker, you have quite rightly insisted that when a person says a statement is misleading they must withdraw it, and then when you have documentary proof that they were misleading there is no compunction on the person who was misleading to do anything about it. Would you consider that to see what revision in our rules should be considered?

Hon. B. Stephenson: Mr. Speaker, on a point of privilege, I never ever mentioned the words "social welfare." There are programs which—

Interjections.

Hon. B. Stephenson: Well, if that's your definition, there are programs of income supplement which are available.

Mr. Lewis: Tell us where they go for help.

Mr. Laughren: Explain yourself.

Mr. Lewis: Where do they go then?

Mr. Speaker: Order, I want to remind all hon. members of the House that the provisional and the standing orders we operate under in this House are not mine. They are the collective property of the House. The rules are quite specific with regard to the use of the word "misleading." It is my responsibility to ask hon. members to withdraw. With regard to any deficiencies in the standing orders, that's the problem, collectively, of the House, not the Chair.

Mr. Lewis: On the point, if I may, Mr. Speaker. I regret having used the word. I did genuinely and do genuinely believe that there is no other and was no other possible interpretation to the minister's remarks last Friday. We said so and, in fact, she understood exactly what she meant.

Mr. Speaker: There are many instances where there are differences of opinion as to what was said or what was intended, and it's not the prerogative of the Chair to interpret what was said.

Mr. Martel: There are no other programs and the minister knows it.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: There is no such thing as a supplementary question on a discussion of this nature. The time for oral questions expired four minutes ago.

Interjections.

Mr. Martel: When did you start getting unemployment insurance when you are on compensation?

Hon. B. Stephenson: You don't know what you're talking about.

ORDERS OF THE DAY
THRONE SPEECH DEBATE
(continued)

Resumption of the adjourned debate on the amendment to the motion for an address in reply to the speech of the Honourable the Lieutenant Governor at the opening of the session.

Hon. Mr. Drea: Mr. Speaker, I rise in support of the Speech from the Throne. May I go through the considered amenities of wishing you well in your latest term, hoping that the distinguished service that you have provided to this Legislature in the previous session will serve merely as a launching pad for the expectations we have both of you and from you in this session.

There is a line concerning my ministry in the Speech from the Throne which notes that several new pilot projects will be introduced in the community work program of the Ministry of Community and Social Services.

Before getting into the actual projects, could I take a few moments to outline the tremendous progress that has been made, not merely in this province but throughout Canada, in terms of having the community in its entirety take more and more responsibility for the behaviour problems, for the particular difficulties of the offender against the Criminal Code who, until the past few years, faced only incarceration, either on a constantly rotating basis or on an ever-increasing basis, as his accountability for his particular deed.

[3:15]

It is interesting to note that at the present time the community in this province accepts six and a half times as much responsibility for the offender as does the jail system. I think it is sometimes lost that where there are today in the vicinity of 4,000 sentenced inmates in the province of Ontario, there are more than 24,000 convicted criminals under probation. The reason I use the term "convicted criminals" is the fact that quite often the public loses sight of the fact that the only way a person can get on probation, including the supervision that is part and parcel of the order, is by being convicted of a criminal offence.

In the last few years, therefore, we have more and more turned to the community—

to the facilities both in terms of the relatively loose supervision that probation does provide, in terms of the resources available throughout the entire community in meeting the particular problems of the offender, be they concerned with emotional, psychological, drug or other behavioural difficulties.

At the same time, it is very interesting that we are now moving into yet another area. The federal Minister of Justice, the Hon. Ron Basford, is moving towards significant amendments to the Criminal Code that will provide the community with an even greater chance to provide the opportunity for the successful readmission of the offender into society. First of all will be the formal legalization, if you want to call it that, or the formal insertion of the community service order, as a valid sentence, in the Criminal Code.

Secondly, there will be a better definition of the fine option in terms of certain offences, in the light of extending more time before a person is incarcerated for failure to meet the particular fine that was imposed upon conviction. The fine option will certainly be brought out later this spring when the Attorney General of this province (Mr. McMurry) introduces the Provincial Courts Act. But notwithstanding the desire in all jurisdictions to remove the jail option in lieu of fine from the sentencing procedure, the bench must still be provided with some form of deterrent for the offender who violates or simply refuses to pay the fine.

We are suggesting to the federal Minister of Justice that an addition to the present fine option sentence might very well be a community work order, in lieu of the failure to pay a fine that has been imposed. I don't think there is anyone in this country, or in this province, who does not agree with the general observation that in Canada we are sending far too many people to jail for far too many offences. That isn't being soft on crime. That isn't calling for an easier approach to the offender. It is recognizing the significance of the fact that in a great many cases jail or incarceration no longer is any form of real accountability for the offence, quite often works to the detriment of the victim, is an increasingly costly exercise, not just economically but in terms of the confinement of human resources, and that there are new approaches and new alternatives which can provide a more realistic accountability, both for the offender and for the victim.

Hopefully, the amendments to the Criminal Code will provide for direct restitution sentences; that is, direct from the court. As you know, Mr. Speaker, restitution orders under probation are now being appealed to the

Supreme Court of Canada, because there is the argument that they may very well be invalid under the federal statutes because property and civil rights are properly the jurisdiction of the provinces.

Notwithstanding the ultimate disposition of that appeal, it would seem far more logical if an offender in a property or a money or in a non-violent or non-injury matter were sentenced directly to restitution rather than being incarcerated, even with the result that in our system at the moment we are prepared to assign the incarcerated offender to a restitution centre. That would be purely for the purposes of going to work and paying back the victim directly. It would make the introduction of the restitution centre much easier, much more practical and much more widespread if there was a movement to direct restitution as part of the court sentence.

I don't think there is any objection to the concept that restitution in lieu of incarceration is the coming factor in the correctional field. More and more crimes are white collar offences. The victim under our present practices seldom, if ever, can recover the actual amount of the monetary loss. In a great many cases, because of the way protective industries such as insurance work, he indeed pays an additional penalty by virtue of the fact that his premiums quite often go up as a result of the offence being committed against him.

At the same time, in the white collar field we have moved in a great many areas in the past few years to enable the offender to re-enter society and to carry on with his or her occupation. In the past, bonding or the lack of it really was an extreme deterrent against virtually any type of white collar offender ever expecting to return to his previous occupation. That, of course, by and large has been removed as a deterrent, and quite often now the white collar offender can rightfully do so.

We want a correction system that is based upon making the re-entry point into society as easy as possible. Then we are going to have to do something for the victim. The community work order or the community service order in terms of victimless crime is working.

Since the introduction of the pilot projects by my ministry, and by the Attorney General in October, there are now more than 310 offenders on such work orders.

Even on a conservative estimate, at least half of them would probably have been incarcerated in the past. One hundred and fifty offenders are working in the community in their spare time, as well as supporting themselves and staying in the community

throughout the period of accountability, and that is the equivalent of a fair-sized new penal institution in this province.

The type of community work order that we are looking at now is only the beginning in this field. Restitution is, obviously, the second and the more sophisticated phase, and, hopefully, the amendments to the Criminal Code, as well as the disposition of the appeal before the Supreme Court of Canada, will expedite the massive introduction of such restitution centres in the communities of this province.

Finally, as you know we are a captive ministry. We must operate under the auspices of the Penitentiaries Act. The federal government in Bill C-51 has changed enormously the scope that will be allowed provinces in the field of correction. We will be assuming responsibility for parole of inmates within the Ontario system; that means two years less a day. We will be negotiating the exchange of inmates between the federal system and ourselves—most particularly the female offenders from the Kingston Penitentiary for women. Hopefully, by the summer of this year, the Kingston Penitentiary for women will no longer be. I understand the federal government has some other plans for it, but certainly not as an institution for females. We are prepared in this province to take Ontario inmates from that penitentiary and to house them on a fee-for-service basis—because they are under federal jurisdiction—within our own female institutions.

I would be remiss if I didn't compliment the new federal Solicitor General, the Hon. Jean-Jacques Blais who, despite the many pressures of his office and the manner in which he had to assume it, is carrying on relatively fast negotiations with the province of Ontario and with myself to facilitate the takeover of parole, the exchange of inmates agreements, and other commonsense approaches to the matter of how best we can rationalize the use of incarceration facilities within the province of Ontario regardless of whose jurisdiction they come under.

The emphasis upon the community, as the integral part of coming to grips with the problems of the offender—and not just the youth-oriented offender, as has been the practice in the past, but of the total offender-population wherever possible—will return the jail or the incarceration system back to its original function; and its original function was the protection of society from the violent.

[3:30]

For far too long we have used jail and the system for other purposes. We have gone far beyond the original intent of containing

the violent for the sake of public safety. The community work order, the restitution order, the efforts by the federal government and by ourselves for a more effective and rational use of the correctional system—and by that I mean primarily in the community and using the jail only as the last and final resort—will pay enormous dividends in this province in the future, not just in terms of money and new approaches to the problems of the offender, but in the ability of a community to marshal its own resources to return back to it human resources that otherwise would have been consigned elsewhere and virtually wasted because of the inability of the much more inflexible incarceration system to deal with all the vagaries of the human condition.

Mr. Conway: It's a particular pleasure to follow my fellow Celt from Scarborough Centre in this Throne Speech debate—Hibernian perhaps.

Hon. Mr. Drea: I thought you called me something else.

Mr. Conway: I read that front page speech in the Catholic Register and I haven't got over it yet. Mr. Deputy Speaker, I would like to begin my remarks by once again congratulating you on your very appropriate and distinguished re-elevation to the position of Deputy Speaker. I want also to take this opportunity to congratulate a fellow eastern Ontarian, namely the member for Ottawa Centre (Mr. Cassidy), who has been most recently brought to public attention as a surprising, I think, but nonetheless convincing winner in the recent Ontario New Democratic Party's convention.

Interjections.

Mr. Conway: I note that some of the loudest applause from this packed House this afternoon emanated from the chair of the member for Carleton East (Ms. Gigantes). I can see that those regional differences that preceded the convention have been ameliorated and now the applause is a complete and happy one.

Indeed, I was thinking with respect to that very famous convention of a situation that paralleled the Pearson years in Ottawa in the mid-1960s. When a certain difficulty and hardship afflicted the Liberal Party, Pearson's answer was three wise men from the province of Quebec, Pelletier, Trudeau and Marchand.

As I looked at that very surprising convention in Toronto a few weeks ago that produced my colleague from Ottawa Centre as the final victor, I looked and I saw that he had but a corporal's guard of caucus sup-

port. I thought again of three wise men. Two of those wise men are with us today, the members for High Park-Swansea (Mr. Ziembra) and Lakeshore (Mr. Lawlor). I wonder sometimes whether three wise men is not an appropriate place from which to start with leadership and aspirations.

I was away for the convention, but I came back to Toronto to read with great interest an article that appeared in the *Fanfare* section of the *Globe and Mail* on February 8. It was written by a certain Norm Snider and I think deserves the attention of all members of the House because it is a particularly witty comment on a very interesting convention.

The Throne Speech that was read here by Her Honour last week is the cause for this week's debate. I want to highlight in my remarks some of the things I thought were positive and some of those things which I thought were clearly negative. As one member of the Legislature, I appreciated the frank admission by the government in the statement that government intervention will in future be less in general and more selective where it takes place. I want to applaud the government for some very positive initiatives which it has outlined in the Throne Speech as they relate particularly to the areas of job creation, however limited and restricted those initiatives are.

I want also, in the presence of my friend the member for York Centre (Mr. Stong) who I see has just left, to applaud the government for a renewed commitment to the very special requirements of the education of seriously disabled young people in this province. I want to commend the government for its commitment to take seriously the problems of child abuse within our society generally and within our legal system specifically. Those, I think, are very positive things that members of the Liberal Party, and I know members of the New Democratic Party, have long called for. This was the case particularly in the debate we had here not so very long ago insofar as the special education of disabled children in this province is concerned. I would strongly urge the government of the day to very quickly and very thoroughly implement what it outlined in that respect.

But there are some clear indications that, like so many other Throne Speeches from this tired and worn-out government, it is more interested in recycling programs which we have seen before than it is in designing a bold new approach to the problems of our economy and of our society. I, as a Liberal, was particularly pleased to see that the gov-

ernment, once again, has found Liberal policy to be highly recommendable. Specifically with regard to the sunset recommendations which were spoken of in the private members' hour by my leader some weeks ago, the government has, I know, seen the wisdom of his ways and is promising an initiative in that regard.

As a member from eastern Ontario, I was particularly impressed with the specific commitments entered into in two very selected areas. The first of these promises is to provide "a series of studies relating to a commuter air service for eastern Ontario, linking key agricultural and urban areas to other parts of the province," and that this "will be undertaken by the Ministry of Transportation and Communications to pursue both private and public options for air travel in that area."

I want to commend the government for its attention in this respect. As one member of this party from that region, I will be most persistent and positive in my urging that this kind of a regional air program be undertaken for eastern Ontario. I have long wondered why it is that northern Ontario, which has unique regional problems that many members of this assembly have drawn to our collective attention, has been able to qualify for some years now for the special norOntair program while eastern Ontario, with some of the same transportation problems growing out of the regional nature of the community, has not been similarly blessed.

I want, while commending the government, to draw attention to one incident that relates to this specific area. Last spring, the federal government announced that it would be proceeding with a major reconstruction of the Pembroke and area airport, which is in the great county of Renfrew. Operating out of that airport—and I see the member for Leeds (Mr. Auld) paying due attention—is probably the largest, or at least one of the largest, regional carriers in the region, namely PemAir.

That airline was seriously and financially jeopardized by the dislocation that was to result by the temporary closing down of that airport to regional air traffic. The people of the community, the people of PemAir and others, had gone to the federal authorities to seek assistance and to some degree they were successful. But recognizing that the Ontario government has a responsibility to the people and the transportation problems in eastern Ontario, some of us made strong representation to both the political and bureaucratic levels of the provincial administration. It was very clear that the government

at that time was unwilling and totally unprepared to address a very serious problem that threatened the viability of one of the region's largest and most useful air carriers.

I wanted to put that on the record because at that time I felt that the government of Ontario had real responsibilities. I saw that those responsibilities were appreciated by the community, by the local municipal authorities, but they were abdicated clearly and without, I thought, proper attention by the Ontario Conservative government.

I applaud this new initiative. I fully expect that my regional carrier, our regional airport, and most importantly, the people of Renfrew county and of eastern Ontario, can expect in the very near future concrete and decisive transportation policies vis-à-vis air travel that will alleviate the distance problem and the other problems that are endemic to eastern Ontario that seem to have missed the attention of the government of Ontario for many years. I wanted to highlight the problems that PemAir experienced not five years ago, not two years ago, but six months ago.

I was interested to see that the Throne Speech offered to all who would listen the usual amount of motherhood. Quite frankly, motherhood is the phrase for what's being talked of in pages 16 and 17, where the government reinforces its commitment to the family.

I wondered what was in the Throne Speech to keep some of the backbench unhappies, like our friend the member for Orillia (Mr. Williams), content to the degree that he would stay with a party that he must surely be growingly unhappy with and about. But I see it in page 16, where it is affirmed for all and sundry to appreciate that the Conservative government under William Davis believes strongly in the family; right to the point of declaring May as family unity month. I read that and it makes me think of my Catholic upbringing and certain family overtones that in that religion relate to the month of May.

Mr. Speaker, it is with some interest then that the Throne Speech, having made those desk-thumping assertions about motherhood and family, that it goes on in a few pages to talk about the great achievements in Bill 59 which, whatever you think about it, has some rather interesting observations and new legislative requirements that I think impinge very clearly and very directly upon the status of the family.

I presume the speech writer for pages 17 and 18 did not know about what the speech-writer was saying on pages 19 and 20; either that or the Premier has his writers and the

Attorney General (Mr. McMurtry) has his as well.

It was interesting to note—yes?

Ms. Gigantes: What do you have in mind?

Mr. Conway: Well, I just wanted to draw to the attention of my good and hon. colleague from Carleton East what I saw as a logical inconsistency, in on the one hand a desk-thumping assertion for the great verities of family, and on the other the clear statement of support, as I think it should be, for Bill 59, which I think has about it some clear implications and long-term plans for the future of the family in the conventional sense as we all know it.

Mr. Warner: You have driven all the Tories out of the House except one.

Mr. Conway: I see the member for Scarborough-Ellesmere is here and I am delighted to have his quiet presence with us.

Mr. Speaker, I thought the Throne Speech ended on its most sad and sorry note, and that was the limp-wristed commentary on what this government and what this government party is prepared not to do to address the serious cultural and linguistic problems that beset the Franco-Ontarian of this the central province of Canada and about which I would like to make some commentary a little later on.

I was drawn to the remarks in the Throne Speech as they relate to eastern Ontario for a number of reasons. It has been a time since I have seen a Throne Speech, and I have been here, of course as you know sir, but for three years or three Throne Speeches.

Mr. Warner: That is too many.

Mr. Conway: I do plan, together with the member for Scarborough-Ellesmere, to spend I hope a few more days listening to future Throne Speeches, although I know this, Mr. Speaker, that none of the future Throne Speeches will be authored by that collection on my left.

Mr. Warner: I would not bet on it, Sean.

Mr. Conway: That it will be perhaps a frosty—I promised not to read Snider and I won't; but in the case of the NDP I am afraid I have seen the future and it's failed.

Mr. Warner: If you promise not to read.

Mr. Conway: Mr. Speaker, the eastern Ontario region has finally, I think as a result of two very critical elections, visited itself and its real problems upon this government.

I found some relationship—as I am sure you did from the prosperity of southwestern Ontario—a relationship between an article which appeared in our most national paper, the Globe and Mail, on Saturday, February

4, 1978, entitled: "Tory Fortress"—namely eastern Ontario—"Feels Taken for Granted"; and some of the direct, if platitudinous, remarks directed to those of us from eastern Ontario in the Throne Speech.

Hon. Mr. McMurtry: Did you write that?

Mr. Conway: Mr. Speaker, I recommend to my friend the Attorney General, who I hear in the vague, dark corners of Tory power might just have some aspirations, that he might look at Mr. Williamson's article, where among other things the first paragraph says, and I quote,

"After three decades of drawing on eastern Ontario"—and I want to say that drawing on eastern Ontario is a very polite way of putting it—"as the wellspring of a succession of Conservative governments at Queen's Park, there are clear signs of trouble for the Tories in eastern Ontario."

Now I want to just recommend that to the future leadership candidates who are with us this afternoon from the government caucus, and to tell them that the initiatives that they entertained in this year's Throne Speech, limited, as I said earlier, that they are, I think are going to be required to a much greater degree if they expect to survive in any way, shape or form as a viable party in eastern Ontario.

[3:45]

For those of us who come from that area, who don't know the luxuries of Eglinton or the suburban prosperity of Burlington South, those of us in eastern Ontario under the tyranny of distance and the poverty given to us by 35 years of Tory dynasties here in this building, it is interesting to see what has happened politically in the last few years. We have the political cabinet from eastern Ontario where, as the article points out, they have drawn a veritable well-spring of support. What has happened politically there in the last two or three years, in this region that realizes that with the Conservative Party there can be no effective clout?

We have my good friend from Carleton (Mr. Handleman) resigning in disgust about the directions of the government. We have my equally good friend from Carleton East Mr. A. B. R. Lawrence, a former member of the executive council, resigning in frustration and disgust. We have my equally good friend from Ottawa South (Mr. Bennett) being demoted.

Mr. Warner: I don't agree with your choice of friends.

Mr. Conway: Worst of all perhaps, we have the member for Prince Edward-Lennox (Mr.

J. A. Taylor), lately Minister of Energy, being fired—or resigning, as the more generous interpretation would have it. I suppose added to that we have the showpiece of their industrial and economic program, namely the Edwardsburgh land assembly, allowed to slide into an unhappy death, being promised instead to us yet another forest experimental station.

I just want to say to that for the edification of, among others, my friend from Carleton East (Ms. Gigantes), that we do agree with the former cabinet minister from Carleton-Grenville (Mr. Irvine) when we say that we have got enough forest in eastern Ontario, what we need are not more trees but more industry.

It is clear that the region from which I come and from which I am proud to say I come, is growing unhappy about the diet of neglect being fed to it by successive generations of Tory bureaucrats and Tory politicians here in this assembly. It was with some interest that I read two studies from the Treasurer's (Mr. McKeough) ministry in the last two or three months. The first of these was the study in the Ontario Tax Series entitled, "Reassessing the Scope for Fiscal Policy in Canada." In a not unsurprising fashion, the study allowed as to how the main beneficiaries of Ontario provincial spending are northwest and eastern Ontario, and it goes on to point out that in the area east of Trenton the Ontario government spends more than \$1,525 per man, woman and child, a full \$143 less than in the northwest region, but significantly higher than in the rest of the province.

Just so that those of us who might from time to time draw to the attention of the government the regional disparities of eastern Ontario, the Treasurer and his ministry happily, if quietly, provide the people in the assembly with a study which highlights the good fortune in which we find ourselves as a result of his economic and fiscal planning. I just want to read what I think is a very appropriate commentary on that from the Renfrew Mercury's editorial page of February 22, 1978, and it says and I quote, in conclusion of the editorial—certainly not my speech, lest the Attorney General (Mr. McMurtry) smile too unhappily—I quote:

"We have known for many years that our population is sparse compared to the Oshawa-Windsor corridor. We know too how scattered our population is and how much harder and more expensive it is to provide a comparable level of services to people scattered over a large area. The study"—meaning this par-

ticular study, the Ontario government's taxation study—"ignores this fact.

"Not only do we have fewer people, but those living in eastern Ontario make less money than the provincial average. This is why we pay \$19 less than average in income tax. But it may be reassuring at Queen's Park to know that eastern Ontario is a main beneficiary of government spending. The people in this area have only to look around them to fully understand just how misleading figures can be." Concluding, the editorial says, "We may be poor and few in number, but we are certainly not stupid."

I think that editorial speaks to some of the very serious grievances, both economically and otherwise, the people in that region are ever more prepared to express fully both in a public and private way.

The second study that I think deserves some attention is the demographic bulletin of the Ministry of Treasury, Economics and Intergovernmental Affairs, published in November 1977. It's a rather quiet document but it draws attention to the population and migration patterns of the period from 1971 to 1976.

I found it very interesting, as one of the two provincial representatives from the county of Renfrew to find that in eastern Ontario the population change in the region was, in absolute terms, an increase of some 78,000 people between 1971 and 1976, meaning there were 78,000 more people residing in the region in 1976 than there were in 1971.

In percentage terms, this reflects a population increase of some 7.3 per cent for the region. But when you get specific and look at the fact that there are only two areas in conventional southern Ontario which have had a negative increase—in other words, they had fewer people in 1976 than they had in 1971—both of those areas are in eastern Ontario. One of them is the county of Stormont, which had a net decline of 0.2 per cent and which is considerably instructive when you consider that the population growth for the region had been 7.3 per cent.

I think it's useful to use the population growth figure as an indication—granted, not a perfect or total one, but as an available research and statistical tool—by means of which to determine the economic viability, progress and prosperity of the region.

The county of Stormont had one of the two net declines in population increase, and its decline was just 0.2 per cent. But most interesting, in terms of southern Ontario, is the fact that the county of Renfrew had fully a two per cent population decline.

It is clear from the government's own figures that more and more people, given today's relative migration patterns, are moving out of my particular county. It is clear that more people have moved out of the county of Renfrew than in any other region in southern Ontario.

Interjections.

Mr. Conway: I think, despite the interjections of my good friend from Fergus, that should give this government a particular encouragement to do something special, to do something specific, to take a fresh look at the regional priorities budget, which the Treasurer to his great credit, has directed in some measure to Renfrew county but where at the present time it is bogged down and there is, by at least one recent press account, the possibility that much of the moneys that might be made available will be lost for whatever intergovernmental problems.

I just want to say, as a member from Renfrew county, I am shocked and appalled to know that Renfrew county has the major population decline in all of southern Ontario. It is, I think, a very serious problem—all the more serious for the young people, myself included perhaps, who have grown up in that area, who want to stay in that area, who want to work in that area, who want to contribute to the general community by working and living in that particular county.

If the government of Ontario needs any encouragement, or evidence that Renfrew county, over and above all others, needs special attention, I simply direct to the future leader's attention, to the Premier's attention, to the government's general attention the demographic bulletin which leaves that very stinging indictment as far as the population and economic health of eastern Ontario is concerned.

Mr. Riddell: There are only three Tories in the House and they're only remotely interested in eastern Ontario.

An hon. member: And none from eastern Ontario.

Mr. Conway: Given those unique and special problems—and before I launch into the second part of this—I want to draw attention to the fact that in the Parry Sound region, which has something to do with the next part of this little discourse, the population change was a positive 8.0 per cent—significantly different from Renfrew county, which had a negative two per cent. Surely that should be considered when we get into something that becomes very current—I know it is today and certainly will be on Wednesday—and that's the government's election plan to offer to the

people of the Parry Sound region a preferential treatment insofar as the registration fees for automobiles and the like in this province.

You will all remember the trip that was made to Parry Sound in early May 1977 by the Treasurer, among others, with the election barely a week old, where he offered the largess of the Progressive Conservative Party to the particular region and the sitting member who, we were told, properly or otherwise, was facing a very serious political challenge; and those people were drawn into the special consideration being given northern Ontario. I simply want to say to the government that for whatever reasons, political or otherwise, that kind of concession was made to the people of Parry Sound and Muskoka, people in my area—some of whom live in the district of Nipissing and many who work for the Ontario government who see other people living in the district of Nipissing as beneficiary of this special treatment—are very unhappy.

They are unhappy not only because of Wednesday, or today or yesterday whenever; they have, unlike their local member, gone and paid the extra dollars. They are unhappy because of the financial burden but they are in many cases more unhappy about the symbolic nature of that decision. They see only a political imperative, governing party or government policy—and the member for Burlington South (Mr. Kerr) squints in his inimitable fashion.

Interjection.

Mr. Conway: That's the perception. That's the trouble with this government in eastern Ontario. You have got figures. You have got facts. You have got all kinds of evidence which directs specifically to the unique problems of Renfrew county. And then we have got to tell those people: "No, you don't qualify for these special attentions given to your friends across the Algonquin park border, for among other things the population growth figures indicate a help which is not endemic to my region, to my country. You are going to have to pay the \$60 or the \$80, while they can pay the \$10."

That's just not good enough. If you are prepared for election purposes to give special attention to Parry Sound, Muskoka, then I am here today to demand equal attention for the only county in all of southern Ontario which is undergoing very serious economic and social difficulties, among which numbers the family court situation in which I know the Attorney General has a particular and special concern.

As I said earlier, the diet of neglect which has been fed to us for 35 years, which is evident by an absolute dearth of political leadership in this cabinet, is simply not acceptable. Mr. Williamson, in his article of February 4, drew special attention to it. The elections of 1975 and 1977 reinforced more clearly than ever before that we are not prepared to accept it. I have got a petition, I have got letters—which really indicate the growing indignation of people—and nothing in recent memory has been so obnoxious to the people of the district of Nipissing, and it is my pleasure to represent them—or the people in the county of Renfrew who make up that portion of the constituency that I represent—nothing in recent memory has been so absolutely irritating as this very ad hoc decision to draw the line for the preferential licence plates right through the heartland of the district of Nipissing and right through the electoral district of Renfrew North.

You had better take a second look. I am here today to ask sincerely, non-partisanly, that you re-examine that particular commitment. I well realize the financial constraints that are placed on the Treasurer but I am here on behalf of those 28 people in the district of Nipissing, most of whom work for the Ministry of Natural Resources at the Algonquin Park centre in Whitney. They have written to me—and I may just beg your indulgence, Mr. Speaker, to read what their petition says. It is dated January 27, 1978:

“Whereas the area of the district of Nipissing, south of Algonquin Park is one of the most isolated areas in southern Ontario,”—and hear, hear, to that—“90 miles from Pembroke, 120 miles from Peterborough and 65 miles from Huntsville, and whereas there is no public transit”—repeat, no public transit—“within 30 miles, the nearest hospital and drug store are 30 miles away and a motor vehicle is a virtual necessity for everyday life”—and I would almost be prepared to replace virtual with absolute necessity—“and whereas we already pay northern rates for insurance, hydro, consumer goods and gasoline, we the undersigned petition you and your colleagues, both in the government and in the opposition, to extend the \$10-flat rate licence fee for private vehicles to the southern boundary of the district of Nipissing.”

An absolutely more reasonable request I cannot imagine. It is to the government's goodwill that I refer it this afternoon on behalf of those people.

[4:00]

Ms. Gigantes: Eastern Ontario is dying and you want to give them cheap licence plates. All you have to offer is cheap licences.

Mr. Conway: I can understand what the member for Carleton East says. Certainly there has to be more done. But in the practical world of politics she must surely understand, as I know her esteemed and distinguished former leader understood more keenly than the rest of the lot put together over there, that these policy responses, however short-term, are extremely important. I suggest to the member for Carleton East that she reconsider her rather—

Ms. Gigantes: That's all you are offering? Good grief! Just cheap licence plates.

Mr. Conway: For the consumption of the people of my riding, let it be understood that the NDP representatives from Carleton East and elsewhere oppose the flat rate extension to that portion of the district of Nipissing.

Ms. Gigantes: Is that all?

Mr. Conway: So be it. I well realize they have ceased to be a real political threat in our community, but I really appreciate the final nails being hammered into their coffin by their eastern delegation.

Mr. Warner: That's wishful thinking.

Mr. Conway: I want to go briefly to a matter I think is of very serious general application to this province. It is something about which my leader, my very good colleague from Halton-Burlington (Mr. Reed) and this entire caucus, not only since yesterday but for many months, has expressed a great deal of concern, and that is about the operations, political and otherwise, of Ontario Hydro. I'm not going, least of all in the presence of that wunderkind from Carleton East, so illustrious a member of the select committee, to entertain a dialogue that—

Mr. McClellan: What is the German for dropout?

Mr. Conway: —speaks to the specifics of the uranium contracts with Denison and Preston. I just want to register as one independent-thinking eastern Ontario member that I am very unhappy about those contracts.

Hon. Mr. Kerr: I thought you wanted the transmission line out in your riding.

Mr. Conway: I am particularly displeased about, among other things, the recent intervention from my colleague the minister of whatever-he-is today.

Mr. Cunningham: Maybe he had better check his watch.

Mr. Conway: I am displeased to think that the net effect of that deal, entered into I am sure some months ago and signed some weeks ago, is to allow the people of this province,

both in the short- and long-term, to be held to ransom—and a fantastically expensive ransom at that—by a private concern which is using as its main weapon the resources which fall exclusively within the public domain. I have to think that is about as serious a problem as this Legislature is going to face. I have to express the opposition of this one member to that deal. I almost, in my fancy, agree with the NDP and agree with the Throne Speech. Inasmuch as the Throne Speech enjoins me to buy Canadian and the NDP enjoins me to buy Denison, I am tempted to unite the two in my response to those contracts.

But I was more interested in the role of Hydro in all of this because my grandfather, when he was here back in the twenties, thirties and forties, used to tell me—not in the thirties, forties and fifties, but in the sixties and seventies—about the great difficulty their Legislature and their government had controlling the Hydro commission and the Hydro authority of their day. I know the Attorney General (Mr. McMurtry) with his family past understands those difficulties. I am sure on daddy's knee those stories were told in a particularly intimate way. It was in that context that I sat on Monday of last week and watched, among others, the Premier (Mr. Davis), joined with his good wife and no one else, and I thought that was an interesting comment on the man's particular successful political acumen. The Attorney General should take a good look. He may need that some day. The Premier sat there and you could just see a whole generation—indeed, a whole century—of Ontario politics crystallize, not only in the comments but in the confrontation. He assured us then, he has assured us today and numerous times in between, that Hydro is certainly under control, that this government and that executive council over which he has complete control—

Mr. Warner: Under the control of Steve Roman.

Mr. Conway: —knows where Hydro's at. Then it was with some interest I read the Toronto Star Friday of last week, where my good friend the member for Prince Edward-Lennox (Mr. J. A. Taylor)—God bless that happy warrior—

Mr. Reed: He found out the truth.

Mr. Conway: He found out the truth. How many of his predecessors in that ministry or related ministries have gone that unhappy way! What does he tell us? I can only take his evidence on the basis of roughly one year's experience as the Minister of Energy largely responsible for the operation and

control of Ontario Hydro. Front page, Toronto Star, Friday, February 24, 1978; James Taylor says, "The public utility has grown so huge it's all but impossible for anyone to control."

He goes on to compare it, in his inimitable style and his incomparable mental process, to the Bermuda triangle. It makes me think that those cabinet ministers over there have exotic after-hour reading taste—the Attorney General and his moral crusade notwithstanding. He talks: "If you present a reasonable thought or directive it gets sucked into the Hydro system and never comes out." I'd like to see the road map that allowed the minister—recently demoted or deposed—I don't know what road map he used because he clearly got sucked in, but somehow he came out.

"If you asked Hydro," he says, "to put a battery in your flashlight, it would cost you \$100 for the house call."

"Taylor says Hydro's internal bureaucracy is so tangled that often the chairman of the board doesn't have the decision-making potential you might think he has." Isn't that comforting?

Ms. Gigantes: I don't agree.

Mr. Conway: While the member for Carleton East says she doesn't agree I can only imagine what information she might have that the former minister did not have access to.

Ms. Gigantes: We didn't have access to any of the information.

Mr. Conway: I expect that in the corridors later I will be apprised of those pipelines. I noticed the former minister, in the Picton papers last week, talking about a pipeline that he didn't seem to have that ran straight to my good leader's office. So indeed there may be another pipeline into Carleton East about which, among others, my caucus colleagues on that committee would like to know about.

Interesting that the very day the Premier is standing up saying that among other things there is absolutely no question about the integrity of the government's control over Hydro, we've got a situation in which the former Minister of Energy says there is no controlling Hydro, that there is absolutely a bureaucracy so tangled as to confuse any elected official and certainly to befuddle anyone else.

Ms. Gigantes: Do you believe that, Sean?

Mr. Conway: The member for Carleton East asks me do I believe it. You know what I was thinking, and I'm going to—

Mr. McClellan: Sounds like somebody who is talking to himself.

Mr. Conway: I don't know whether I believed it at the time, but I remember reading a book which I brought for the Speaker's interest and information. I know the Attorney General and I know the member for Carleton East have read it. It's a book about Hydro. It's a book called *The Politics of Development*.

The member for Carleton East says do I believe it. I wanted to, with your permission Mr. Speaker, very selectively quote from that most impressive, most powerful, study done by one of Ontario's finest academics. Not the least of the praises came from the member for York South (Mr. MacDonald) whose special privilege it was to review it in that very liberal document known as the Canadian Forum, which I read with great regularity and even greater delight.

Ms. Gigantes: Small "I" liberal.

Mr. Conway: I wanted to simply read from the conclusion of that book, and it will be a quotation of some length. He concludes his study of Ontario Hydro and the resource community generally with the following observations:

"No organization had more influence over the provincial government than the publicly-owned Ontario Hydro-Electric Power Commission. Unlike the mining community, it did not have to rely upon a tenuous bond of friendship with members of the executive for that influence; nor did its patronage depend upon contractual relationships with the government, as was the case with the pulp and paper industry. Hydro was itself a branch of the executive, with delegated responsibility in all fields pertaining to the generation and distribution of hydro-electric power within the province. Since electricity affected almost every aspect of life, that was a frame of reference capable of indefinite expansion. Therefore, on account of its importance and proximity to the political executive, its only shareholders, the Hydro-Electric Power Commission exercised a preponderant influence over the Ontario government, particularly in the definition of the Ontario interest within the Canadian federation.

"The requirements of expert technical and business knowledge that justified and then established the autonomy of the commission also increased the dependence of the political executive upon the integrity and good judgement of the Hydro commission as its operations grew in magnitude and expense for, as we have already seen, the practical inde-

pendence of the Hydro commission had its limits.

"In the final analysis, the executive branch of the Ontario government had to accept responsibility for its actions." And how true that is today. "The more complex the recommendations of the Hydro commission, the more the executive council's approval became an act of faith." Isn't that interesting? I think that the member for Carleton East has a pensive stare justified by the very significant comments of Professor Nelles's remarks.

Ms. Gigantes: Would you dissolve it? That's what I would like to know.

Mr. Conway: "The more complex the recommendations of the Hydro commission, the more the [government's] approval became an act of faith." And one has to wonder about the Denison contract and the act of faith being entered into there.

"The very size and scientific mystery of the organization inhibited constructive independent criticism of its decisions. Yet even public corporations are subject to the follies of error, misjudgement and deceit which usually complicate human affairs."

Ms. Gigantes: Would you dissolve Hydro? Is that what you are recommending?

Mr. Conway: "As a result of its tempestuous history, the Ontario Hydro-Electric Power Commission had also developed a heightened instinct for self-preservation and a tradition of forceful political activism. The vigour with which Hydro attacked its detractors tended to silence all but the brave"—none braver than my colleague from Carleton East.

And finally: "Since the Hydro commission was engaged in business pursuits, it asked for and received a veil of privacy that masked its internal affairs from public scrutiny. Thus insulated against criticism, the Ontario Hydro-Electric Power Commission possessed a degree of discretionary power unequalled by any other public agency. The judgement of the Hydro commissioners ought to have been questioned constantly, but the legislative facilities for that purpose did not exist."

Mr. Warner: Nationalize Ontario Hydro.

Mr. Conway: I think that is an indictment which is as justified today as it was when it was written but three years ago.

Ms. Gigantes: Would you dissolve Hydro?

Mr. Conway: In conclusion, I want to draw attention to a project that was entered into in a similar way by the Hydro commissioners some years ago; it had to do with the availability of excess power and Adam Beck's desire to use it for a wholesale program of radial railways, and he just happened not to

take into confidence the government which was paying for it.

In 1919 a Premier could write this to a colleague—in fact, to the chairman of Hydro. I won't read much of it but I know my friend from Carleton East will be interested.

Ms. Gigantes: I am much more interested in 1978.

Mr. Conway: The Premier of the day—a Tory at that—said:

"I might add further, if further explanation is necessary, that you"—meaning Adam Beck—"have never taken me into your confidence in connection with this undertaking. I know nothing of the facts or arguments in favour of the scheme except what I have read in the newspaper. I do not even know the names or qualifications of the experts who have reported on the scheme"—

Ms. Gigantes: Dig up their graves and ask them.

Mr. Conway: "Nor have I been furnished with the report of these experts as to the cost of the railway, the probable earnings of the road and the other data that would be necessary for a Prime Minister or a cabinet minister to have before undertaking to speak on the subject and to give advice to ratepayers who are assuming heavy financial obligations in the matter.

"Surely"—again to Mr. Beck—"you would not expect a member of the government to take part, unasked for by anyone to do so, lacking full and complete information relating to the subject." That was in 1919; it was the Premier of Ontario speaking then and it was the minister speaking but last week. The point is, if my thick-headed friends from the left do not understand, that this great experiment in public ownership, which is socialism at its best—

[4:15]

Ms. Gigantes: Down with Hydro.

Mr. Conway: —and socialism at its worst in this province presents the problems of human folly, of socialist bureaucracy—

Ms. Gigantes: Hand it all over to Denison, eh?

Mr. Conway: —of political interference to such a degree—

Ms. Gigantes: Hand it over to Denison?

Mr. Conway: —that I cannot imagine a better reason for denouncing the socialist nonsense espoused in the speech of Friday in the continuous clap-trapping—

Mr. McClellan: Do you want to sell Hydro? Say so!

Ms. Gigantes: Sell it to Steve Roman.

Mr. Conway: —of the left in this province. Hydro is at best a necessary enemy for this Legislature—

Mr. McClellan: Sell it to Steve Roman.

Mr. Conway: It has been for 60 years out of control. It must surely visit itself upon my good friends on the left as the best available reason and all the evidence—

Ms. Gigantes: Do you think it is impossible to control it?

Mr. Conway: —they could want if they are sufficiently interested to caution us in any future endeavours in the public sector as far as economic activity is concerned.

With those quiet remarks, Mr. Speaker, I want to say that as an eastern Ontarian I want to see in the very near future some regional policies that specifically refer to Renfrew county. I can't think of one better, however much it is denounced by my friend from Carleton East, than removing the penalty of the recent increases for automobile licence plates—a small unheroic beginning, yes, I well realize, but I think if nothing else a possible immediate response to the regional disparities that we have suffered. We have suffered long enough.

I want to conclude my remarks with those suggestions and I know that among others the Attorney General will recommend those eminently positive and suggestive policies to his colleagues in the executive council. Thank you very much.

Mr. Ziembra: As stated in the Throne Speech and underlined by the Minister of Correctional Services this afternoon the government is considering alternatives to imprisonment. I take this opportunity to call for a moratorium on prison construction. As the minister has indicated, discussions and actions are being taken to reassess our whole prison system right across the country. Now is the time to talk about a moratorium and constructive alternatives to imprisonment. Federal and provincial initiatives in this direction are under way.

The thrust towards alternatives to imprisonment is 200 years overdue, and why is this so? Because prisons are like a sacred cow; prisons are where you stop crime. We have always believed that prisons will rehabilitate the offender, protect society and act to deter future crimes. All these assumptions are a massive deception. In fact, prisons breed a climate of hostility and rage. They provide the illusion but not the reality, because about 80 per cent of ex-prisoners wind up back in these same "correctional" institutions.

Who is in jail? Of 90,955 people in jail last year, only 4,784 were charged with violent crimes—crimes against the person, assault, robbery and rape. This is a little over five per cent of the prison population; 23,066 were charged with crimes against property; 29,774 were charged for traffic offences and 22,721 for liquor offences. These inmates, who make up 96 per cent of the prison population, could be released to a support structure in the community today. Keeping these people out of jail would save the taxpayers a lot of money as well as keep them out of our schools for crime.

Ombudsman Arthur Maloney's report on Ontario's prisons makes it obvious that we are sending far too many people to jail. We hear so much about our "soft bail laws," but Mr. Maloney points out that almost 60,000 prisoners were denied bail and were kept in custody prior to their trial. He quotes the Law Reform Commission that Canada is one of the harshest western countries when it comes to prison sentences.

The sentences are far too long and half the prisoners shouldn't be there.

This harshness and these long sentences are inflicted on those on the bottom of the social and economic scale. Prisons are used to warehouse native Canadians and other poor and powerless people. Native Canadians have always been overrepresented in our prison system. Alcohol combined with alienation makes them prime candidates for jailing. Seldom do the courts refer native people to any alternatives that may exist.

There are more unemployed young people aged 16 to 24 today than at any other period in Canada's history. This same age group makes up the largest portion of our prison population. There is a direct relationship between jobs and jails.

We imprison drunks, speeders, minor property offenders, but what about the real criminals in our society? What about the monopolies, the price-fixers, and the false advertisers? What of the tax-evaders? What of the employers whose negligence of safe working conditions results in workers' disabilities and deaths? And finally, what of the industrial polluters who poison our air, land and waterways? How many of these criminals ever wind up in jail?

The Ombudsman offers us two alternatives. Either we spend \$88 million on new jails or solve the problem another way by not jailing as many people. In Mr. Maloney's words, and I quote, "to decrease the public's reliance on the highly symbolic but discouraging failure-ridden and costly resort to incarceration either before or after the trial of an accused."

The Ombudsman further states: "I feel that all aspects of community corrections merit the closest attention from the public."

What I take this to mean is the involvement of concerned citizens in the community, not the continuing reliance on legal and correctional experts. I am not talking simply about sloughing off the offender into a group home in the community with inadequate support services, as we presently see in the field of mental health.

What are community alternatives? That is not up to me as an individual to determine; it is up to the community to determine its own needs and priorities. They would probably be different applications of the ideas of community service orders, restitution and reconciliation programs, as the minister spoke of this afternoon, day-fine systems, decarceration and decriminalization, community parole systems, alcohol and drug treatment centres, and community-controlled resource centres. For instance, the Simcoe community is opposed to the closing of the Glendale adult training centre, because in practice it operates much more like a community resource centre than an ATC. Any system that attempts to reintegrate the offender back into his community in a humane way is what we want to see.

People who wind up in the criminal justice system come from the communities and almost all will wind up back in their community, so why should their stay in the prison system be in isolation from their community? Why must a community surrender its responsibility to, again, "correctional experts"? We must not continue the out of sight, out of mind policies of the past. We must move away from the present dependency-creating prison system and foster a community system that builds self-help and social responsibility.

The Minister of Correctional Services (Mr. Drea) is getting almost daily headlines by boasting about the nickels and dimes saved on coffee and orange juice while millions of dollars are being spent on new and unnecessary jails. The Etobicoke, Scarborough and London detention centres cost \$60,000 per cell, for a total of \$36 million and this is just the start.

Prison construction is big business. The minister admitted in the December 7 estimates debate, and I am going to quote his words, that "right now it costs you three times as much to build a local jail per inmate as it does a fully-equipped hospital per bed". In fact, he concludes by further admitting that "this is an appalling cost." I wholeheartedly agree with the minister. Therefore I would

suggest that he pursue the logic of his position and declare a moratorium on any more prison construction and immediately redirect the savings to alternatives to imprisonment. We can save money on detention costs, we can save money on welfare costs, we can save money on subsequent imprisonment, because we believe there will be fewer repeaters.

The Commons subcommittee on penitentiaries agrees with this by stating, and I am going to quote from their report, "Many witnesses testified that if Canada builds more prisons, those prisons will be immediately filled. Conversely, if alternatives for prisons can be found for the majority who are not dangerous, some of the existing buildings will be empty. Thus, before entering into a multi-million dollar construction program, less costly and most productive alternatives should be introduced."

In spite of this report, the feds are quietly moving on a \$460 million construction program to build 26 new institutions, increasing the cell capacity by 4,712 over the next five years. Because the federal government is turning its back on its own subcommittee's report, and because of a commitment to a moratorium, a number of groups met in Ottawa recently and formed the Moratorium Committee on Prison Construction. They include the Prisoners' Rights Committee in Toronto, the Civil Liberties Associations in Ottawa and Kingston, L'Office des Droits des Détenus in Montreal, the Law Union of Ontario, Groupe de Défense des Droits des Détenus de Quebec, the social action committee of the First Unitarian Church in Toronto, and the Quaker Committee on Jails and Justice, Toronto.

I urge the members from all sides of this House to go back to their constituents and tell them of the true costs of imprisonment, both in dollar terms and in terms of human suffering, and oppose any new prison construction in their riding.

There is absolutely no need to build even one more new jail in this province and perhaps we could begin dismantling more of the present ones.

The time has come for a moratorium on prison construction. Thank you, Mr. Speaker.

Mr. Kennedy: Mr. Speaker, I am pleased to join in the Throne Speech debate at the commencement of this session and speak on behalf of the people of Mississauga South and of the province of Ontario. From my soundings of the riding, they are impressed with the government's policy package as it is being unfolded both through the first ministers' conference and in the Throne Speech. They come to me to convey their pleasure as to what

the government has done and what is has announced in the Throne Speech. They are very encouraged and they are happy to know that the socialists are held at bay.

Mr. McClellan: You must talk to the wrong people.

Mr. Kennedy: Following the Throne Speech debate, on March 7 I believe, the budget will be brought down as part of this package.

Mr. McClellan: You should talk to the real people.

Mr. Lawlor: You will be brought down.

Mr. Kennedy: Ross, you will be out. You might get a little insight into the free enterprise system and how it works.

Mr. Lawlor: How great do you think the debt is going to be this year?

Mr. McClellan: Talk to the real people in Mississauga some time.

[4:30]

Mr. Kennedy: Members should surely understand that the direction this government will pursue in the months ahead, as I have just mentioned, is not restricted only to those intentions contained in Her Honour's Speech from the Throne.

Mr. Warner: There are some hidden ones.

Mr. Kennedy: Direction is also to be found in our strong and decisive presentation to the conference of first ministers in Ottawa. The blue booklet, entitled An Economic Development Policy for Canada, became the basis for discussion by all provincial leaders as they looked for medium- and long-term ways to improve the economy.

Without burdening this House with a full account of their success, consensus was achieved in the final communique of the first ministers' conference. This was in holding down public spending, setting up a buy-Canadian campaign, stepping up major energy developments to provide more jobs and trying to gain a bigger share of the tourist industry and the expanding automobile industry for Canada.

Obviously, the Throne Speech was not designed to duplicate the blue book nor was it designed to replace the provincial budget, the third major component, as I have mentioned, in a matter of just a few weeks, to be presented by the government next week. However, I want to refer for a few minutes to an item from the Throne Speech that is of interest to me, and that is air travel. There is reference in the Throne Speech to a study to be undertaken for eastern Ontario. I would like to discuss for a few minutes two areas that are not really closely related to the Throne Speech reference. In many respects, we know, air travel is a federal responsibility,

but the impact of air travel in Ontario is major and so I believe appropriate for discussion in this forum.

The two items I do want to discuss for a few minutes are the high-fare structure established by the Canadian airlines, particularly Air Canada and CP Air; along with the proposed takeover of the Ontario Transair routes by Air Canada with applications, I understand, also by Great Lakes and Nordair, and the proposed takeover of Nordair by Air Canada. Air Canada has after several years turned a profit, which is commendable; but they have had more or less the lion's share of the market, along with CP Air, and this perhaps accounts for it.

However they have achieved it, it is to be commended, but I think there is a better way of doing this. I am certainly not going to knock good management, but I think they could have achieved the same results by reducing fares and by increasing ridership. In my view, these airlines are charging higher fares than are warranted. They are operating under quite a cozy arrangement with the Canadian Transport Committee, which seems to rubber-stamp their applications for increases.

Despite this, it is very interesting because of public concern and the fact that the heat was on the federal cabinet on that Saturday night I was jolted out of a reverie watching the CBC news to hear the brief, curt announcement that Air Canada was reducing rates. No further details followed and I did not see anything in the daily papers today, so there seems to be a lot of behind-the-scenes activity.

Another interesting feature was that Wardair applied for an increase of tour charters—ITCs as they are called in the trade—a little while ago. I am not sure of the details, but I know it was turned down by the transport committee. But then the turndown was reversed by the federal government and they were granted this. This seems to support my view as to where CTC sympathies lie.

I want to take a few minutes to compare some regular travel rates one way, both here and in the United States, to develop this comparison.

There was an article in the travel section of the Toronto Star on December 17, 1977. This had the eye-catching headline: "The Air Fare Ripoff." This is my source for these figures. There are variations, and we need to take them in their proper context depending on the travel days.

Ottawa to Toronto is listed as \$45 regular fare for 226 miles. One of the members from Ottawa told me that about six years ago, I

believe, the fare was in the order of \$25, so this shows how swiftly the fares have increased.

Toronto to Montreal is an interesting one. For 315 miles it is \$54 plus eight per cent departure tax, which totals \$58.30. Toronto to Windsor is 195 miles—I presume that this is as the crow flies in each instance—and, it is no less than \$41. To compare these with a couple of routes in the States, the rates are about half those I have quoted for the same distances. They're both shown in Canadian dollars to match as closely as can be.

Los Angeles to San Francisco is 337 miles and the fare is \$31. This is roughly the same as Toronto-Montreal at \$58.30. Houston to Dallas is 212 miles with a regular fare of \$27. They have the lowest fare—in this article, it gives the lowest fare—of only \$16. This is only nine miles less than the Toronto-Ottawa distance with its regular fare of about \$45 and the lowest of \$34. So it is more than twice the rate of Houston-Dallas for about the same distance.

Mr. McClellan: You should run for federal office.

Mr. Deans: You should run for the States.

Mr. McClellan: Or in the States.

Mr. Kennedy: I know these aren't totally equitable comparisons because we have higher operating costs.

Mr. Deans: That's true.

Mr. Kennedy: I don't think anyone questions that. There's snow removal, higher fuel costs, airport taxes—

Mr. McClellan: You should take this to Ottawa. Trudeau needs to hear this.

Mr. Kennedy: He will. I'm sure he's waiting for these words. To continue, Mr. Speaker:—and the highest departure tax of anywhere I know of in the western world. That's the eight per cent tax. In the US it's \$3, and even in European countries—

Mr. Deans: It costs \$60 for a car licence in southern Ontario. Speak to that.

Mr. Kennedy: I don't know about you drivers but we don't fly our cars. We're talking about airlines.

Mr. Deputy Speaker: May I ask the member for Wentworth to wait his turn to ask questions?

Mr. Kennedy: But nevertheless, these factors that I've mentioned should not mean double the air fare. Also, at the same time—and it's hard to understand just exactly what's going on—Air Canada and CP Air, in a couple of articles I saw, have tried for a

further four per cent increase in their fares. They cite the reason as higher airport landing fees, airport fees and fuel costs. Not to criticize CP Air or Air Canada, because the airlines have no control over taxation. We understand that the excessive departure tax and so on is a federal tax measure and you can't blame the airlines for that.

So I don't know how this four per cent application for an increase in fares will fit in with the Saturday announcement of reduced Air Canada fares. Maybe they're selective, I don't know.

But I believe the people of Ontario would respond to reduced fares, and that through increased numbers of travellers the profits would look after themselves. This was demonstrated by Southwest Airline when it tripled the ridership between Dallas and San Antonio by a substantial reduction in fares.

Incidentally, a couple of weeks ago I was in Florida where the weather was somewhat similar to here and I heard an announcement on the radio that a Florida-based airline—at least an airline flying out of Florida—was reducing fares by something like \$244 to \$140. Imagine the significant drop there by an airline flying somewhere up into the mid-west.

This is what they are doing down there. The CAB looks on these things very sympathetically and seems to have a different approach to it than the CTC.

In addition the likelihood of increased ridership has been demonstrated right here by Wardair, Nordair—and of course Laker, we know about Laker Airways' substantially reduced fares. I think the CTC should favour more competition, not less, and this is what will occur if there's an approval of the takeover of Nordair by Air Canada, and also if they are granted landing rights in the part of the Transair route in northwest Ontario from Toronto to the Manitoba border, if indeed this goes through.

I don't think the CTC has demonstrated that it is consumer-oriented at all. Rather it's protective of existing air routes. I think what we need are a couple of Max Wards in Ontario.

This leads me to the second point that I mentioned: Air Canada's proposal to take over Transair's Ontario route and the takeover of Nordair.

Mr. McClellan: Why doesn't the government intervene in Ottawa?

Mr. Kennedy: Pacific Western was to take over Transair if they could drop the Ontario route—Dryden, Thunder Bay and the Sault, I presume; wherever they land. Air Canada

applied to take these over, as subsequently I understand have Great Lakes and Nordair. When Air Canada put forward their proposal they wanted to replace the Ontario part of Transair's service, but the schedule they laid out for replacement was deemed to be totally inadequate and so the province of Ontario intervened. Then Great Lakes and Nordair got into the act; they also want these routes. These hearings, I understand, are now going on.

Ontario intervened with the CTC at the time Pacific Western was to take Transair over and drop the Ontario routes, which Air Canada would take up. They weren't very pleased with the service that Air Canada had offered and so they were making their presentation on that. But what this government failed to do, in my opinion, was to intervene—at least to date—with the proposed takeover of Nordair.

Mr. McClellan: You mean your government.

Mr. Kennedy: The whole situation is pretty difficult. I wish the government had done this. Even at this late date I wish they would, because I don't think it's in the public interest that Air Canada tighten down its existing monopoly. They haven't demonstrated that we are better off for the firm position they have in the industry. I think the application should be rejected. I don't think we should be so protective of the existing airlines which would work out to the detriment of the public. That I think would be the end result.

I fear for the consumers if these applications are approved—not only on the rates but particularly for the smaller communities where air service perhaps might be curtailed or eliminated. We want to be assured that these services are expanded, not reduced.

I haven't heard that any consumer organization has raised their voice against this. Perhaps they have. The PWA-Transair hearings I understand are in Winnipeg. It may be they have come forward there, but if they have I don't know. I think that if this were going on in the private sector we would have the combines people taking a look at it.

[4:45]

I think air travel in Ontario and Canada has a tremendous potential. There is a great untapped market of travellers out there ready for both Air Canada or other national airlines, and for regional airlines. That is why I was pleased the budget had provided at least for another step in the direction of development of air service, although it is a small step, and that is the study announced for eastern Ontario. I know MTC has done some work in

this area of air travel; and we of course have a relationship, the Ontario government has, with norOntair and a couple of other smaller lines. We are very interested.

But I think the study that was mentioned in the Throne Speech on this very complex subject should encompass the entire province rather than just that portion of eastern Ontario. That's good, but I think it should go further, for the reasons I have cited. Ontario must become interested in what is going on. I think we should make strong representations to CTC to ensure not only that our interests are protected, but also to recognize that there is room for Ontario to move forward in this field, to take air travel within Ontario to its full potential. I think any terms of reference for a study should include the whole subject.

I say too, as I mentioned, we need a couple of Max Wards. I think the private sector can do it best.

Mr. Warner: Got a great record. A million out of work; a great track record.

Mr. Kennedy: If we can develop this and bring it along to have a viable, strong, active air industry here, it will mean reduced deficits in our tourism and foreign trade, aid the economy and business activity, and it will result in a measure of job creation. We do it by removing this near monopolistic control of our air routes and by encouraging entrepreneurship.

Mr. Deans: It used to be that way.

Mr. Kennedy: I want to move on and comment on a few other Throne Speech items. I digress to say that at a later time, perhaps with ministries or in the House or in estimates, I want to take up some local issues that I think some of the members are aware of here—PCB's, Tricil, GO-train service. I have a lot of flak over the quality of the GO station at Clarkson; and traffic metering which I think in all equity should be extended further west. I will be taking this sort of thing up individually as time permits.

Mr. Deans: Given that they are provincial responsibilities, don't you think you might have dealt with them instead of the other?

Mr. Kennedy: I didn't hear you.

Mr. Deans: Given that they are provincial responsibilities, don't you think that you might have dealt with them first?

Mr. Kennedy: Just for clarification, there is ongoing dealing with them almost day by day, hour by hour.

Mr. Deans: It doesn't say much for your capacity to deal with them, they are still a big problem.

Mr. Kennedy: They are a big problem and we are working on them, and I will tell the hon. member we are going to solve them, I am committed to that.

Mr. Deans: When, in your lifetime?

Mr. Kennedy: I'll keep you posted.

Mr. Deans: We've been here about the same length of time. They were problems when I came into the House and they are still problems.

Mr. Kennedy: No, they were not. We've moved forward so far with environmental programs that you're left far behind. You're still back in 1967, we're way ahead of that.

Mr. Deans: No, no. The same problems exist, they still exist.

Mr. Kennedy: One major direction in which this government will continue to move relates to the employment and placement of young people in productive occupations. Members will recall that last year this government decided to help create new jobs for the young workers by offering incentives to the private sector. Employers were encouraged to provide on-the-job work experience through the Ontario Career Action Program. They will continue to receive increased encouragement from the government this current year. Last year it was a very successful program. The Ontario Youth Employment Program, designed to help provide summer employment for students, provided a wage subsidy of \$1 an hour by direct payment to the employer.

Mr. Warner: Cheap labour; forced, cheap labour.

Mr. Kennedy: All of us, I'm sure, understand the importance of the government's intention to enrich these two programs by providing for the creation of 36,000 jobs in 1978 at a total cost of \$26 million, as is stated in the Throne Speech.

Mr. Grande: I thought the government didn't create jobs.

Mr. Kennedy: For those who are already employed it has been announced that the Ministry of Labour will continue efforts to improve employees' working conditions throughout Ontario through the help of the quality of working life advisory committee. The pilot projects in industry that will emerge as the result of this initiative should not only increase job satisfaction but might improve productivity as well. Such carefully considered programs are appreciated by the citizens of Ontario and give them reason for optimism about the course we have embarked on.

Mr. Young: That isn't private enterprise;

that is private enterprise dipping into the public purse.

Mr. Grande: You're the only one who's optimistic.

Mr. Acting Speaker: Order, please.

Mr. Warner: Public subsidy—cheap labour.

Mr. Kennedy: We'll get around to a lesson in basic economics and socialism a little later.

Mr. Conway: Life is too short to embrace that kind of thinking.

Mr. Kennedy: For small business—here's the part you want to hear, Mr. Speaker—for small business, the government's determination to remove unnecessary red tape is certainly welcome. This deregulation, which will involve the participation of all ministries, is a healthy exercise for government periodically to undertake.

Mr. Deans: Given that they created all the red tape in the first place.

Mr. Kennedy: It should also be of benefit to individual members of the public who deal with the government. Every time we can get out of the way of an honest businessman and let him get the job done without unnecessary hindrance, I believe we are helping concurrently to improve our economic performance and to create jobs.

Mr. Warner: Does Stephen Roman fall in that category?

Mr. Kennedy: I have had occasion to write various ministries on behalf of small business who have pleaded, "Will you get out of our area and leave us alone?" I couldn't be more supportive of those positions.

Mr. Warner: They know what a mess you made of your constituency.

Mr. McClellan: They want you out of there.

Mr. Kennedy: Our area is impressed with the direction the government has given with respect to education; people there speak specifically of the emphasis on special education, which was discussed here last fall. This, in elementary and secondary schools, will enable children with learning disabilities to be identified earlier than before and will ensure that our school boards help all students to their capacity, regardless of their disabilities and handicaps.

As I say, we debated this last fall. We have an association in our area that will be very supportive of this. On television last night there was a very good program explaining some of the problems of children with learning disabilities. I was delighted to see this reference in the Throne Speech.

Mr. McClellan: We'll believe it when we see it.

Mr. Kennedy: I know that it has 100 per cent support and I look forward to supporting it as the session goes on.

Mr. McClellan: Let's wait and see before we cheer it.

Mr. Kennedy: It's got my support.

Mr. McClellan: Let's wait and see what it is.

Mr. Kennedy: Sure. We're going to have a demonstration school—the hon. member should read the Throne Speech then re-read it; it will get through to him—for limited numbers of children with severe learning disabilities who require services which can only be provided in a residential facility.

Mr. Warner: Who sold you that?

Mr. Kennedy: The future of health care looks promising too, if it involves a move away from institutions and into the community. I have always believed that community and residential forms of care brought out the best in people and they tended to increase the role and scope with volunteer work, which all too often has not received the attention and support it deserved.

Again, in our area a volunteer service was established which has a large number of women involved; they go out and assist on an organized basis with agencies which can use such assistance. It's working very well. They work hard at it and they have had three or four successful years. They recognize the community is ultimately a group of neighbours, and this volunteer work enables them to show their tangible concerns for the welfare of one another. It is just very pleasing that those who started this volunteer service have been supported, as the record shows, and they have done a really good job. If I am stressing the community it is because that is precisely what we are here to foster—the values which those who pay our salaries want to have preserved.

Some newspapers, have made some cynical remarks about some of the Minister of Correctional Services' (Mr. Drea's) initiatives. He was out in our riding and received a standing ovation. Through that applause they showed him what a good job they thought he was doing—

Mr. Warner: Tell us about Etobicoke.

Mr. Kennedy: —and I congratulate him on the intention to introduce some of these pilot projects in the community work program—

Mr. Warner: And put people out of work.

Mr. Kennedy: —and we are planning to share in one of those.

There is always room for new ideas. I wish we could get some from across the way.

Mr. Warner: They loved him in Etobicoke.

Mr. Lawlor: What specific one are you going to share in?

Mr. Warner: Putting people out of work.

Mr. Kennedy: Oh, put forward some ideas; not harebrained ones, good ones.

Mr. Lawlor: You are just too vague. What is it you are going to do?

Mr. Kennedy: Another member I want to commend is my colleague and neighbour, the member for Mississauga North (Mr. Jones).

Mr. Lawlor: Accusing others of being vague.

Mr. Kennedy: His efforts over the past year or two to shed some light on the interrelationship of alcohol and youth provided much of the background needed to proceed with a series of initiatives against alcohol abuse at all levels of society.

Mr. Conway: How much drinking is there out in Mississauga, Doug?

Mr. Kennedy: It is a problem that my community like others is concerned with, particularly as it affects the future of our children.

Mr. Lawlor: I am in a dry area.

Mr. Kennedy: And on the subject of children I would direct the House's attention to the significant legislation which will be introduced to deal with child abuse, improvements in the licensing of group homes for children, and additional protection of the rights of children in residential care facilities.

I understand that legislation will also be introduced to protect children caught up in family disputes.

Mr. McClellan: That's what it says.

Mr. Kennedy: It would be far better if this kind of firm but compassionate legislation were never needed. But since it is, it is essential that we protect the rights and, as has been demonstrated, the lives of children.

The children, of course, are the centre-piece, the strength, of family units and in these times of rapidly changing cultural values, our affluent society and so on, the government has sought to reaffirm its support of families as the cornerstone of society. Some pretty cheap shots have been taken at this stance, but let me assure you, Mr. Speaker, we are not preaching rhetoric as far as I am concerned.

Anyone with a grain of insight will recognize that some of the illnesses that have gained high profile in our courts and our society might have been avoided with more

demonstrated support by all of us to the responsible social groupings in our communities.

I understand legislation will be introduced for interim improvements to the Mental Health Act to ensure the highest standards of design and operation in the province's mental health facilities.

Mr. Speaker, I didn't know it was coming but the concept of compulsory automobile insurance is one that I know will find the support of my constituents.

Mr. Conway: Despite Sidney Handleman.

Mr. Kennedy: I notice the member for Lakeshore hasn't made any comment or interjection. Because I presume, Mr. Speaker, this will be instituted by the private sector.

Mr. Lawlor: It would be unmannerly to interject every time I disagreed with you.

Mr. Conway: That's never stopped you in the past.

Mr. Kennedy: No, but you could once in a while when you agree with me.

Mr. Lawlor: I am listening to you, Kennedy, and you are very fortunate.

Mr. Kennedy: So this insurance is to be developed and brought in by the Ministry of Consumer and Commercial Relations.

Mr. Warner: It will cost all of us a lot more—millions.

[5:00]

Mr. Kennedy: We've got a base of support, I know, for it from the member for Lakeshore and the member for Riverdale (Mr. Renwick). We'll build around that and away we go.

Mr. Warner: You tread on thin ice. Take a look at the report.

Mr. Conway: Tory socialism.

Mr. Kennedy: We have created in Ontario one of the finest health care delivery systems in the world.

Mr. Warner: And the most expensive.

Mr. Kennedy: Its very success has engendered difficulties which this government is swiftly attempting to bring under control.

Mr. Warner: You've been in charge for over 30 years.

Mr. McClellan: Schizophrenia.

Mr. Kennedy: In this area, we are oriented to corrective medical service. I am no health faddist nor do I go on diet kicks or anything like this, but I really believe if the medical profession would take some time and give some advice on good diet, that would be preventive medicine which would pay off. We hear about the junk foods in the schools and various other—

Mr. Lawlor: Have you talked to the Minister of Labour on this?

Mr. Warner: In fact, you should just stop eating.

Mr. Kennedy: —commodities and foods of low nutritional value. I think there is a big educational job to be done on diet. I mean this sincerely.

Mr. Reed: Are you looking at me when you say that?

Mr. Kennedy: I think we could make some real steps forward with the knowledge of the value of diet, which has changed so much over the years that it seems as if one is fighting the other with all the modern foods that are brought out. Someone said a million dollars is spent on our programs explaining good diet but there is some \$90 million spent by the producers of these junk foods to promote their products. I would call that a bit of an imbalance.

Mr. Riddell: Go fight it out with George Weston.

Mr. Kennedy: I think there is work that can be done in that area and we'd be healthier for it if we looked a little closer at our diet.

Mr. Lawlor: What do you think of Kentucky fried chicken?

Mr. Kennedy: We are active on so many fronts in restraining the growth of government while improving the delivery of services—

Mr. McClellan: You are attacking yourself from the rear.

Mr. Warner: This is much better than a serious speech.

Mr. Kennedy: —that I found it difficult to believe my ears when the Leader of the Opposition got up last week and claimed the Throne Speech offered no direction. There's direction on every page of it. Not only have we offered provincial direction but we have also offered suggestions for the direction the entire country should take if we are to resolve our difficulties—

Mr. Warner: Down the pipe.

Mr. Kennedy: —particularly the major ones, our economic concerns.

Mr. Grande: What did you do about that?

Mr. Kennedy: Opposition speakers in both parties like to give the impression that if they were in control of the government—

Mr. Riddell: Which we will be after the next election.

Mr. Kennedy: —we'd have full employment next week, straight away. It's bad

enough for citizens to be confronted with genuine economic problems but to compound our difficulties by trying to sell the silly idea that there is a simple answer to everything—

Mr. Conway: Get rid of the Tories.

Mr. McClellan: That's the best simple answer we've seen.

Mr. Kennedy: —if only the government would legislate away our problems is distressing and intellectually dishonest.

Mr. Conway: Who wrote that one?

Mr. Warner: Did the Treasurer give you these lines?

Mr. Kennedy: Her Honour and I wrote it together.

I want to put this point another way. Even if all of us in this House—in fact, if all of the parliaments in Canada found agreement for a common course of action and even if that direction were supported by the media as well as business and labour, we would still only be at the beginning of a very large task indeed.

Mr. Conway: You don't believe the charter? What happened to the charter?

Mr. Kennedy: There would still be many aspects of the problem beyond our capacity to control. The opposition can't fool the people of Ontario into thinking that this government, as they have claimed, was responsible for the soft international market, that this government was responsible for drastically altered energy costs—

Mr. Warner: We don't try to fool the people.

Mr. Kennedy: —that this government was responsible for the baby boom—we are even blamed for that—

Mr. Conway: The member for Renfrew South is just behind you.

Mr. Kennedy: —and the attendant diversion of government funds or any of the other host of difficulties with which we have had to contend.

Mr. Warner: You're going to tell us you're not responsible for anything?

Mr. Kennedy: There was a time when government was responsible—

Mr. Bradley: Does that mean you're irresponsible?

Mr. Warner: Do you call that irresponsible?

Mr. Kennedy: Will you listen for a while? There was a time when government was responsible for doing a few specific things. It was great. Does the hon. member remember when—it was before he was born

perhaps—all the Ministry of Health did was ensure there was a nurse in the schools? That's about all they did.

Mr. Warner: You're proud of that?

Mr. Kennedy: Think about what the ministry is now. It is the biggest spending one—*it* even surpasses education spending.

Mr. Warner: You're proud of that, no public health insurance?

Mr. Kennedy: That just illustrates the change of government involvement in working for the people.

Mr. Warner: You should be ashamed of yourself, but you are proud of that.

Mr. Kennedy: We're now the court of last resort to all groups in society, it seems to me, who have any complaints, regardless of whether it represents a legitimate concern of government or whether it doesn't. I'm confident the people of Ontario, while supportive of our government's compassion for those who need our help—

Mr. Davidson: They haven't been in the last two elections.

Mr. Kennedy: —are equally supportive of the need for a new level of personal resourcefulness in our society. Where this government can help that resourcefulness, as with incentives to the private sector, it will continue to do so.

Mr. Warner: It's called abdicating your responsibilities.

Mr. Davidson: Tell that to the 316,000 unemployed.

Mr. Kennedy: Where legislative injustices exist or rights are not protected, changes will be made. But attitudes must change as well, particularly among the opposition, whose apparent plan that we should be all things to all people is a dangerous misrepresentation of our proper function in society. It's time those fellows understood it.

Mr. Bradley: That happened in the last election—all things to all people.

Mr. Kennedy: The people of Ontario do not seek representation by a government that thinks of them as wards of the state, as the NDP would say.

Mr. Conway: Are you paying Kealey 30 grand for that?

Mr. Kennedy: The hon. members opposite can't seem to get that into their heads, and it's time they did.

Mr. Lawlor: There's a roof falling in on you.

Mr. Kennedy: My community and my province is composed of individuals who can

make their own way in this world very nicely. They only ask of the government that it treat them with maturity.

Mr. Davidson: If you provide the opportunity, which you're not doing.

Mr. Kennedy: We are doing it. We're doing just that.

Mr. Riddell: Where did you find Segal after he was let go from the Premier's office?

Mr. Kennedy: Our approach at the conference of first ministers was mature. Our budget of March 7 will also reflect a realistic, mature economic position and our Speech from the Throne is a part of that tradition.

Mr. Warner: Three hundred thousand out of work and you have no answer—nothing.

Mr. Lawlor: One of the weakest speeches ever given.

Mr. Riddell: Now for some words of wisdom.

Mr. Reed: Mr. Speaker, it's a privilege to rise in reply to the speech of Her Honour. Before I get into the body of the few words that I was intending to exchange, I have to respond to some of the words of the member for Mississauga South. First of all—

Mr. Riddell: Don't waste your time.

Mr. Reed: Well, he said some things that must not go unchallenged this afternoon.

Mr. Kennedy: It was a good speech.

Mr. Reed: I'll let him off easy on the first, because it was a reference to diet. I hope he wasn't looking across the House straight at me when he was making those references.

Mr. Lawlor: You're too self-conscious.

Mr. Reed: He and I will concur on the advisability of good dietary practices, I'm sure.

He made another reference, though, which is probably the greatest single demonstration of the hypocrisy of that party on the other side. Sooner or later each member gets up and makes his little pitch for the free enterprise system—

Mr. Kennedy: Are you against it?

Mr. Reed: —and how it's time we had more free enterprise and we left people alone.

I couldn't agree more. The Tory party does not have any exclusive jurisdiction over the free enterprise system or the free enterprise idea. I would just like to point out a couple of things to him about his espousal of free enterprise that he might be interested in knowing. The first involves a

report that I read and was very disturbed by this afternoon—the preliminary proposals of the Niagara Escarpment Commission. You've heard of the Niagara Escarpment Commission, I am sure.

Mr. Kennedy: Good program.

Mr. Reed: One of the very interesting approaches of the Niagara Escarpment Commission is to pull one of the greatest reversals of the free enterprise system that we have ever seen. It imposes control; it designates. And the greatest pain of all was something I read on these preliminary proposals on page 49, regarding the Bruce Trail.

The Bruce Trail, as you know, runs for a good many miles and originally came about through the generosity and good will of farmers and landowners along the escarpment. It does not exist in legislation but it was the result of handshake agreements and good will. And as a result of the subsequent abuses of the privileges that were extended by those handshake agreements, some farmers and landowners have seen fit to cancel those privileges extended not through any coercion but out of the goodness of their heart. To me, that is an example of free enterprise.

But what do I see recommended on page 49 of this preliminary proposal? It says, and I quote, "The provincial government may resort to expropriation only in cases when all reasonable efforts to acquire railway lands or interests therein by negotiations have failed."

Mr. Lawlor: Oh, come off it. The subdividers have cut them out and they have to get back.

Mr. Reed: It just goes to show that, here they are, carrying the great flag for free enterprise—

Mr. Lawlor: They would take their bloody houses to the lip of the escarpment. Cut them out.

Mr. Reed: —but at the same time, introducing socialism just about as fast as they jolly well can.

Mr. Lawlor: Balderdash.

Mr. Bounsall: Resign.

Mr. Reed: You know, I would like to talk about another little area of free enterprise, and it is in connection with the Ministry of Energy. The Minister of Energy (Mr. Baetz), through the Throne Speech, announced that the moneys available for renewable resource development would be upgraded this year.

We are not too sure where they will be upgraded from or to because his predecessor,

the member for Prince Edward-Lennox (Mr. J. A. Taylor) announced in the House last December that the new budget would contain an amount of \$4.4 million for renewable resource development, and I think that included \$2.5 million for solar projects and the balance for other forms of renewable resources.

It came to me from various knowledgeable people that that amount of money might be cut back. We might not get the \$4.4 million. So I would be very interested in asking the government whether this so-called upgrading which is so highly touted in the Throne Speech is an upgrade from \$4.4 million to something greater than that, which is what we recommended to the government two years ago, or if it is an increase over the \$350,000 which was the amount made available for renewable resource development last year?

And in that respect, I should point out that of all that money, not one copper is available to the free enterprise system. Not one plugged nickel is available as seed money to private development, to private companies, to private investment.

So think about free enterprise and when you are carrying this great torch for the free enterprise system, just remember some of the things that your own government is doing in that regard.

An hon. member: Are you against it?

Mr. Conway: They are all McMurry socialists over there. You can tell.

Mr. Reed: Mr. Speaker, we are about to have a decision from the Premier as to whether or not he will sign two uranium contracts which amount in total over the next 30 to 35 years to over \$7 billion. These are the largest contracts of their kind in the history of uranium business; the largest in the world, so far as we know.

Mr. Conway: A real sellout.

An hon. member: Are you helping them?

Mr. Reed: They are negotiated for the purpose of supplying fuel to five committed nuclear engine complexes which are either constructed now or will be constructed by the middle of the next decade.

[5:15]

The select committee, of which I was privileged to be a member, spent an agonizing five weeks trying to learn about these contracts, study them and draw some intelligent conclusions. I realize that may be difficult for me to do, but I think as a large body we do have that capability. It is unfortunate that the debate that ensued from the testimony seemed to disperse along party

lines. Rather than having the kind of objective conclusions that we would hope to have when we are studying something of this magnitude, it seemed that the NDP opted for nationalization and the Tories opted for signing of the contracts.

Interjections.

Mr. Reed: The only party that could try to present a constructive position was the Liberal Party.

Mr. Conway: As always.

Mr. Samis: You offered no alternatives. In other words, you were speaking from both sides of your mouth.

Mr. Reed: I have to tell you, Mr. Speaker, that if these contracts are signed, and I say this with the gravest of concern, they stand to commit the people of Ontario to \$2 billion of excess, unnecessary profit over and above what could be considered a reasonable profit over cost.

Mr. Warner: That's called free enterprise.

Mr. Riddell: They get some of that back in the Tory coffers.

Mr. Reed: Do you know what they are saying on Bay Street about these contracts? Steve Roman really put it over on Bill Davis. I admit that the Premier has not signed these contracts as yet.

Mr. Lawlor: He will.

Mr. Reed: But it would appear that he is going to go ahead and do it. The argument on the other side is that security of supply is more vital than the price being paid because, even if these exorbitant profits are paid, the monthly rate will only amount to 75 cents or \$1 a month per household for the next 30 years. That is the way our Hydro rates have been going up for the last six or seven years. It has been 75 cents a month, a couple of dollars a month and a dollar a month here. We say it's time that was stopped.

We cannot afford the kind of extravagance that these contracts represent. When one considers the price as opposed to security of supply, one sees obviously that during the most important years of the contracts—the first 15 years—there will not be enough uranium delivered in those contracts to satisfy the requirements of the machinery. There is even a shortfall. The contracts don't even provide the basic direction which the federal government lays down, that is, that 15 years' supply of fuel should be secured for every committed nuclear reactor. They do not even do that. Yet here we are prepared to give away the store out of fear.

In 1973, George Gathercole, who was then the chairman of Ontario Hydro, said that

acquisition of an ore body or acquisition of a mine was the route to go.

Mr. Warner: It is called public ownership.

Mr. Davidson: Public ownership from George Gathercole?

Mr. Reed: We have got one of the largest utilities in the world now under public ownership and I must admit it is subject to some concern on my part with the contracts about to be signed.

Mr. Bounsall: We may have to sell it, is that what you want?

Mr. Warner: To the lowest bidder.

Mr. Reed: Hydro went in in fear, with all of the armament that they could have used taken away from them by the Treasurer, then the Minister of Energy, and they came out with what they considered to be the best deal under the circumstances. I agree that it probably was the best under the circumstances but there is one hole you could drive a truck through in that argument. That is that there is no reason why the circumstances should not have been changed.

The government has done virtually nothing in this regard. I've seen chapter and verse of the letters, Telexes and so on that were exchanged between the federal and provincial governments in order to try and change the federal policy which is an outdated, antiquated policy formulated in the time when nuclear fissile material was used for the construction of bombs.

Mr. Grande: 2000 BC.

Mr. Reed: It was 1948, I believe, which was the basis for that federal policy. We looked at the chapter and verse and even looked at the last Telex that was sent by the new Minister of Energy to the federal Minister of Energy to get a confirmation of the federal position on this whole thing. This was one of the appeals that the provincial government was making to the federal government to change the policy and it read something like the vacuum cleaner salesman going into the lady's house and saying: "You don't want to buy a vacuum cleaner, do you?" That's the kind of effort that the government made.

The Premier, through two elections, has never made a public policy statement on uranium. Yet here we have Ontario Hydro committed to a nuclear-or-bust program between now and the end of the century. We've gone through two elections and no statement of provincial public policy has been made. I wonder what kind of leadership we are experiencing.

Mr. Grande: None.

Mr. Conway: Absolutely none.

Mr. Reed: In terms of our energy future—and I am privileged to be the energy critic for my party—I would like to say a few words about the situation we are faced with now and, I think, in the future.

The first is that the evolution we have experienced in the past, since the advent of the industrial revolution, and the use of the kind of energy that we've discovered in the ground, the petroleum and the coal, has speeded up as the years have gone on. It seems that we are moving towards a point where we are going to pass through one phase and into another very, very quickly.

It's very difficult for the human mind to comprehend that kind of change because our evolution as people, as human beings, or our social evolution, has really not kept up. Just as an example, one would have to point out that we still look to philosophers who lived 3,000 years ago—and rightly so I suppose—for the philosophical base. Yet, if we look back on our technological base we go back to the invention of the internal combustion engine. It's that kind of relative speed with which our technology has evolved that is cause for many of us to wonder how much more quickly it's going to go and where it can go.

One of our responses as human beings has been to continue to try and expand the institutions that we come to know, because those are the concepts that we understand most easily. An example is that we project expansion for our nuclear capacity in Ontario because we say the growth is going to be and continue to be exponential—that is it's going up on a gradually increasing scale. If you look at Hydro's long-range forecasts, what you find is that a new nuclear plant in the 1990s will be coming into existence every nine months.

You know and I know that the province can't afford it. But we also know that our standard of living has, up until this time, depended on consumption. It has been the norm upon which we based our economy.

We have been prepared to pay for that kind of approach by accepting escalating pollution and in spite of the halting attempts of the government. They really do nothing about the pollution in our environment whatsoever. The new Minister of the Environment (Mr. McCague) went on record, two days after he was sworn in, as saying that pollution standards would have to be relaxed in the coming months in order to facilitate employment. I had the experience of being with one of the NDP members, speaking to the Environmental Law Asso-

ciation, who also espoused the same kind of philosophy. It was interesting to see the NDP and the Tories in bed together.

Mr. Warner: You had better clarify that.

Mr. Reed: Well, the hon. member should ask the member for Nickel Belt (Mr. Laughren) exactly what he said. He should also ask his friends from the Ontario Federation of Labour; the treasurer, who was there, talked proudly about marching with the demonstrators at the Darlington site.

Mr. Warner: That has nothing to do with pollution standards, and you know it.

Mr. Reed: The truth is, we have to take a new look at our consumption—

Mr. Bounsall: The march was by those wanting pollution standards and environmental assessment.

Mr. Reed: I wish I had heard that.

Mr. Lawlor: He is saying it's just the reverse of what you are saying.

Mr. Reed: We have to take a new look at the way we approach consumption and at the way our society approaches consumption. We know that the opportunities to conserve our resources are enormous; we are just beginning to learn what they are and where we can apply them most easily and quickly.

One of the frustrations is in watching probably the largest bureaucracy in North America or the world, Ontario Hydro, not being able to come to terms with the obvious necessity of moving into a conserver society in the next decade. The approach that Ontario Hydro takes is that it is not within its mandate to do anything tangible in terms of conservation measures. The select committee on Ontario Hydro directed that utility to take some steps in that regard. But when you get down to the nitty-gritty, the president of Ontario Hydro will tell you, as he has told me in Energy estimates, that it is not within their jurisdiction to do certain fundamental things and therefore they simply ignore them. They consider their mandate simply to build to meet what is considered to be projected demand.

What is the result of that? The result is, now that we are out of the hydraulic generating base—since less than half of our electric power is generated hydraulically—we are into primarily a thermal configuration. If anybody knows a little bit about the conversion of energy to produce electricity in a thermal system, he knows that a nuclear plant converts it at about 27 per cent efficiency, that a coal plant converts it at roughly 35 per cent efficiency and that a natural gas consuming generating plant

burns it at about 40 per cent efficiency. That means roughly two-thirds of the energy that is put into those thermal generating plants is ejected directly into the biosphere. For the 3,000 megawatts at Bruce operating on the base load every day, 6,000 megawatt-hours are being ejected in the form of cooling water into the Great Lakes.

[5:30]

Hydro says it really doesn't have a mandate to look after the total picture. Its mandate is only to generate electric power. It is our belief that all future thermal plants should be considered only in combination with the end use of the by-product heat. This is a technique that's old hat to all of the jurisdictions in Europe that have been into thermal generation of electric power for many years, because they simply were not blessed with the kind of wonderful falling water that we have been blessed with here in the province of Ontario.

As we go along, over the next 30 or 40 years, if we are going to use—as Hydro tells us—200 million pounds of uranium, it means that the energy potential of 140 million pounds of that uranium will simply be shot. It will be wasted in the Great Lakes. And, you know, there are environmental consequences. I don't suppose that the new Minister of the Environment would be really concerned that there are environmental consequences, because he has as much as said so. Ontario Hydro is the biggest waster of its own energy.

There are two kinds of conservation that should go on record. One, of course, is the conservation of quantity; conservation where we use a little less. We know that we can go from one point to another with half the Btu consumption that we use at the present time. We know that we can design our homes to use half of the heating requirements at the present time and with little or no extra cost. There are so many things that we understand that we can do.

But there is another form of conservation that probably has the potential of having far more impact than the quantitative conservation. That is the selection of energy sources for their highest end use. For instance, we know that we convert natural gas in an electric generating plant at about 40 per cent of thermal efficiency. If we put that same natural gas through a water heater in a domestic residence, we convert it at about 78 to 80 per cent of thermal efficiency.

To this date there has been virtually no attention paid to this form of energy conservation. All we have heard about is the

advertisements on television—which are grossly inaccurate, incidentally, or at least they are misleading—that project backwards a growth rate of seven per cent per annum for Ontario Hydro. Since 1970, Ontario Hydro has really not had a growth rate of that magnitude. Last year the overall growth rate was 2.2 per cent.

The renewable resource budget of the minister's has another very interesting aspect, and that is its potential for the future of this province in terms of its commerce and industry. If we accept the fact that we are gradually phasing down our use of non-renewable energies and that we are gradually phasing up our use of renewable resources—when we are learning to live from our energy incomes, rather than our energy capital as we have been doing for so long—then we have to consider the potential for industry, for employment, for invention and for patent that can keep Ontario's share of the industrial potential in this change-over era.

Two years ago we proposed to the then Minister of Energy, the member for Don Mills (Mr. Timbrell), that an amount of money roughly equal to the amount of money per capita spent by ERDA—that's the American Energy Research and Development Association—be spent in Ontario for precisely the same thing, where we could develop our own patents, our own hardware and where we could take our place in this change-over process. I expressed the fear to him at that time that if we did not we would end up doing exactly the same as we have done so many times before, and that is wait for our neighbours to the south to develop the technology and then we would simply buy theirs. What happens is that the brains trusts, the creative abilities, all migrate away and we continue to be hewers of wood and drawers of water.

Last week in the House my leader asked a question about the Darlington nuclear plant. We have a new load forecast about to be presented publicly, which according to reports will reduce the increase in electric power consumption up until 1986 a total of 3,000 megawatts annually. In our opinion, this would allow us to reassess the Darlington plant in terms of the Environmental Assessment Act. We understand, as the Minister of Energy pointed out on a radio station last night, that in order to apply the Environmental Assessment Act one has to go back to the beginning and do the considerations right from the very beginning. But I would submit that because of this new load forecast we indeed do have the time. We have the time to give it the most earnest consider-

ation. If the Environmental Assessment Act is to mean anything at all, it's got to apply to government projects just as much as it has to apply to private projects. We can't have it both ways.

The government so far has made such a mockery of the Environmental Assessment Act that, first of all, it has been rendered virtually meaningless; and secondly, it's been nothing but a hollow public relations tool that's been used by the government.

Mr. Conway: A hollow reed.

Mr. Havrot: Apt description.

Mr. Reed: Mr. Speaker, where are we going? We are passing the Environmental Assessment Act, but we are not applying it because of the urgency of time. We're continuing to expand our energy systems because those are the things we know, and we think that if we simply apply what we know now we can satisfy our needs and requirements. But I would submit to this House that the time is long overdue when we have to move into these new areas and we have to move into them very quickly. The conserver society, the elements of conservation, will be part of the means by which we can move from the kind of consumption society that we're involved in now to a new society based on new technologies.

It was interesting to note the other day when the Premier came to the select committee on Ontario Hydro affairs that he was in the company of his good wife. It was appropriate, of course, that she should be there. It was even more significant to me though that he was not in the company of his children. Because I would submit to the Premier that the way he's taking this province, especially with these contracts, if he signs them tomorrow, it's his children who are going to have to pay for that decision.

Mr. Warner: Mr. Speaker, do you wish me to begin now or should I wait another couple of minutes until all the members have had a chance to get in and sit down?

An hon. member: Let me say it for you—

Mr. Deputy Speaker: I would suggest to the member that he commence immediately.

Mr. Sterling: Resign now.

Mr. Lewis: Julian, you could stop those contracts if you wanted to.

Mr. Riddell: I have heard of Tory arrogance, but that beats it.

Mr. Lewis: You could stop those contracts if you wanted to. Is it worth a non-confidence motion to you, Julian, for the future of the children?

An hon. member: What do you say, fellows?

Mr. Deputy Speaker: Order. The member for Scarborough-Ellesmere has the floor.

Mr. Lewis: Don't give us that children stuff when you are not prepared to go down the line.

Mr. Reed: At what price?

Mr. Lewis: Aha! So that's what it is? Your political seats but not the contracts.

Mr. Deputy Speaker: Order.

Mr. Warner: Mr. Speaker, this is the culmination of the argument that went on between the member for Halton-Burlington (Mr. Reed) and the member for Mississauga South in trying to determine who was more Tory and who was more capitalist than the other.

Mr. Lewis: I vote for the member for Halton-Burlington.

Mr. McClellan: He has five children.

Mr. Reed: If you say "more capitalist," I will accept it. Don't say "more Tory."

Mr. Warner: This is much like the two officers trying to decide which one of them should be the captain of the Titanic. And it won't make any difference which one of them is selected, because that boat is going down.

An hon. member: You guys would know all about that. That is something you could comment on.

Mr. Deputy Speaker: Order. The member for Renfrew North is not in his seat.

Mr. Warner: I didn't want to mention that, but if he wants to make comments perhaps he could take his seat. And I could suggest where he could take it.

I am assuming too that we are going to have a full and proper debate on the subject of that contract. What is so disturbing about the comments of the member for Halton-Burlington—and I realize he has spent a great deal of time and is quite learned on these matters—is that while he fully recognizes it was of necessity that we established a public corporation in the province to administer the affairs of Hydro, because that is very properly a service to the good people of Ontario, he is not prepared to say that the ingredients needed to make that system work—for example, the uranium—should not also come under the public ownership of the people of Ontario. Without that ingredient, we are left at the mercy of Steve Roman. It's very simple. It's very clear.

Interjection.

Mr. Warner: The people of this province will pay a handsome price for many years, for decades, because the member for Halton-Burlington and others in the Liberal Party are fully prepared to give Steve Roman a windfall profit of millions of dollars, all at the expense of the public of Ontario. It is unfortunate, because the Liberal Party obviously has a chance to stand up and act on behalf of the people of Ontario and not in the interests of Steve Roman and others of his ilk who would pillage this country.

Mr. Reed: How much a share are you willing to pay now?

Mr. Warner: In terms of the Throne Speech, I wish to enter a quote—probably a well-known quote at this juncture but nonetheless important: “After eight spectacularly dull years of unimaginative yet expensive government, Davis has reached a redundant low in boredom and banal generalities.”

Mr. Gregory: Did you write that?

[5:45]

Mr. Warner: No. That came from a defender of the democratic socialists, Mr. Claire Hoy, that eminent reporter from the Toronto Sun who recognized the Throne Speech for what it was. It is more than simply dull and banal; it is more dangerous than that, quite frankly, because it didn't address the single most pressing problem that faces our nation and faces the people in Ontario: jobs. Aside from the one comment on providing jobs for youth in the coming summer, there is no other specific recognition of this single most pressing issue. And so somewhere in the neighbourhood of 300,000 people in Ontario are faced with the prospect of continued unemployment, and perhaps a worsening situation.

Now we add to that a couple of ingredients. One is that if the people of Ontario are upset about the unemployment problem, one way out of it is to relax our pollution standards; that will create jobs. And so we enter into a debate of trying to trade off pollution standards versus jobs. What a ridiculous argument to get into.

Surely there should be protection for the people, not only the people who are in the community but the people who are working there. If, for example, you relax the standards so as to provide jobs, then what of those people who are taking these new-found jobs in areas not protected by pollution standards? Are they to more easily contract industrial diseases? It's a ridiculous kind of argument to get into but the government

wishes to enter into that kind of argument.

Secondly—and this is in keeping with the so-called “buy Canadian” theme—what the government means to say isn't “buy Canadian” at all but “buy Canada,” because they've been offering to sell it for quite a few years. Along with the federal Liberals, the Ontario Conservatives have now decided to more actively pursue the business of selling out Ontario, probably not even to the highest bidder but to the lowest.

The new Minister of Industry and Tourism, (Mr. Rhodes) last Thursday evening at the Royal York Hotel addressed a group of businessmen from Japan, the Japanese Trade Mission. In part he said that we in Ontario make it possible for investors to realize a more than ample return on investment capital. And I go to the rest of the speech—there's no point in reading all of it—“We want you in Japan to come and invest more and more and more in Ontario.” And the corollary to that is pretty obvious, as you realize Mr. Speaker, that the profits from that investment go back to Japan; they don't reside in Ontario.

And even within the context of the so-called free enterprise system—and I have never believed for a moment that it was free—but the enterprise system to which the government adheres and to which the Liberals adhere in a more right-wing fashion, even in that context am I to assume that it is a free enterprise system for everyone outside of Ontario but not for the people in Ontario; that this government isn't interested in encouraging investment of its own people here within the province but has to go out to try to round up investors from the United States and Japan and so sell out some more of our resources? That is in fact what is happening. And that is in fact what they seem to be encouraging from the Throne Speech.

[The direction is pretty obvious. And it bothers me greatly, because instead of developing a good solid industrial base in this province with other than simply the extraction of the natural resources, we are still willing to sell off those natural resources. And so we will never have our own independent economy—never, so long as the Tories are in business.

There is something else that disturbs me from the Throne Speech and that is that we have in Ontario an extremely serious housing problem. We have, for example, in Metro Toronto, over 10,000 people on the waiting list for Ontario Housing. We have a growing number of families who are seeking accommodation, and yet the government didn't see

fit to address that problem in the Throne Speech. I submit that in addressing it, it could also have talked in terms of jobs. Surely for the government to be involved directly with funds in either encouraging industry to actually build units or to do some of it themselves or to promote the growth of non-profit co-operative housing would not only have met some of the crises in the housing field, but would have provided jobs—thousands and thousands of jobs. And that's what we need.

There are close to 100,000 people in the city of Metro Toronto without work, and many of those people living in my area in Scarborough are desperately seeking work and they can't find it. At the same time, they know there's a desperate shortage of housing, which they can't find either. What they're looking for is some government leadership which says, "We know there's a problem and we're going to meet it. We're going to provide housing. We're going to make sure that the job gets done. We're not going to let greedy developers gobble up all the land and sell it for whatever highest price they can get, but we're going to make sure that those land prices remain constant."

Mr. Reed: Freeze it until you can buy it back cheap.

Mr. Warner: "We're going to make sure that the mortgage interest rates are pegged at a proper level," as they have done in many jurisdictions. The federal government of the United States, for example, guarantees 7.75 per cent mortgage interest. But not over here. We'll gouge the public for whatever we can get. So goes the government philosophy.

That leadership is needed in the field of housing and, I submit, by so doing you would also be meeting that very serious problem we have of unemployment. We're not getting that. In fact, we're getting the opposite reaction.

At some point, I think we need a direct confrontation over the Workmen's Compensation Board. We have to find out once and for all whether it's government policy that there shall not be any increases to those injured workers—and that every one of us as members should advise those people who come into our office that if you're starving, go onto welfare. If you're an injured worker and you have given a portion of your life to the workplace and you've been injured, this government coldly and callously says to you, "You don't get any more money than that pittance that we're giving you now. Go onto welfare."

I cannot but interpret otherwise the statements that were made by the Minister of

Labour on Friday last. I sat here and heard those words in utter disbelief, that a Minister of Labour, someone who presumably is concerned about the workers of this province, should make such a statement.

Perhaps the minister should consult with her colleague who sits just beside her—the new Minister of Industry and Tourism. He says that we have one of the finest work forces in the whole world, and I assume that means they should be treated with some dignity. He claims, and rightly so, that Canada's productivity is equal to that of the United States. I quote: "Plant floor productivity is equal to that of the Americans for equivalent technology . . . Provincial statistics clearly show that 95 per cent of management-union disputes in industry are settled without labour resorting to strike action . . . We have an enlightened and much-admired labour-management relationship."

That can be challenged. But he pays tribute to the workers of this province, and rightly so. That tribute's long overdue. If he believes that, perhaps he should have a little chat with the Minister of Labour. She should either understand something about the workers of this province, or quit the job and give it to someone else who can. But I, for one, as a member of this assembly, am horrified when I hear the statements that were made as they were on Friday. Surely that kind of attitude cannot be tolerated and surely it has to be changed.

Mr. Lewis: Made on Friday and denied Monday.

Mr. Warner: I am deviating from what I had set out to say because there were a couple of things I wanted to talk about as they were related to the Throne Speech. But I could not help but to make comments upon the activities and the actions of the Minister of Labour both on Friday and again today, because it disturbs me very deeply that workers especially those who have been injured in the workplace, who have given of themselves physically, should be abused in such a cold way.

Mr. Lewis: We are establishing a bureau of accuracy for the Ministry of Labour over here. The Minister of Revenue might convey that to the cabinet.

Mr. Laughren: There needs to be a bureau of honesty.

Mr. Lewis: We prefer to call it a bureau of accuracy in the first phase. I approach these things in an evolutionary way.

Mr. Warner: There was one interesting point from the Throne Speech. As a member

of the select committee on company law studying the auto insurance industry, I found it very interesting that the government should commit itself to compulsory auto insurance. What I also understand is that there is only one reason which holds the government back from fully endorsing and embracing a public insurance scheme. That is their rigid dogma—the rigidity that they cannot be flexible even in the face of facts.

The last time I made these comments or comments to this effect, you will recall, Mr. Speaker, was just before the House rose in December. There were a couple of members on the other side who took some exception—a couple of members indeed who were awakened by my remarks. What they did not realize was that the consultants' reports, those good defenders of socialism called Woods, Gordon, underscore heavily that a public auto insurance scheme is more effective, more efficient and cheaper than a private one.

We are not just talking about a few dollars but in the millions of dollars. In fact, the consultants' report draws the conclusion that in the province of Ontario, if we were to have a public car insurance system, the people of Ontario would save tens of millions of dollars annually because of the more efficient car insurance scheme. Those remarks were upheld in Manitoba under that new Conservative government and in British Columbia under that new Social Credit government; which also said, by the way, that private enterprise could not possibly run the thing as well. They were the exact words of Mr.

DeGeer, the honourable minister in charge of the program.

Mr. Conway: It's McGeer.

Mr. Warner: Sorry McGeer. The other chap is in London. It is only their rigidity and their inflexibility which hold them back from adopting that which is reasonable, that which the people of Ontario want and that which, it seems now, they will only get when we form the government in this province. I make the promise that this party has always done, that when we form this government in Ontario the people will be treated to a good public car insurance system.

Hopefully, in conclusion, the next time when a Throne Speech is made, and I assume that will be under a different direction—

Mr. Conway: Yes.

Mr. Kennedy: We won't hold our breath.

Mr. Warner: —the final line will not apply, the final line being the wonder that Lieutenant Governor Pauline McGibbon managed to stay awake when she read it. Our Throne Speech will be exciting. It will promise leadership and it will show direction so that people are again working in this province and the economy rolls along the way it should despite the 35 years of Tory mismanagement. Thank you, Mr. Speaker.

Mr. Riddell: It is always nice to end up on a humorous note.

Hon. Mr. Maeck moved the adjournment of the debate.

On motion by the Hon. Mr. Maeck, the House adjourned at 6 p.m.

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Official Report (Hansard)
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Second Session, 31st Parliament

Tuesday, February 28, 1978

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, FEBRUARY 28, 1978

The House met at 2 p.m.

Prayers.

DARLINGTON NUCLEAR PLANT

Mr. Laughren: Mr. Speaker, on a point of personal privilege: Yesterday afternoon in this chamber, the member for Halton-Burlington (Mr. Reed) stated the following:

"The new Minister of the Environment (Mr. McCague) went on record, two days after he was sworn in, as saying that pollution standards would have to be relaxed in the coming months in order to facilitate employment. I had the experience of being with one of the NDP members, speaking to the Environmental Law Association, who also espoused the same kind of philosophy. It was interesting to see the NDP and the Tories in bed together."

There was an interjection and the hon. member followed up by saying:

"Well, the hon. member should ask the member for Nickel Belt exactly what he said. He should also ask his friends from the Ontario Federation of Labour; the treasurer, who was there, talked proudly about marching with the demonstrators at the Darlington site."

In the interest of the truth, I would like to clarify what was said at the annual meeting of the Canadian Environmental Law Association. What I did say was that I understood the dilemma of workers when they were faced with the cruel choice of either unemployment or participating in a job that contributed to the destruction of our environment.

Ms. Gigantes: A false choice.

Mr. Laughren: I also know, given the economic policies of this government and of the federal government, that workers will increasingly have to make that rather cruel choice.

Thank you, Mr. Speaker, for the opportunity of correcting the record.

Mr. Martel: Some people are careless with the truth.

STATEMENTS BY THE MINISTRY

BOARDING HOUSE FIRE

Hon. Mrs. Birch: Mr. Speaker, several questions were asked yesterday about a fire

at an unlicensed boarding home in Chelmsford. Five elderly residents died at that time and a sixth person died Saturday night in a Sudbury Hospital.

An inquest has been set for Monday, April 10, and it is to be conducted by Dr. Donald McGowan of Capreol. I share the concerns of my colleagues regarding the circumstances under which this tragedy took place and I will pursue this with my colleagues, the ministers of Health (Mr. Timbrell) and Community and Social Services (Mr. Norton).

I can confirm for the Leader of the Opposition (Mr. S. Smith) that space was available at the Pioneer Home for the Aged in Sudbury, about seven miles away. I am sure he would agree that the role of government is to protect those who are not competent. It is not the role of government to tell people where they should live.

SECURITIES LEGISLATION

Hon. Mr. Grossman: Mr. Speaker, I am introducing today, bills that would revise the Securities Act, enact a new Commodity Futures Act and make corollary amendments to the Business Corporations Act.

Last fall, I announced we would not proceed with this package of bills until the spring session in order to provide both the new chairman of the Ontario Securities Commission and myself with an opportunity to review the legislation. This is now done.

Additional review and consultation with interested organizations has resulted in a number of changes in each of the major bills. The principles of these changes have been discussed with most of the provincial securities commissions and I am optimistic that the bills I am tabling today will establish the precedent for uniform securities and commodity futures legislation across Canada.

A number of areas of the new Securities Act are revised to enhance effective investor protection. The most significant changes include: detailed provisions requiring timely disclosure of material events in the affairs of reporting issuers; more detailed rules concerning takeover bids; a new pattern of exemptions from prospectus filing requirements; more detailed rules establishing civil liability for inadequate documents—including,

for the first time, specific statutory liability of underwriters.

In addition, there are a number of changes of a technical nature that will improve the practical application of the Act and its efficient administration. Past versions of this bill have been described to this Legislature, but I should refer to the significant changes that have resulted from the consultation of the past couple of months.

Most important is the area of takeover bids. The Securities Act defines "takeover bid" in wide terms, but includes an exemption for bids carried out by private agreement. A number of problems have arisen as a result of this exemption, the most important among them being that holders of a control block have disposed of it at a premium price unavailable to minority shareholders.

Past versions of this bill would simply have deleted the private agreement exemption, but it has become apparent that this approach would be unduly restrictive, would increase the administrative workload of the commission and would force businessmen to apply to the commission for its approval of many transactions, even though they would have no element of a control block premium. As a result, flexibility of trading would be decreased and costs of administration and compliance would be increased.

Accordingly, the proposed bill would re-instate the private agreement exemption, although in a narrower form than in the present Act. Where this exemption is relied upon to purchase control at a premium, the vendor would be obligated to offer the same or an equivalent price to minority shareholders within 180 days after the acquisition of control.

Concern with costs of compliance and of administration has also influenced the second significant change. Under earlier proposals, mutual funds, their management companies and their contractual sales plan service companies would have been required to register with the commission and would have been made subject to additional substantive rules.

These proposals had their genesis in a 1969 report that was written when certain abuses or potential abuses were detected. Major changes have occurred since then; the mutual fund industry is now much smaller and less able to withstand unnecessary administrative costs. Further, the securities commission has established effective control over the industry through the prospectus filing and other requirements contained in the present Act and in the bill now before you. In these circumstances, the proposal is that the new

registration requirements and certain of the substantive rules be deleted.

The third significant change is of a more technical nature. As I have already mentioned, the bill contains statutory filing disclosure requirements applicable to reporting issuers. It also contains a new set of exemptions from the prospectus filing requirements, based on the assumption that the new timely disclosure requirements will make it appropriate to distribute certain securities to the public without the benefit of a prospectus.

I agree with this approach; again, it will reduce costs of compliance and of administration but on a basis consistent with investor protection. However, there should be an opportunity for practical experience with the new timely disclosure rules, and the proposal is that the new exemptions come into force 18 months after the rest of the Act becomes law. The amendments to the Business Corporations Act are to move all elements of investor disclosure into the Securities Act where they belong.

Turning to the Commodity Futures Act, the broad structure of the Act, again, remains unchanged. It contains registration requirements and related rules for the protection of investors in commodity futures. Since the protections of the Act are not needed for persons whose business requires them to trade in futures, an appropriate exemption is provided.

In the prior version of the bill, this exemption took the form of an elaborate and detailed definition of "bona fide hedging transaction." In the bill now being introduced, that definition is deleted and a much simpler definition of "hedger" is substituted.

You will note that we have not tabled any compendia to this legislation. The compendia were made available last spring and any changes to the legislation which have evolved since then were covered in this statement.

I commend each of these bills through you, Mr. Speaker, to the hon. members. They will significantly improve the pattern of investor protection in this province and will enable Ontario to keep its lead in this area within Canada.

INCOME TAX DISCOUNTS

Hon. Mr. Grossman: Just 12 weeks ago this House enacted a bill to combat the tax discounts. These people charged some citizens about 50 per cent of the value of the tax refund due back to them. We have learned a tremendous amount in the ensuing three months. We know they are operating in open defiance of the law. We have discovered that

the existing statute is simply not enough to deal with this problem.

With the concurrence of this House we expect to tighten up the offence sections of the bill. In our effort to be constitutionally respectful, we drafted a section which made a transaction where the consumer got less than a 95 per cent refund invalid. We now want to go further. We want to make it a clear offence to pay less than 95 per cent. We want to make this section read, "No discounters shall pay less than 95 per cent." We still wish to be constitutionally correct, but we are not going to be easy with these firms. An offence clearly it should be and an offence it will be, and charges will be laid.

We have learned that one enterprising firm has taken to giving the taxpayer 50 per cent in cash and a note for the remaining 45 per cent. They tell the customer he can have the remaining 45 per cent if they lose in court. We propose to deal with this problem in the forthcoming amendment.

I have further been advised that a firm in Ottawa with a branch in Hull does the first portion of the paperwork in Ottawa, and then sends its clients to the Hull office to pick up the cheque. The discounter receives the power of attorney to claim the refund in Quebec. This manoeuvre effectively takes jurisdiction over the transaction out of the province and therefore beyond the reach of prosecution and civil action in Ontario. I frankly do not know what I can do here but clearly this illustrates the need for federal involvement.

I recall clearly my predecessor pushing the federal government on the Borrowers and Depositors Protection Act. We pressed for a long time the idea that the federal government should move swiftly against those buying government cheques at a discount. Instead they are including this thrust in a bill which deals with a much broader package of measures covering the lending field. The whole effect of this has been to slow down action in these areas where action is sorely needed.

These usurious border games would not be taking place if the federal government had simply moved ahead and tackled these specialized deals with specific legislation. In the face of this non-action, five of our sister provinces have moved one way or another on tax discounters. Everyone got fed up waiting for something to happen, but let me say this. We are in now and we are going to deal with these situations. We are going to lay charges everywhere these people operate, if we must. We are really looking forward to the confrontation up to and including any constitu-

tional arguments, though, as I have just finished saying, if the federal government had moved when they should have, we would not be fighting that issue at all.

[2:15]

Through you, Mr. Speaker, I would like to urge the hon. members of all parties to co-operate in pushing this amendment through without delay. We are just entering the peak of the tax return season and we must act now.

Mr. Speaker: I would urge the hon. members to keep their private conversations down, including the member for Sudbury East (Mr. Martel).

Hon. Mr. Grossman: He is missing a lot of good stuff.

VITAL STATISTICS LEGISLATION

Hon. Mr. Grossman: Today I'm introducing for first reading the Vital Statistics Amendment Act, 1978. The purpose of this bill is twofold: To permit the names of children to be registered with any combination of the parents' hyphenated surnames and to allow the designation of sex to be changed on a transsexual's birth certificate.

At the present time, the Vital Statistics Act permits hyphenated or combined names provided the surname of the father precedes that of the mother. In other words, the issue of John Jones and Sally Smith must be named Jones-Smith, if a compound surname is desired. The amendment would permit, at the discretion of the parents, either Jones-Smith or Smith-Jones.

Subsequent children of the union must bear the identical combination of surnames, and there are provisions in the bill to change the birth certificates of children born prior to the amendment.

Mr. Deans: Now the Minister of Labour (B. Stephenson) can use both her names.

Hon. Mr. Grossman: It gets better.

Mr. Nixon: I hope so.

Hon. Mr. Grossman: It's worth waiting for. When the Vital Statistics Act was amended in 1976 to permit hyphenated names, there was some editorial outcry over the possibility of Betty Brown-White marrying Bobby Black-Green and naming their children Black-Green-White-Brown. This possibility still exists, of course, although the deputy registrar general assures me there have been no line-ups to register even hyphenated names.

In any event, the government cannot be put in the position of legislating against silliness, and Lord knows we should sometimes.

We hope the Major Major Major syndrome remains confined to Joseph Heller's fiction.

The government feels this amendment is very much in keeping with the contemporary social mores, and we can see no reason to deny parents this option. The recommendation is contained in the Ombudsman's report of 1976-77 but, even prior to that my predecessor (Mr. Handleman) said that when the amendment to permit hyphenated names was originally brought in, he would have been prepared then to make the order of surnames optional. But, at that time, the issue was never even raised.

The second part of the amendment provides a method for individuals who have undergone transsexual surgery to have the sex designation on a birth certificate changed to reflect the results of the surgery performed. This change may be made when the operation is complete and in conjunction with the presentation of a certificate signed by a licensed medical practitioner. Until now, sex designations have been amended only if there was a mistake made at the time of issue.

We feel the inability of an individual who has undergone a transsexual operation to obtain a birth certificate showing the new sex could be very disturbing to someone engaged in the difficult task of establishing a new lifestyle. Since Ontario recognizes the medical necessity in proper circumstances for this type of surgery—

Mr. Roy: He's got more guts than his predecessor had.

Hon. Mr. Grossman: —it should be prepared to facilitate the transsexual's transition to his or her changed circumstances.

Mr. Handleman: Does the member for Ottawa East want to apply?

Hon. Mr. Grossman: I should add that we are not stating that the legal status of the transsexual has been changed. This is a matter for the courts and there is no Canadian precedent for it, although according to British and United States decisions, the status of the individual is not changed. Again, I should point out that this matter was raised in the Ombudsman's report for 1975-76. As I pointed out during the meeting of the select committee on the Ombudsman in February 1977, six months before I assumed this portfolio, the ministry had already agreed to amend its legislation to coincide with that of other Canadian jurisdictions.

Both parts of this amendment are desirable in that they reflect contemporary social standards and conditions. I commend this bill to the hon. members and urge its speedy passage.

VISITOR

Mr. S. Smith: May I have the attention of the House for a moment, because the hon. gentleman has to leave shortly, to introduce in your gallery, sir, the Leader of the Opposition of the province of Newfoundland, Mr. William Rowe.

Mr. Peterson: And the next Premier.

Mr. Nixon: And to wish him well.

Hon. Mr. Davis: What party is that?

JUDGE WILLIAMS

Hon. Mr. McMurtry. Mr. Speaker, in a few moments I will be tabling a report of the commission of inquiry into Provincial Judge Harry J. Williams, together with a copy of the order in council removing the provincial court judge from office pursuant to section 4 of the Provincial Courts Act. Very briefly, the conclusions of the Hon. Mr. Justice Sydney L. Robins, the commissioner, are as follows:

"Now, regrettable as it is in view of his past service on the bench, it is inescapable that his position as a judge is untenable. Plainly stated, he has destroyed his effectiveness and usefulness as a judge. In all the circumstances it must be concluded that Judge Williams' misbehaviour has been such that it does not serve the best interests of the administration of justice in Ontario that he continue as a provincial judge of the provincial court, criminal division."

HEALTH RECORDS

Hon. Mr. McMurtry: I also have a further statement in relation to additional information for members of the Legislature in relation to the Royal Canadian Mounted Police and the Ontario Health Insurance Plan.

Members will recall that last fall I provided a statement and a memorandum on dealings between the federal police force and OHIP. At that time, I had been given certain information by the RCMP to the effect that the force had obtained non-medical biographical data from OHIP files. The RCMP reported that after searching their files and canvassing their staff they had found one exception to this practice. In this case, the force had verified information of a medical nature with OHIP on a highly sensitive counter-espionage investigation involving a communist-bloc intelligence service operating in Canada.

My office has now received additional information from the RCMP in this regard and I want to share it with the members. I have been informed by the RCMP that further information from their members revealed they

had obtained information of a medical nature from OHIP in two cases involving security screening of federal employees. I would now like to quote from a letter to me, dated February 17, 1978, from R. R. Schramm, chief superintendent and acting commanding officer of the RCMP's "O" Division in Ontario. There is also a follow-up letter from Chief Superintendent Schramm, dated February 24, which I will also be referring to. Dealing with the February 17 letter, I quote:

"These cases deal with two investigations conducted by the RCMP security service in connection with our security screening responsibilities in which we are required to undertake field investigations requested by federal government departments which wish to give selected employees access to sensitive information. The results of these investigations then become part of the overall departmental decision to grant or deny such access.

"Among other things, one of the requirements laid down by government policy in security screening matters is that we are to investigate and report on any indication of mental instability. In both these cases, information was received through investigation that indicated the employees had undergone previous psychiatric treatment. OHIP was subsequently contacted and confirmed such treatment and provided details of what treatment was received."

This is the end of the relevant quotation from that particular letter. In the letter, Chief Superintendent Schramm informed me that the RCMP's earlier information to me was incorrect but said he had only learned of the two cases I have mentioned on February 14, 1978. After receiving this letter and discussing its contents with the Minister of Health (Mr. Timbrell) as well as senior officials in my ministry, I sought a clarification of several points in it. I now have a letter dated February 24, 1978, from Chief Superintendent Schramm. This letter indicates in more detail the type of information obtained by the RCMP, and I will quote to members this information in its entirety.

In relation to the first case, the letter states, and I quote:

"Our member learned through investigation that the federal civil servant being considered for a position where he or she would have access to sensitive information had received previous psychiatric treatment. He then contacted OHIP for confirmation. He was told that OHIP had been billed by the physician under two code numbers, namely 300 and 303. He was further told what categories of illnesses were included under these two codes. He was told that code 300 covers 16 primary

illnesses, which were detailed to him, with some sub-categories, while code 303 covers two primary illnesses, which were also given to him with some sub-categories. He was not told specifically which illness or illnesses the person had been treated for. Additionally, he was provided with the dates on which the treatment had been received."

In relation to the second case, the letter states as follows, and I quote it in its entirety:

"Our member learned through investigation that the federal civil servant being considered for a position where he or she would have access to sensitive information had received previous psychiatric treatment. He contacted OHIP for confirmation. He was told that OHIP had been billed by the physician under code 300 which contains the primary and secondary categories as indicated previously. He was not told specifically which illness or illnesses the person had been treated for. He was also told that this person had been treated under code 780 which denotes 'signs and symptoms not yet diagnosed' and code 799 which denotes 'no diagnosis.' At this time, our investigator was also told that the spouse of the person being security cleared had received similar treatment. Additionally, our investigator was provided with the dates on which treatment had been received."

That is the end of the quotation from this latest letter.

I am advised that these incidents happened before the Ministry of Health considerably tightened its procedures in this regard last fall.

Mr. Lewis: Incredible.

Hon. Mr. McMurtry: I bring this information to the attention of the members to set the record straight, as I am aware of it as of this date, and to keep the members fully briefed on this matter which is, of course, of great concern to us all.

The commission appointed by this government to investigate the confidentiality of OHIP records and headed by Mr. Justice Horace Krever of the Ontario Supreme Court has been advised of these cases by Arthur Pennington of the federal Justice department, who is representing the RCMP before the Krever commission.

Mr. Lewis: You should have told them what you thought of them for seeking that kind of information.

HEALTH RECORDS

Hon. Mr. Timbrell: Mr. Speaker, I would like to add my comments to clarify the extent of medical information received by the RCMP. I also want to emphasize that the

access gained by the RCMP occurred before matters of confidentiality of medical records were brought to the attention of the House last fall and before my ministry tightened up provision of information to police agencies.

In the two incidents referred to, the RCMP, apparently during the course of investigations, received information that two individuals received psychiatric treatment. The RCMP then approached OHIP for confirmation and OHIP confirmed it had been billed by physicians under certain code numbers. The RCMP were informed of the categories of illnesses included under these two codes. There was no access to psychiatric files. In fact, OHIP does not maintain psychiatric files.

Mr. Lewis: That's just ridiculous; you've given the illnesses.

Hon. Mr. Timbrell: On December 1, I announced in the House that we had further tightened our procedures for access to information in medical records. Since early December, our policy has been that we will not supply any information from OHIP records to police forces without a court order.

Mr. Roy: You should have done that before.

Hon. Mr. Timbrell: I believe that as far as is humanly possible, the safeguards now in place should maintain confidentiality of records.

Ms. Gigantes: Court orders for job applications.

Hon. Mr. Timbrell: I am determined to ensure, to the best of my ability, that the principle of confidentiality of medical records is not violated.

Details of the two incidents clarified by the RCMP have been passed to Mr. Justice Krever, and we are looking forward to any further improvements that he can recommend to maintain the confidentiality of medical records, whether they relate to a specific part of my ministry, a branch, a particular office or hospital, or to the system itself.

[2:30]

PUBLIC OFFICERS' SECURITIES

Hon. Mr. McKeough: Mr. Speaker, the Public Officers Act requires that within the first 15 days of every session I advise the assembly of all securities furnished on behalf of public officers and of any changes made to such securities since my last statement, which was on June 30, 1977. There have been no changes in either category.

ORAL QUESTIONS

HEALTH RECORDS

Mr. S. Smith: I would like to direct my question to the Attorney General, Mr. Speaker. If I understand his statement correctly regarding the RCMP and the OHIP information, and I read the third paragraph of his statement, he says at that time he had been given certain information by the RCMP to the effect that the force had obtained non-medical biographical data. He goes on to say that the RCMP reported, after searching their files and canvassing their staff, that they found one exception to this practice, a case of a highly sensitive counter-espionage investigation et cetera.

I may be incorrect, but I do not recall the Attorney General ever telling us of the existence of this exception. I have in front of me the Hansard record of November 25, in which he assures us that "at no time has the force in Ontario sought or obtained medical files from OHIP" and so on; I recall that quite well. Can the Attorney General tell us whether in fact he had this information of the one exception at the time that he spoke to us in the House and chose, for security reasons, not to divulge it? Or is this something which has just recently come to his attention? If so, when?

Hon. Mr. McMurtry: I do not have copies of statements that I made last fall, Mr. Speaker, so I am relying entirely on my memory. My recollection, first of all, is that I have had that information for some period of time. My recollection is further that I advised the House of this information, probably not in great detail.

I certainly will be pleased to check on the statements I made to the Legislature last fall in this respect, but I would like to repeat that it is my recollection that I had mentioned this matter to the Legislature.

Mr. S. Smith: I guess we will have to wait for the Attorney General to look back in his records. I do not recall it, but I could be wrong.

As a supplementary, may I ask the Attorney General what action he has taken with regard to the original information that he received from the RCMP, which apparently left out this obviously vital and very shocking matter, that merely being treated in a psychiatric facility apparently is considered to be of some importance by the RCMP and that such information has been given out by OHIP?

Since that is directly in contradiction with the information which the RCMP gave to the minister and which he gave to this House,

what action has he taken to express the displeasure, the anger and, in my opinion, the outrage of the province of Ontario at the way in which this has happened and, furthermore, at the way in which the Attorney General has been misled by the RCMP originally?

Hon. Mr. McMurtry: I made it abundantly clear in all my discussions with the RCMP that as far as I was concerned they were to conduct their activities within the law in the province of Ontario. I could not have made my position more strongly in that respect.

I further indicated at all times to the RCMP that in the event any information came to their attention which would indicate that some member of the force had acted illegally, I expected to be so advised. After the Minister of Health (Mr. Timbrell) and I learned of this information, I think the Minister of Health has made it abundantly clear that he has instructed officials in his ministry, particularly those in relation to OHIP records, of course, that in no circumstances are any records of any kind to be delivered to any police officer without a court order, without a subpoena. I think we have made our positions as strong as is humanly possible in that regard.

Ms. Gigantes: Lay charges.

Mr. Cassidy: Supplementary: Has the minister sought and received assurances from the RCMP that no other such breaches of confidentiality, beyond the three cases that are now documented, have taken place; or does the minister intend to come back with further incidents over the course of the coming months where the RCMP sends further letters telling what it has been doing in the past?

Hon. Mr. McMurtry: Mr. Speaker, again I am simply repeating what I have said before: I have requested the RCMP to advise me of any such cases and the RCMP have indicated they will advise me of any such cases at such time as they come to light. As Chief Superintendent Schramm stated in his initial letter of February 17, it was only on February 14 that these two cases first came to his attention as the acting commanding officer.

I am confident that when Chief Superintendent Schramm gives me his personal undertaking that he will bring any such matters to my attention that he intends to honour that commitment.

Mr. S. Smith: By way of supplementary, Mr. Speaker: Since the Attorney General will recall that the reason the charges were not laid with regard to the giving out of this OHIP information was because there was a procedural manual within the Ministry of

Health which advised certain employees to give out these bare-bones biographical or demographic data, now that he has discovered that more than such data has been given out—in fact information concerning diagnosis and place of treatment has been given out—will he consider pressing charges against those employees, or those responsible for those employees, who permitted this information to be given out in contravention of the law?

Hon. Mr. McMurtry: I just want to correct the Leader of the Opposition in one respect; it is my information that dates of treatment were given out, not places of treatment.

Mr. S. Smith: Diagnosis.

Hon. Mr. McMurtry: In my view the appropriate course to follow at this time, in view of the commission headed by Mr. Justice Krever, is for Mr. Justice Krever to review these cases. He has indicated to me, and I have also advised Mr. Justice Krever directly, that I intend, of course, to bring any such cases to his attention. In my respectful view, Mr. Speaker, the appropriate forum to investigate these matters at this point in time will be the Krever commission; and any decision as to whether any charges should be laid, in my view, should await the deliberations of the Krever commission, rather than suggest some parallel investigation be carried out.

Mr. Renwick: Mr. Speaker, by way of a supplementary question: First of all, when did these two latest incidents in fact occur; and secondly, what assurance, if any, has this minister sought, or his colleague the Minister of Health sought, that as a result of these investigations the persons who were being investigated did not suffer adverse reports because of this information?

Mr. Lewis: It is witch-hunting in psychiatric records, that's what is going on.

Hon. Mr. McMurtry: Again, I think I can only repeat what I said a moment ago. In my view Mr. Justice Krever has a mandate to investigate these matters. He is in a better position to investigate them than any individual police officer or police officers, because he has the power to subpoena witnesses and to require them to testify. In my view this is the most effective forum to bring this additional information to light; and as he Minister of Health stated, to make recommendations to avoid any such recurrence in the future.

Mr. Roy: May I ask the Attorney General, isn't it a fact that no authorization was obtained to obtain this information—no authorization at least from the individuals themselves; and there was no court order? In

view of the fact that the law prohibited this—the present law existing now—why does the minister have to wait to transfer the matter for investigation to the Krever commission, when in fact it would appear from his discussions with his colleague the Minister of Health that somebody in the Ministry of Health has breached an Ontario statute? Why do we have to wait for someone else to look into this? Isn't the minister's responsibility to do that now?

Hon. Mr. McMurtry: Mr. Speaker, it is my judgement, at this point in time, again I repeat, that the most effective way to deal with this is through the Krever commission.

Mr. Lewis: I ask the Attorney General, has he inquired of the RCMP whether the information extracted from OHIP records in Ontario prejudiced the employment of those applicants whose psychiatric background was under investigation? What effect did this have on the jobs for which they were applying and what happened in the final analysis?

Hon. Mr. McMurtry: No, I have not inquired, Mr. Speaker.

Mr. Lewis: Would the minister do so?

Mr. S. Smith: Well, we won't find out whether he intends to, so I'll ask a question of the Premier.

SPADINA EXPRESSWAY

Mr. S. Smith: According to an article in the Sunday Star, it is alleged that there has been some arrangement made whereby Metro Toronto will in one way or another reobtain ownership of land that would have been used for the Spadina expressway had it been extended past Eglinton. Can the Premier tell us whether that article has come to his attention? In any event, can he tell us whether some arrangement has been reached regarding the Spadina expressway corridor south of Eglinton and in particular how that relates to the three promises that he made to the city of Toronto at the time that he spoke on this matter some years ago dealing with the paving of the portion as an arterial road, the portion that went down to Eglinton?

Hon. Mr. Davis: Mr. Speaker, I think there were several parts to the question. I am really not sure of the origin of the story in the Star. My best recollection is that there were three areas where the government was involved in terms of the "Spadina Expressway".

One was the three-foot reserve. There has been some difficulty, I gather from the legal people, in terms of where that three-

foot reserve is geographically located. I think it was felt initially that it would go right along the southern limits of Eglinton Avenue with—and I'm going strictly from memory—a part of it, perhaps, in York; and so there was some consideration of altering that three-foot reserve to some other geographic location.

Another part of the consideration, as I recall, was the proposal made for the construction of some parking facility. There has been very extensive discussion with the city of Toronto, with Metropolitan Toronto, firstly on the question of having a parking facility, which a study in the Ministry of Transportation and Communication indicated was viable, I think. Then, of course, the discussion moved to where that parking facility might be geographically located. The province is still interested in pursuing that. I can't tell the Leader of the Opposition just where it stands in terms of timing at this moment.

On the question of Metropolitan Toronto in some way gaining title and having—I guess the story was suggesting this—perhaps the legal ability to move ahead with the expressway—if that is what the Leader of the Opposition is concerned about—I can assure him that I have no such indication; and from my limited knowledge of the subject, I don't really see how it would be possible with the impediments that are there.

Mr. S. Smith: By way of supplementary, can the Premier explain why he would now consider—as, frankly, he did mention in his original statement—giving this land back to Metro when in fact it was originally taken from the city of Toronto? Why not cede it back to the city of Toronto from which it was taken in the first place? What possible logic can there be to returning it—albeit allegedly for housing purposes and so on—to Metro?

Hon. Mr. Davis: Mr. Speaker, I must say I am going strictly by memory, but I think at the time—and the hon. member can correct me if I am wrong—that it was the Metropolitan Toronto Housing Corporation that had jurisdiction. I have a feeling that is still the case and I think that is the rationale for having it go to the Metropolitan Toronto Housing Authority, because they were the ones who had this responsibility. I don't think there was a city of Toronto Housing Authority per se; I think it was Metro, and this was the rationale for it. I see the member for St. George (Mrs. Campbell) is nodding her head in an affirma-

tive fashion, so I assume that my recollection is fundamentally, reasonably correct.

[2:45]

Mr. S. Smith: The land is Toronto's, not Metro's.

Mr. Warner: Supplementary: Could it be that that three-foot strip of land which needs to be deeded over to the city of Toronto is not being so deeded because there are forces putting pressure on the government not to do it so that the Spadina expressway can be extended further south of Eglinton?

Hon. Mr. Davis: I really don't know where the hon. member gets his information or rumour, et cetera.

Mr. Warner: Sam Cass.

Hon. Mr. Davis: I have had no pressures exerted on me on this particular issue for some time and I know of no plot afoot in terms of extending the expressway south of Eglinton Avenue.

Mr. Grande: You're right, you don't know what's going on.

Mr. Reid: Supplementary: Did I understand the Premier to say that he had not, or the government had not reneged on its commitment in regard to the parking garages, that the 75 per cent funding for those garages was still in the works and that he was going to go ahead with that when he could find a place to put them that would satisfy everyone? I understand that the Premier or the Minister of Transportation and Communications (Mr. Snow) had told Mayor Crombie in a meeting that he was not going to go ahead with that commitment.

Hon. Mr. Davis: I don't recall saying we would not go ahead with that commitment.

Mr. Cunningham: You're going to slow it down.

Hon. Mr. Davis: The discussion has been as to the geographic location of the proposed parking facility. I think that's where it rests at the moment.

Mr. S. Smith: Final supplementary: Given that the city of Toronto would like to have this parking garage at Glencairn and that there seem to be reasonable arguments in favour of that, why does the Premier continue to deal with Metro? Why not put the garage at Glencairn to fulfil the promise he made? Since the land that the housing south of Eglinton is on belongs to the city of Toronto—albeit that the housing was under Metro administration the land was the city's—why

not give the land back to the city and settle the matter that way?

Hon. Mr. Davis: I know the Leader of the Opposition is sometimes a little contradictory, I guess we all are. The attempt of the government has been to reconcile the sometimes conflicting points of view of Metropolitan Toronto and the city of Toronto. The Leader of the Opposition is wont to say these days: "If I were in charge of running things"—

Mr. Mancini: It won't be long either.

Hon. Mr. Davis:—"I would impose my will on these local autonomous municipalities."

Mr. Nixon: The Premier never did that, did he? He was very careful about the Spadina expressway.

Hon. Mr. Davis: He has travelled all around the province in the last several months saying just how much power he'd give them and how sympathetic he is to the local municipalities. He says all of these great things to them when he's with them. But then he comes into the House and says: "Mr. Premier, why don't you lay down the law to Metropolitan Toronto and build the garage at Glencairn?" He can't have it both ways.

Mr. S. Smith: You took away the land.

Mr. Roy: The Premier tries to have it both ways all the time.

CROWN LAND SALES

Mr. Cassidy: I have a question of the Minister of Natural Resources. Can the minister explain his advocacy for selling our Crown land for cottage lots to foreigners when this is so obviously at odds with his colleague, the Minister for Northern Affairs (Mr. Bernier); and when it was the sale of Crown land to foreigners which led to the freeze on Crown land sales seven years ago?

Mr. Laughren: Shameful.

Hon. F. S. Miller: I'm sure it will come as a real shock to some of the hon. members, but once in a while before cabinet has had the opportunity to consider a matter some of us aren't of the same opinion.

Mr. Warner: Aren't informed.

Hon. F. S. Miller: That very seldom happens but once in a while individuals do have different opinions.

Mr. Wildman: Misinformed.

Mr. Warner: Shocking.

Hon. F. S. Miller: This matter has not been resolved by cabinet. Yesterday I happened to be asked straightforwardly what my opinion was and I offered it. It was not shared by other colleagues, it may well not be shared by cabinet; but I gave an honest answer as

to the way I felt at that time. It was as simple as that.

Mr. Laughren: It better not be. It's a sell-out.

Mr. Cassidy: In view of the overwhelming opinion in this province that Crown land should be reserved for Canadians, will the minister say how the rift in cabinet is going to be healed; and will he resign when the decision goes against him?

Hon. B. Stephenson: Oh hold it. You were on CBC this morning. When you say "overwhelming opinion," in whose opinion?

Hon. Mr. Bernier: Solidarity all the way.

Mr. Speaker: I'm sure everybody wants to hear the answer to that.

Hon. F. S. Miller: In reply, I'll probably have to deal with the "riff-raff".

An hon. member: It's not very often the Minister for Northern Affairs is right.

Mr. Warner: The rift would be healed if the minister resigned.

Mr. Wildman: Which ones over there are riff-raff?

Mr. Makarchuk: Which are the "riff" and which are the "raff" over there?

Hon. F. S. Miller: Mr. Speaker, our party has a great ability to approach a problem with differing points of view and to come up with a solution that we can all enjoy. We are doing that right now. My ministry has been charged with the job of coming up with a series of alternatives. It is doing so. They will be explored by the policy field. They will be either changed or accepted by them and then examined by cabinet. When all of that is done we will have a policy which I will support and make public.

Mr. Reid: I find it difficult to understand how these policies are arrived at when the minister does not know the ramifications of it.

Has the minister or cabinet, or whoever wrote the Speech from the Throne, considered the aspect of taking away the land's 20 per cent land transfer tax that now applies to non-residents? Is this part of a package that we are looking at or are we merely talking about selling Crown land to non-residents of Canada, with which I do not agree.

Hon. F. S. Miller: I do not think the two things are connected at all. The Treasurer (Mr. McKeough) has had a 20 per cent tax on the purchase of land by foreign, non-resident Canadians, and I do not feel that this is in conflict at all.

Really, the basic decision was to sell Crown lots, particularly to improve the economy of

that part of the province which the member represents.

Mr. Martel: Which you support?

Hon. F. S. Miller: Yes. We believe—and I hope the member's party can believe—that people who have ownership of land will feel more secure in their tenure, will be more likely to put up better homes; they will, we think, be contributing more to the economy of the area and, therefore, will create a demand for supply of goods and services to stimulate the economy, particularly of north-western Ontario.

Hon. B. Stephenson: It's the only honourable thing you can do.

Mr. Cassidy: He is selling the store; the store and then the mortgage.

Mr. Martel: A supplementary question to the minister: I am wondering if the riff-raff he is talking about are his six colleagues who signed the select committee report of four years ago, when in fact a land study was done pertaining to recreation land. Is it the minister's intention to follow the recommendations of the select committee of four years which said the committee recommends that Crown lands for cottage lots be leased only to Canadian citizens and landed residents resident in Canada. That was signed by the Minister of Agriculture and Food (Mr. W. Newman) and five more of the minister's colleagues.

Hon. F. S. Miller: Once the alternatives have been considered we will have a policy.

Mr. Speaker: Final supplementary, the hon. member for Algoma.

Mr. Wildman: Could the minister indicate to us whether or not his ministry has any figures on how much recreational land is presently owned in Ontario by non-Canadians, and will this be part of his study in determining what his policy might be—when it comes to deciding what it might be?

Hon. F. S. Miller: I am not aware of the figures. As they are available I am sure they will be given to me during this next two weeks.

Mr. Breithaupt: If the minister is unsure as to whether there is policy in this area, could he explain how the original comment got into the Speech from the Throne at all?

Hon. F. S. Miller: I can explain that quite easily. Two ministries were very concerned about different aspects of land management and the economy of this province. The Ministry of Northern Affairs, charged with the responsibility for seeing that the north has a better economy, was concerned that it

neded ways and means of stimulating employment.

Mr. Reid: It doesn't want to sell.

Mr. Warner: It's a "buy Canada" program.

Hon. F. S. Miller: On the other hand, my ministry, charged with the administration of the land of the province, felt that leasing of land, as pursued for the last few years, did not have all the advantages originally foreseen for it. Between those two, we concluded that the sale of certain lots, for a period of time at least, should be followed.

Mr. Speaker: The hon. member for Scarborough Centre with his second question.

Mr. Cassidy: Scarborough Centre? Not him, Mr. Speaker.

Mr. Speaker: Ottawa Centre.

Mr. Cassidy: You have combined the best features of the member from Scarborough West and myself, but that would not have yielded a member from Scarborough Centre.

JOB CREATION

Mr. Cassidy: Mr. Speaker, I have a question for the Premier. Given that the Ontario Economic Council's projection of employment for the next 10 years falls 50,000 jobs short of the Premier's promise in the Bramalea "charter" of last summer, given that Ontario has not reached its target rate of job creation in the past year, and given that the government has made no significant proposals for job creation in the Throne Speech, does the Premier now share with me and my party the feeling that this government will never reach its own target for job creation?

Hon. Mr. Davis: Mr. Speaker, not only do we not share his party's view on this—we don't share it on most important issues—

Mr. Martel: Thank God.

Mr. Renwick: Thank goodness.

Hon. Mr. Davis: —we are still committed to 100,000; we have come very close, and that remains our target and our objective.

Mr. Martel: If you had two trees for one, you might reach it.

Mr. Cassidy: Supplementary: In view of fact that the Treasurer's own document indicates a creation 27,000 jobs below the Premier's target in 1977, given the continuing weakness of our manufacturing sector, and given the projections by the Economic Council that the share of employment in manufacturing will continue to drop precipitately over the course of the next 10 years, does this government intend to bring any policies to strengthen the resource sector and the manufacturing sector in this economy?

Hon. Mr. Davis: We have already brought proposals to this House, proposals which the hon. member's party has consistently opposed; and anyway his party would be on the other side of any proposals we had to inhibit the economic growth of this province. He knows that; we know it.

An hon. member: Why don't you answer the question?

An hon. member: Bring out something worthwhile.

Hon. Mr. Davis: We will be discussing the resource industry later on this afternoon. His party's panacea for the resource industry is: "If it's making a dollar, let's nationalize it." Soon they will be saying it about McDonald's Restaurants.

Mr. Renwick: It's no panacea; it's a solution to a real problem.

Hon. Mr. Davis: Who knows where they will end up in their approach to economic growth. They don't have the answers; we do. We are going to make it work.

Mr. Martel: What are your answers? Why are these 300,000 kids unemployed?

Interjections.

Mr. Speaker: The hon. member for Renfrew North.

OHIP CLAIMS PROCEDURE

Mr. Conway: A question of the Minister of Health, Mr. Speaker: Can the minister share with this House any results of a ministry investigation which he may or may not have commissioned into the particulars of the billing procedures of a Dr. Takahashi, which was raised in this House on Friday and reported to some degree in the papers of this week?

Mr. Cassidy: On a point of order, Mr. Speaker: I understood the member for Renfrew North was getting up on a supplementary. It took some time to fathom what he was talking about—

Mr. Reid: You were finished and did not know it.

An hon. member: You were sleeping again, Michael.

Mr. Speaker: The hon. member for Renfrew North was the only one who stood.

Mr. Cassidy: You must agree, Mr. Speaker, it is an obscure question.

Mr. Roy: He's going to tell you how to run your job now, Mr. Speaker.

Hon. Mr. Timbrell: In fact, Mr. Speaker, I do have an answer for the hon. member; I had intended to give it later in the question period.

On February 24 the member for Renfrew North asked if I was aware that—and I quote from Hansard of that day—“under the present OHIP legislation it is possible for a doctor who has opted out of the direct payment scheme to refuse with impunity to submit to OHIP the bills his patients have paid, thereby preventing the patients from being reimbursed for the moneys they have paid to that doctor?”

Under the Health Insurance Act 1972, section 21, the physician prepares, on a claim card provided by the plan, the necessary information to have the claim processed and paid.

Ms. Gigantes: We can't hear you.

Mr. Makarchuk: Stop mumbling.

Mr. Roy: Tomorrow, “instant” Hansard will show your whole answer was inaudible.

Mr. S. Smith: Speak distinctly.

Mr. Samis: The minister is as bad as Conway.

Mr. Roy: Can we revert back to statements? I've got a feeling that's what is coming.

Hon. Mr. Timbrell: The hon. member's feelings are usually misguided, but we will see.

Mr. Roy: Don't worry about my misguided feelings—just run your ministry.

Hon. Mr. Timbrell: In April 1977 OHIP became aware, through numerous complaints from subscribers, of a particular physician who refused to provide claims to the patient or to forward the claims directly to the plan on their behalf in order that the patients could be reimbursed by the plan.

In April the Toronto district OHIP office contacted the doctor by telephone and asked that the claims cards be forwarded. The doctor said he would comply. OHIP obviously cannot make any payment if it has nothing on which to base a claim. We cannot spend public money without proof of provision of service.

In July 1977, when the claims cards were not forthcoming, the director of our insurance claims branch wrote to the doctor—and I quote from that letter to Dr. Takahashi: “Under section 21(1) of the Health Insurance Act, you are required to submit a claim for these services to the plan on a claim card as supplied to you or, alternatively, give your patient a completed card for submission to the plan.”

OHIP approaches to the physician were to no avail and in September 1977 the case was referred by the director of the insurance claims branch of OHIP to the secretary of the medical review committee of the College of

Physicians and Surgeons for disciplinary action.

[3:00]

In addition, the colleges see the large number of complaints from subscribers and each was referred to the complaints committee of the College of Physicians and Surgeons, and in turn the complaints were referred to the discipline committee. The discipline committee arranged for a hearing on February 6, 1978, but due to a procedural problem the hearing was deferred until March 13, 1978, two weeks hence.

The legislation does not, as the member for Renfrew North indicated, grant impunity. I want to assure hon. members that as soon as the doctor in question submits his claim cards, the patients will be reimbursed accordingly.

This is the first case of its kind that the plan has ever experienced since its inception. As a result of this matter being brought to our attention, the current proposals to amend the Health Insurance Act will oblige opt-out physicians and practitioners to submit the required claims documentation to the patients or directly to the plan within six months of the date of service and provide for a penalty for failure to comply.

HEALTH RECORDS

Mr. Lewis: Mr. Speaker, I'd like to put a question to the Minister of Health, to revert to the statement made originally by the Attorney General.

Since the information given was clearly given illegally, since it was partial, incomplete and loaded with nasty, prejudicial possibilities, does the minister not think he should intercede with the federal government to find out what happened to those two applicants and to attempt to have the matter reopened if the OHIP material had a specific disqualifying effect on their job applications?

Hon. Mr. Timbrell: Yes, Mr. Speaker, I will take that suggestion under advisement.

Mr. Lewis: Supplementary: Doesn't the minister think he and the Attorney General could respond with a little less passivity to the illegal gathering of information from Ontario records for the purpose of an explicit invasion of privacy in a way to which this whole Legislature obviously objects? Has he no passion at all about this thing, no feeling about what they've done to these two people?

Hon. Mr. Timbrell: Mr. Speaker, I think I've made clear on more than one occasion in this House, and outside of the chamber,

how much I detest the abuses of the system which are coming to light. I think I've made equally clear my intention, in the declaration of policy, to keep the OHIP system, as much as is humanly possible, and all aspects of the health care system, secure on the question of confidentiality of medical records.

I may not go around frothing at the mouth or ranting and raving, but that doesn't mean that my outrage, my personal outrage, is any less than that of any other member.

Mr. Roy: No, you are certainly not doing that.

Mr. Lewis: No, you are not.

Hon. Mr. McMurtry: On a point of order or a matter of personal privilege, whatever is appropriate: I'd like to have the opportunity to respond to the allegation that I have been passive about this. I want to make it very clear that I feel deeply shocked—

Mr. Warner: You didn't answer the question.

Hon. Mr. McMurtry: —about the nature of this interference with the rights of individual citizens; and I think it is shocking—

Mr. Laughren: So what are you going to do?

Hon. Mr. McMurtry: —both on behalf of the RCMP, but perhaps even more so on behalf of the federal government that would instruct the RCMP to interfere in this manner. While the OHIP employees must share some responsibility too, the role of the federal government and the RCMP, obviously—

Ms. Gigantes: Come on now; they've exercised a bit of leeway, haven't they?

Hon. Mr. McMurtry: —is one that would outrage, I think, any reasonable citizen.

Mr. Makarchuk: Are you going to lay charges?

Mr. Lewis: If I may, speaking to the point; that's exactly what some of us hoped some of you would say occasionally, and then follow it up to find out what happened to these people.

MINIMUM WAGE

Hon. B. Stephenson: On Friday morning I was asked to give the names of some of those eminent economists who have written articles related to the minimum wage. I have to apologize, Mr. Speaker—

Mr. McClellan: Wonderful.

Mr. Lewis: They are not so eminent.

Hon. B. Stephenson: —for my faulty memory and my incapability to remember the names of a list of economists.

Mr. McClellan: It took you four days to find it.

Mr. Cassidy: Your research staff must have been working all weekend.

Hon. B. Stephenson: Mr. Speaker, I have a very short list at the moment which I will be glad to present to this House. There is Mr. Kenneth Boulding of the University of Colorado; Professor Jacob Mincer of Columbia University; Mr. E. G. West of Carleton University; and Dr. Edward Gramlich of the University of Michigan. The journals in which they have written and the articles which they have written are in this list as well, for the benefit of those who wish it.

Mr. Laughren: They're a pretty selective group; boy you selected them carefully, didn't you?

Mr. Lewis: And we are checking the records of them all.

TEACHERS' SUPERANNUATION FUND

Hon. Mr. Wells: Mr. Speaker, last Friday the hon. member for London North asked me a question concerning contributions to the teachers' superannuation fund. I would like to answer that question.

As the hon. members will recall, an amount of \$102.8 million was approved in supplementary estimates that were passed earlier this fiscal year and this amount represented the remaining portion of the amount that was identified in the 1975 actuarial evaluation as owing to the teachers' superannuation fund in respect of calendar year 1976.

The original intention was to follow a procedure of slip-year financing, which involves making payments one year in arrears, and included in it was the provision that interest be paid on the amount. Subsequent to the supplementary estimates it was deemed to be more prudent fiscally to proceed with payments in this year of the amount that was due in respect of calendar year 1977, plus, at this time, to pay the interest in respect of the 1976 payment which was due December 31, 1976, and was paid December 31, 1977.

Therefore, this means there will be a double payment this fiscal year, which will now put us on schedule as far as the payments required under the actuarial report, and that means there will be another supplementary estimate of \$107.2 million to go into the teachers' superannuation fund in this year.

Mr. Van Horne: I appreciate the minister's answer, but I am concerned that from time to time when we deal with these large amounts of money we get replies—

Mr. Speaker: Question?

Mr. Van Horne:—suggesting that we are, in fact, over our heads, and I think I am quoting exactly the words of the Treasurer.

Hon. Mr. McKeough: We see it all the time.

Mr. Van Horne: The obvious question, in the light of the report of the actuaries, which was, in fact, available in July 1977 when we dealt with the estimates, is why was this amount not included with the supplementary estimates when we reviewed them in December? The minister knew that information. In my opinion it makes the whole estimate process a mockery and I would like to be satisfied now to hear the minister tell me why this was not discussed on December 12, 1977?

Hon. Mr. Wells: First of all, Mr. Speaker, I am afraid my friend must have been drafting his question rather than listening to my answer, because I explained in my answer why it was not included in the supplementary estimates that we brought forward in September. We were adopting a program of slip-year financing.

Mr. Wildman: Slippery financing.

Hon. Mr. Wells: We were going to pay the 1976 payments that were due and we were then going to pay 1977's in the next fiscal year along with the interest on the amount. We have now decided that it would be more prudent fiscally to pay on the current year and so therefore we are putting in the amount required plus the interest on the 1976 amount, which will bring us completely up to date, and the amounts that will be in the next fiscal year's estimates will be the amount that will be required.

Let me also say to my friend that he knows, and I have told him many times, the actuarial statement was not publicly available for us to consider when we considered our original estimates in committee in July. It was not available and had not been completely considered by the fiscal authorities and the people who had to consider it here in this government when we considered those estimates, and he knows that.

Mr. Van Horne: I also know, Mr. Speaker, if I may be permitted a supplementary, it was available on December 12, the date to which I referred a few moments ago.

Mr. Speaker: That's not a question.

Mr. Van Horne: Having said that, I would like, Mr. Speaker, to ask one final question of the minister—

Hon. Mr. Wells: As I recall, Mr. Speaker, I made a copy available.

Mr. Van Horne: There will be a new chairman appointed, hopefully within the next few days, to the social development policy committee—

Mr. Speaker: I still don't hear a question.

Mr. Van Horne: You will hear it if you listen, Mr. Speaker and that is—

Mr. Speaker: Order, order. I have given you two opportunities and I still don't hear a question. I will hear the hon. member for Hamilton West.

Mr. S. Smith: Can the minister tell us where the additional \$100-odd million will be coming from? Will it increase the net cash requirement, or the deficit, depending on which of the languages one wishes to use? If not, if he is able to find that money and other expenses at the end of the year, can he explain to this House how he can so easily come up with \$100 million from his very tight budget?

An hon. member: It's called fiscal bilingualism.

Hon. Mr. McKeough: Mr. Speaker, perhaps I might refer the hon. Leader of the Opposition to the December 31, 1977, Ontario Finances, which indicates where the money was being paid and where it was being found. Essentially, it has been found along with, as I recall, another \$92 million in savings which have been accomplished by Management Board and others during the course of the year.

Mr. Cassidy: A supplementary, if I may, to the two-headed respondent to this particular question. Is it the government's intention to take this \$100 million as a further credit to municipalities and thereby as a further means of undermining the Edmonton commitment about municipal finance?

Hon. Mr. McKeough: Obviously, anything which goes into the Teachers' Superannuation Fund will reflect as part of the commitment.

Mr. Cassidy: Does this mean that the municipal taxpayers of the province will now be required to come up with a further \$100 million in increased property taxes this year, because of the government's misinterpretation of its commitment under the Edmonton statement?

Hon. Mr. McKeough: The answer to that question, of course, is no. The answer is that this is something that is going on during this current year, during the year ending for the

municipalities, really, December 31 last. Obviously it will not affect in any way what the transfers are to them during their year beginning January 1 last, our year beginning April 1 next. There is a table which shows all this in the budget which will be tabled in the House, as I understand it, a week from today. It will be fully set out. I would hope then that those people over there could get through their heads the efficacy of slip-year financing.

Mr. Ruston: Slippery financing.

Hon. Mr. McKeough: You just don't understand slip-year financing.

Mr. Stong: We understand you. Keep 'em in the dark as long as you can. Having emptied the store you might as well turn out the lights.

Mr. S. Smith: Yet another \$100 million, in fact, in your budget.

Mr. Speaker: Order. Time's a-wasting.

RAPE

Mr. Stong: I have a question of the Solicitor General. Now that it has been three weeks since the Justice secretariat sponsored a seminar on rape, could the minister indicate what policy or programs he intends to implement to reduce the incidence of this crime and decrease the trauma in victims in reporting and following through and preparing evidence for trials arising out of this crime?

Hon. Mr. Kerr: Mr. Speaker, to answer the second part of the hon. member's question, of course the answer is basically law enforcement. As to the first part and to the conference, there will be a report in respect to that conference. As the hon. member knows, it was a consultation, rather than a conference. It wasn't an open meeting. We hope to have a report from that meeting which will be given to the participants. Then as a result of that we will make certain recommendations, after which we will have, hopefully before the summer, another meeting.

Mrs. Campbell: Supplementary, Mr. Speaker—

Mr. Speaker: If the original questioner has a supplementary, he should get the first opportunity.

Mr. Stong: I do have a supplementary. In the interim, would the Solicitor General confer with his colleague, the Minister of Health (Mr. Timbrell), with respect to proper reimbursement of doctors who are required to conduct medical examinations, and who at the best of time are reluctant to give evidence and get involved? Would he reconsider reimbursing them properly under OHIP

so that they will conduct these examinations more thoroughly and give proper evidence in court?

Hon. Mr. Kerr: I realize one of the findings of that particular conference was the reluctance of doctors to get involved in examinations of that kind—even the reluctance of some hospitals to admit that type of patient. I would think that would be involved in the whole OHIP fee structure, rather than any specific fee for a specific examination.

[3:15]

Mr. Stong: Supplementary: Doesn't the minister think it's more important or important enough that he can—

Ms. Gigantes: Supplementary, Mr. Speaker.

Mr. Speaker: Does the hon. member for Carleton East have a supplementary?

Mr. Germa: That's why she's standing.

Ms. Gigantes: Supplementary: I wonder if the Solicitor General, instead of consulting with the Minister of Health about payments for doctors, might consult with the Minister of Community and Social Services (Mr. Norton) about funding for the real victims of violence against women—the women—

Mr. McClellan: For rape crisis centres.

Ms. Gigantes: —the funding that we don't have now in Ontario that we should have, for rape crisis centres.

Hon. Mr. Kerr: Again, that was one of the issues that was raised at the consultation. There were a number of people there who are with the crisis centres, not only in Metro but in different parts of the country. They are concerned about continuing their operations, the lack of funds.

Ms. Gigantes: What are you going to do in Ontario?

Hon. Mr. Kerr: Again, that, as the hon. member knows, is separate and apart from what the hon. member for York Centre was talking about.

Ms. Gigantes: I know.

Mr. Stong: That was my next question—the real question.

Ms. Gigantes: That should be the first question.

Hon. Mr. Kerr: I would be happy to talk to the hon. minister who would be involved in that type of remuneration.

Mrs. Campbell: Supplementary: In view of the fact that it was abundantly clear from the statements of the police officers at that workshop that there were difficulties with the medical profession due to the difficulties in the whole machinery of administration of

justice, has the Solicitor General discussed the matter at all with the Attorney General (Mr. McMurtry) to see what can be done to reduce those cases which are concluded to be unfounded by reason of the failure of medical evidence?

Hon. Mr. Kerr: Yes, Mr. Speaker, our justice policy committee has discussed the results of the rape consultations. We've had a report from the deputy provincial secretary. There has been a general discussion as to where we should go from here in respect to the findings and to the submissions that were made, particularly by the police officers. As the hon. member knows, there have been some changes in the Criminal Code that certainly are a marked improvement as far as the whole trial procedure in respect of rape is concerned, and there are still further improvements or further amendments that we feel are necessary. That will be the subject of ongoing discussion and our final report.

BRAMPTON TIMES DISPUTE

Mr. Mackenzie: I have a question to the Premier. Is the Premier aware of the nasty situation that's developing at the Brampton Daily Times in his own riding where the news editorial staff have been recently certified and are attempting to achieve a first contract, and where the newly appointed publisher and general manager brought in from another province, Mr. Clarence Wiseman, has come to the negotiating table in a most antagonistic manner, delivering ultimatums and rejecting proposals as basic as the Rand formula?

Would the Premier intervene in the dispute on behalf of the employees to see that management does bargain in good faith or use his good offices with the Minister of Labour to see that it does bargain in good faith with the employees of the Brampton Times?

Hon. Mr. Davis: I am aware that there are some difficulties at that particular excellent newspaper.

Ms. Gigantes: Yes? Yes?

Mr. Martel: What about the second half?

Mr. Mackenzie: Supplementary: Is the Premier willing to use his good offices to try to achieve some bargaining in good faith in this particular situation?

Mr. Roy: What good offices?

Hon. Mr. Davis: I think that while I have always endeavoured to solve problems within my constituency, as do all members in this House, there are appropriate times.

Mr. Laughren: Give us a straight answer for once.

Hon. Mr. Davis: The timing itself of interventions of this nature is fairly important.

Mr. Laughren: Just say "no" and be done with it.

Mr. McClellan: Just say you couldn't care less.

Hon. Mr. Davis: I really can't give any undertaking to the hon. member except to assure him that I am aware of the difficulty.

TRUCKING LEGISLATION

Mr. Cunningham: I have a question for the Minister of Transportation and Communications. Would the minister clarify what was meant by "selective deregulation" as outlined in the Speech from the Throne, and would he be inclined to assure this House that any changes would not be implemented by regulation but rather through legislation in this House?

Hon. Mr. Snow: Mr. Speaker, the selective deregulation that was referred to in the Speech from the Throne I think will be quite obvious when the amendments to the Public Commercial Vehicles Act are introduced. I can assure the hon. member it will be by legislation, not regulation.

Mr. Cunningham: Supplementary: I would like to ask, is the minister aware that changes to the definitions respecting fruits and vegetables currently contemplated will jeopardize a large number of Canadian trucking companies currently operating in the Niagara Peninsula?

Hon. Mr. Snow: I would suggest that we wait until we see what is being contemplated before we make any rash decisions.

Mr. Haggerty: A supplementary to the minister: Can he indicate whether any study has been done in this particular area of transport—

Mr. Wildman: The select committee.

Mr. Haggerty:—reciprocal agreements with the different states and the province of Ontario? Has any study been done at all in this area as to what effect it will have on employment; whether it will increase or decrease employment in Ontario?

Hon. Mr. Snow: I presume the hon. member is referring to the reciprocity agreements being entered into with a number of states of the United States.

I believe we have signed agreements with six or eight states and we have negotiations going on with a considerable number more. It was recommended in the select committee report that we establish a reciprocity office within the ministry and that we negotiate such agreements—and I might say we have

been quite successful in doing so. We have done this, I believe, with the support of certainly the majority of the trucking industry.

WORKMEN'S COMPENSATION

Mr. Bounsall: A question of the Minister of Labour, Mr. Speaker: Would the minister indicate clearly to this House exactly what sources of provincial or federal funding she had in mind Friday last "which would be available to the families of injured workers in receipt of low-level WCB pensions," inasmuch as the final WCB pension determination occurs long after the worker would be eligible for any UIC benefits, and even to qualify for a federal CPP pension benefit? The degree of disability would have to be so high as to have already qualified those workers for a high WCB rating and pension with, of course, neither of these pensions—

Mr. Speaker: The question has been asked.

Mr. Bounsall: —having a family size or family need component involved in them.

Hon. B. Stephenson: Mr. Speaker, I am very pleased to have the hon. member's editorial comment about those funds which are available—

Mr. Cassidy: Answer the question.

Hon. B. Stephenson: —but indeed those funds are available.

Mr. Deans: They are not.

Hon. B. Stephenson: The disability portion of the Canada Pension Plan and UIC have been used in many instances for supplemental support. DVA allowances are also available—

Mr. McClellan: What has that got to do with it?

Hon. B. Stephenson: —for those injured workmen who are veterans. And, indeed, there are family benefit programs available as income supplement from the provincial government.

Mr. Cassidy: You are the slipperiest Minister of Labour we have seen.

Hon. B. Stephenson: But I was speaking specifically of those which are available through the federal government and as a supplemental income program through the provincial government.

Mr. Laughren: What a disgrace you are as the Minister of Labour.

Mr. Deans: Family benefits and welfare. Absolutely clears up what we didn't understand yesterday.

GOLD COIN PURCHASES

Mr. Epp: I have a question of the Minister of Revenue.

An hon. member: The minister has to answer his first question.

Mr. Reed: He was afraid of that.

Mr. Epp: Given that the Numismatic Association has expressed concern about the imposition of provincial sales tax on the purchases of gold coin classified as legal tender by the Canadian Mint, is he aware of any petitions that have been submitted to his ministry? If so, did he obtain a legal opinion on these petitions, and what is his opinion about the matter?

Mr. Gaunt: Your big chance, Lorne.

Hon. Mr. Maeck: Do you want me to bow?

Mr. Speaker, this is a problem that has been brought to my attention on quite a few occasions—not necessarily in the form of petitions but through form letters and other letters from people who collect coins. We have looked into this in some detail but we can't really see where there is anything wrong with us charging sales tax. It's quite legal to charge it. We feel that if we are going to charge sales tax on antiques and paintings and so on there should be no difference between that and coins that are collected. I have adopted the position that sales tax will remain on the coins.

Mr. Sweeney: How about new dollar bills? Do you tax them too?

Mr. Epp: Mr. Speaker, does he not agree that gold coin is legal tender and therefore it is not legal to tax currency?

Hon. Mr. Maeck: The legal branch in my ministry advises me that it is quite legal to collect sales tax on these coins. It has been looked into.

Mr. Martel: When are you going to learn to go round about? You should learn from Bill Davis—he knows how to say nothing.

ENVIRONMENTAL ASSESSMENT OF HYDRO PROJECTS

Mr. Wildman: I have a question of the Minister of Energy. In view of the meetings that his officials have had with the officials of Ontario Hydro, the royal commission on electric power planning and the Ministry of the Environment, regarding Hydro's request that the terms of reference of the Porter commission be changed to remove consideration of the needs for Hydro's priority projects and that these projects be turned over to the Environmental Assessment Board, can the minister indicate what the status is of these discussions and what his position and that of his ministry is on Hydro's request?

Hon. Mr. Baetz: Mr. Speaker, there have been discussions. There have been no changes and no changes are planned to be made, as far as the terms of reference of the Porter commission on this particular aspect are concerned.

Mr. Wildman: Supplementary: Does that mean that there will not be any changes or there just haven't been any changes up to this point? Is the minister saying that it is his policy that the Porter commission terms of reference will not be changed in relation to the priority projects?

Hon. Mr. Baetz: I am saying that certainly at this stage in time no changes are being actively considered.

BEARE ROAD LANDFILL SITE

Mr. Gaunt: Mr. Speaker: a question of the Minister of the Environment: Could the minister indicate when his officials intend to meet with the ratepayers' association with respect to the Beare Road landfill site?

Mr. Laughren: Yes, it's about time too.

Hon. Mr. McCague: Mr. Speaker, no, I am not aware of a date being set. There was a meeting about February 15. I thought maybe somebody from our ministry was there but I wouldn't be certain of that.

Mr. Gaunt: Supplementary: Is it fair to assume that ministry officials are prepared to meet with the ratepayers' association at their earliest convenience to resolve this rather thorny problem?

Hon. Mr. McCague: Oh, most certainly.

Mr. Gaunt: Mr. Speaker, I have another supplementary that he can respond to in the same manner if he wishes.

Mr. Roy: He is so co-operative you should give him another try at it.

Mr. Gaunt: Thank you, Mr. Speaker. Could the minister indicate what procedure the ministry has in mind to resolve the problems of odour in that particular area?

Hon. Mr. McCague: I think it would be a matter of advice to the municipality as to what should be done. I think the problem is that there is a high water level there because of heavy rains last summer and fall. The water is escaping and allowing gases to escape also. There probably can be some vents put in and as the water levels go down we think the problem will be less. But it's really a municipal responsibility.

[3:30]

DRIVING INSTRUCTION

Mr. Young: I have a question for the Minister of Education in respect to the report

that the courses for driving instructors are to be cancelled over the coming summer. I'd like to ask the minister if these reports are accurate and, if so, are they related to the concern expressed by the select committee on highway safety that the results of the present system of driver training are not what they ought to be? Is this a preliminary to the upgrading of not only the syllabus for the driving instructors, but of the quality of the whole system of driver instruction in Ontario?

Hon. Mr. Wells: It is correct that there will not be any driver education summer courses given this summer. The reason is not exactly as the member has stated. The reason basically is that it's one of the economy measures that we have decided to undertake in order to keep the budget of this ministry—

Mr. Lewis: That's a good economy measure. That is smart stuff.

Hon. Mr. Wells: —within the very real restraint measures that all of us in this government are following.

Mr. Swart: That means more people out of work.

Mr. Warner: You guys are going to have to drive now.

Hon. Mr. Wells: The reason that this was done is that this is one of the higher-cost summer courses and it was our feeling it could be given every other year. I think the additional benefit will be that the kind of things the hon. member mentioned will be able to be taken into account before the course in 1979 is given. It will be given in the summer of 1979. I understand my colleague, the Minister of Transportation and Communications (Mr. Snow) has a white paper on driver education that will be coming out shortly that may also be helpful in this area. The member is quite correct: there will be no courses given this summer.

PETITIONS

Mr. Davidson: Mr. Speaker, I beg leave to present a petition addressed to the Lieutenant Governor and members of the Legislative Assembly of the province of Ontario. The petition reads as follows:

"We, the undersigned, are in favour of a change in the Coroners Act of Ontario to allow removal and use of the pituitary gland where mandatory autopsies are required by law. This will improve the supply of growth hormone serum in Ontario."

Attached to it are 5,164 signatures.

INTRODUCTION OF BILLS
CITY OF TIMMINS-PORCUPINE
AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 5, An Act to amend The City of Timmins-Porcupine Act, 1972.

Motion agreed to.

Hon. Mr. McKeough: These amendments would enable the Ontario Municipal Board, upon the application of the council of the city of Timmins or a formal petition of the electors, to redivide the city wards, alter or dissolve the wards and vary the composition of the council. Until the Ontario Municipal Board makes any such alteration, the minister's order which determined ward boundaries and council size will remain in effect.

SHORELINE PROPERTY
ASSISTANCE AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 6, An Act to amend The Shoreline Property Assistance Act, 1973.

Motion agreed to.

Hon. Mr. McKeough: This amendment clarifies the repayment terms of debentures. Members will recall that the Shoreline Property Assistance Act came into being in the wake of fierce spring flooding in 1973. The Act enabled shore property owners to borrow from their area municipalities to repair buildings damaged by high water and build breakwaters to prevent further damage or erosion. To finance these loans, the municipalities issued debentures to the province. Both the loans and the debentures have 20-year terms.

In all, approximately 465 loans have been made, averaging \$3,000 to \$5,000 each. Since 1973, many of these small loans have been repaid to the municipalities and their accrual has presented a problem in that the municipality cannot reinvest such small sums in any reasonable manner and our consolidation provisions for the debentures prevent the municipality from prepaying its liability before the 20-year time designated. This amendment will permit partial as well as full prepayment.

SECURITIES ACT

Hon. Mr. Grossman moved first reading of Bill 7, An Act to revise The Securities Act.

Motion agreed to.

COMMODITY FUTURES ACT

Hon. Mr. Grossman moved first reading of Bill 8, An Act to regulate trading in Commodity Futures Contracts.

Motion agreed to.

BUSINESS CORPORATIONS
AMENDMENT ACT

Hon. Mr. Grossman moved first reading of Bill 9, An Act to amend The Business Corporations Act.

Motion agreed to.

INCOME TAX DISCOUNTERS
AMENDMENT ACT

Hon. Mr. Grossman moved first reading of Bill 10, An Act to amend The Discounting of Income Tax Refunds Act, 1977.

Motion agreed to.

VITAL STATISTICS AMENDMENT ACT

Hon. Mr. Grossman moved first reading of Bill 11, An Act to amend The Vital Statistics Act.

Motion agreed to.

FOODLANDS PROTECTION ACT

Mr. Swart moved first reading of Bill 12, An Act to provide for the Designation and Retention of Foodlands.

Motion agreed to.

Hon. Mr. Welch: How many more?

Mr. Foulds: About a dozen. This one should not be postponed.

Mr. Martel: We are trying to save your seat for you.

Mr. Swart: Mr. Speaker, this bill provides for the classification of Ontario agricultural foodlands in the classifications one to four of the Agricultural and Rural Development Act (Canada); and for the surveying, designation and preservation of such foodlands.

Mr. Deans: Why don't you just accept it?

Hon. W. Newman: Listen, you are the one who wants to cut up the best fruitland.

Mr. Deans: Me? On a point of privilege. The minister is interjecting—

Mr. Speaker: Order, order. There is no point of privilege.

Mr. Havrot: Put pavement on it.

Hon. Mr. Kerr: I can show it to you in writing.

Interjections.

HYDRO CONTRACTS

Mr. Cassidy: I move, Mr. Speaker, seconded by the member for Sudbury East, that the orders of the day be set aside in order to debate a matter of urgent public importance, namely the government's decision whether or not to permit Ontario Hydro to proceed with the contract with Denison Mines Limited for

the supply of uranium valued at a minimum of \$4.2 billion by the deadline at midnight tonight.

Mr. Martel: Don't give it away, Reuben.

Mr. Speaker: Proper notice has been given under standing order No. 30 and I will listen to the mover for up to five minutes.

Mr. Cassidy: This matter is a matter of urgent public importance. It is urgent because this is the first opportunity that the Legislature will have to debate the contract which has been under negotiation in secret by the government for a matter of five years and was referred before a select committee of this House less than two months ago.

It is urgent because the deadline that has been placed on the contract by agreement between the government and Denison Mines is midnight tonight, and therefore if the House does not comment on the proposed contract now it will not have a chance to comment before the deal is either consummated by the government or has been rejected.

It is a matter of enormous public importance because the government and Ontario Hydro are involved and because of the magnitude of the contract of \$4.2 billion.

It is a matter of public importance because of the stake that we all have in the future of Ontario's nuclear power industry, which depends on the security of supply.

It is a matter of importance to this Legislature because of the clear indications that the government intends to ignore both the advice of its own advisers within Hydro and the recommendations of this Legislature as expressed by the select committee.

It is a matter of importance because such varied authorities as the former chairman of Hydro, George Gathercole, the Hydro staff, and the people on the Hydro Project Wellesley all recommended an alternative route, namely the acquisition of these uranium assets by the people of the province of Ontario in order to benefit everyone in this province in terms of a lower price, in addition to ensuring security of supply.

There have been flimsy promises to tax excess profits by the government, but in fact Ontario stands to get less than \$7,000 in licence fees and land taxes from the land on which it is proposed, through this contract, that \$1.6 billion minimum in windfall profits be given to a private mining corporation.

Those are the reasons, Mr. Speaker, for which we say that this contract is not in the public interest and that it is a matter of urgent public importance that the opinion of

the Legislature be expressed now before the government proceeds.

Mr. Deans: It is also a sellout.

Mr. Speaker: The hon. member for Brock, if he so wishes.

Hon. Mr. Welch: Mr. Speaker, the government certainly has no objections to this debate and, indeed, I think it is in keeping with the spirit of the way this matter has been handled up to now. The widest possible discussion has been sought by the Premier (Mr. Davis), as indicated by his letter to the chairman of the select committee on Hydro, dated December 19. I think it is important to have this debate, if it is your wish.

Certainly the government has no objection to the debate. It is really in keeping with and an extension of what the Premier himself put in motion when he wrote to the chairman of the select committee a couple of months ago. In that letter of December 19 the committee has had very full discussion. I've never heard anyone suggest that the committee felt in any way handicapped, as far as time was concerned, to go into all the issues; but that matter may be discussed during the course of the debate.

[3:45]

On December 19, not long after the committee had been established, the Premier of this province wrote to the chairman, the member for York South (Mr. MacDonald), and this is the letter:

"Since 1974, Ontario Hydro has been negotiating with Rio-Algom-Preston Mines Limited and Denison Mines Limited for longer term uranium supplies from Elliot Lake to meet its requirements and its obligations under federal government policy guidelines. Negotiations with Denison have been finalized and a contract has been signed by Ontario Hydro subject to approval by order in council.

"Prior to seeking the approval"—and I think this is important—"of the Lieutenant Governor in Council, however, the Ministry of Energy undertook a detailed review of the Denison contract with the assistance of independent consultants and has concluded that the overall terms and conditions are favourable to Ontario Hydro and are in the general public interest. Accordingly, the Minister of Energy is prepared to recommend that an order in council be issued under the authority of section 24 of the Power Corporation Act, authorizing Ontario Hydro to acquire the supply of uranium.

"While all the terms of the contract with Rio-Algom-Preston have not been finalized, it is expected that they will be settled in time

for the ministry's consultants to complete their review early in January. When the ministry's review is complete and the second contract signed by Ontario Hydro, subject again to approval by order in council, the government proposes to send the documents related to both contracts to you for consideration by the select committee which you chair. Given the need to supply nuclear fuel to existing and committed reactors in Ontario, and because of the size of these contracts and their implications for the people of Ontario, I should like the select committee to consider the findings of the consultants retained by the Ministry of Energy in order to confirm that entering into the above agreements is in the public interest of Ontario."

Mr. Wildman: They said it wasn't.

Hon. Mr. Welch: "Those findings were based on a consideration of the world's uranium outlook, the federal government's uranium policy guidelines, and a comparison with other uranium supply contracts. It would be my hope that this review could be undertaken as quickly as possible and be completed before the end of February 1978.

"The prime responsibility for providing details of the contracts to the select committee would rest with Ontario Hydro, and I can assure the select committee of the full and complete co-operation of both Ontario Hydro and the Ministry of Energy." That was signed by the Premier.

So, in keeping with the spirit of that particular letter and the assignment of this matter for the consideration of the select committee, the government certainly at this date would have no objection to having the matter further debated this afternoon.

Ms. Gigantes: How long did it take you to set up the committee?

Mr. Reid: The contract hasn't been signed.

Mr. Nixon: Mr. Speaker, my Liberal colleagues believe that it is quite appropriate to set aside the ordinary business of the day in order that these contracts be debated. We have expressed our views, as members of the committee, that the contracts are not in the best interests of the public and we will be putting those views forward further this afternoon, with your permission.

Mr. Speaker: As this matter is of urgent public importance, and due to the time factor involved, I deem the motion to be in order. The question before the House now is shall the debate proceed?

Motion agreed to.

Mr. Speaker: I would like to remind you that the debate will conclude at 6 o'clock or

prior to that if all members wishing to speak have spoken, and each speaker will be restricted to 10 minutes.

Hon. Mr. Welch: One point before the clock starts: I wonder if we might have the general agreement in concurrence with the House that in keeping with the spirit of provisional order 25, which is the one providing for the minimum number of days for the Throne Speech debate, that notwithstanding the fact that this afternoon is not available for Throne Speech debate—and we will get back to the Throne Speech debate this evening—that, in fact, the House concurs that rule 25 has been complied with, notwithstanding, as I say, the fact that this time is taken out of the debate.

Mr. Speaker: Is that agreed?

Agreed.

HYDRO CONTRACTS

Mr. Speaker: Do we have a speaker? The hon. member for Ottawa Centre.

Mr. Cassidy: The basic reason for having this debate is that the hands of Ontario Hydro were tied when it came to negotiating for the security of supplies for uranium for the nuclear power program which is now under way. Hydro was not permitted to seek the best deal that was available or to act on sound business principles in ensuring the security of supply because the option of acquiring uranium assets or acquiring Denison Mines was closed off by government action and Hydro was not allowed to proceed down that particular route. Hydro's hands were tied because of the determination—in fact, the obsession—of this government with giving handouts to its friends in the monopoly sector of the mining industry rather than ensuring that the best interests of the people of Ontario were served in the uranium deal.

Mr. Martel: The Duke of Kent.

Mr. Laughren: Stephen Roman and his friends.

Mr. Cassidy: They interrupted my train of speech.

There is a pattern here which I find very, very dangerous and distressing. Just today we had the Minister of Natural Resources (Mr. F. S. Miller) say that he intended to recommend to cabinet that it ignore recommendations of the select committee on economic and cultural nationalism related to the sale of cottage lots and Crown land to Americans. We have had just recently the government deliberately undermine recommendations of the select committee on Inco in relation to protecting the jobs of miners up in Sudbury. Now we have a situation where the govern-

ment is clearly preparing to ignore the vote of the select committee on Hydro as to whether or not this particular uranium deal was in the public interest.

The Premier's letter to the select committee, which was just quoted, indicated the government's position. The indications we have are now that the government intends to hold a hasty cabinet meeting at the conclusion of this debate and then to proceed with the ratification of the contracts, despite the clear opinion of the Legislature as a whole that this is not in the public interest.

That action by the government makes a mockery of minority government when they have a pretence of consultation after five years of secret dealing and then refuse to listen both to the advice of the committee and to the advice of the majority of members of this Legislature representing a majority of the electorate who voted in the last provincial election.

While the committee has been able to discuss this particular deal at some length over the course of the last six weeks, its proceedings have inevitably had to be carried out under great haste and great duress. I would contend that there has not been adequate time for the people of the province of Ontario to grasp the enormity of this enormous deal. It is the largest single sale of uranium in Ontario's history—in fact, in world history. It is the longest contract for uranium in the world's history and it is the biggest sellout of Ontario's natural resources that has ever been carried out whether by this government or any government before it.

Mr. Foulds: Positively shameful.

Mr. Cassidy: We in the New Democratic Party are convinced that this uranium supply contract between Hydro and Denison Mines is absolutely not in the public interest of Ontario. It is a sellout. It is a contract of \$4.2 billion that will yield to Denison Mines a windfall profit of a bare minimum of \$1.6 billion.

The result will be to inflate the cost of generating electricity for all hydro-electric consumers for a lifetime. The contract will inevitably raise the cost of electrical energy that is used by industry as well as by individuals and it will, therefore, have an adverse impact of an economy which is already damaged by successive oil price increases prescribed by federal policy and which has already been undermined by the failure of any sensible industrial strategy or policy of the Davis government.

To sign this contract tonight will amount to an abandonment of the long-standing policy, an honourable and a fine policy, of

power at cost which was introduced to this province 70 years ago when a Conservative government created Ontario Hydro in order to bring the hydro-electric resources of this province into the public sector.

I want to point out several specific arguments that we have about this particular deal. First, the profit that is being accorded to Denison Mines is utterly without justification. There is no risk for the corporation because it is committing this entire mine on a contract which is as good as the word of the province of Ontario. There is no risk on capital because the capital is being advanced interest-free. The costs of management in this particular case are entirely guaranteed because it is a cost plus contract.

The only cost to which Denison Mines is committed is \$7,000 a year in mining fees and land leases. It is highway robbery to get \$7,000 back and give \$1.6 billion in windfall profits.

Mr. Makarchuk: You are minding the store.

Mr. Cassidy: We also believe that this deal is completely unnecessary because there is an economically feasible alternative to the contracts, namely, for Ontario Hydro or for the Ontario Energy Corporation to acquire Denison or to acquire Denison's uranium assets.

This is as good a deal for the taxpayers of Ontario today as it was three or four years ago. According to both the staff of the select committee and to such unimpeachable Conservative sources as the former chairman of Hydro and the former president of Consolidated Edison of New York, the uranium can and should still be exploited for purely public benefit. I didn't mention Sinclair Stevens, the Conservative finance critic in Ottawa, who also believes it should be brought into the public sector.

We will be setting out that case in more detail over the course of this afternoon, but it is worth noting that if Denison were to be acquired and brought under the public sector now the profits from its committed sales to Japan would be enough to pay for the takeover, and it would not be in any way a charge on the people of Ontario.

Third, we believe that Ontario has many levers at its disposal to secure Denison's compliance with this course, despite the arrogant refusal of the federal government to acknowledge that uranium should now be in the provincial sector as our only remaining domestic energy resource. We have the power under section 113 of the Ontario Mining Act to refuse to grant export permits for unrefined uranium, and we should be prepared to use those powers.

We have the power to raise the annual acreage fee on those particular uranium leases to a level that would wipe out Denison's windfall profits. We have the power to raise provincial mining taxes to a level that would wipe out the windfall profits. But a promise from a Minister of Energy who has been in office for less than two weeks is not enough to guarantee to the people of this province that we will get that back if the Conservatives are in power five or 10 years down the line. And I for one, Mr. Speaker, intend to ensure that they are not.

Finally, we have the power to terminate Denison's mining leases, most of which come up for renewal between now and 1986, and a government which was determined to protect the people's interests in the uranium natural resources of this province would use that particular lever in order to ensure that it is the public, and not a private mining corporation, which would get those benefits.

I want to conclude by talking for a moment about the urgency of signing the Denison contract right now. It is urgent to debate that contract today, but in fact the first deliveries under that contract will not take place until 1980. By 1984 only four million pounds, or about three per cent of the entire contract, is slated to be delivered, and by 1990, 12 years from now, only 16 million pounds are to be delivered. There will in fact be, during the entire period of the 1980s, a shortfall on Ontario Hydro's uranium needs of 10 million pounds of uranium under these particular contracts.

In other words, if the government argues that the short-term security of supply of uranium is at stake the figures clearly prove that the government is wrong, because we will be out on the open market, or with the federal government, trying to borrow uranium during the 1980s. This contract is not dedicated to short- and medium-term security of supply, and that is why we should use the time that is available in order to ensure that that uranium is brought into the public sector.

We conclude that the acquisition of Denison's uranium resources would provide Ontario Hydro with the assured supply of fuel that is necessary to meet its \$14 billion investment in nuclear-power generating facilities over the long term; that that acquisition of those uranium resources would provide that security of supply at prices which are considerably below those that are provided for in this particular contract; and that in doing so Ontario's hydro users would have their needs met and would be relieved of the onerous burden of a completely un-

warranted \$1.6 billion tie to the Conservative government's friends in the mining industry.

To do anything else but bring these assets into the public sector—

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. Cassidy: I am just concluding—would be an unforgivable betrayal of the people and of the industries of the province of Ontario.
[4:00]

Hon. Mr. Baetz: This is a day of decision, Mr. Speaker, and I am pleased to open this debate for the government on these historical contracts for Ontario Hydro and the people of this province.

Let me make it very clear from the outset that I do believe the Hydro contracts with Denison Mines and Preston Mines to be in the public interest of Ontario.

Mr. Wildman: What about the select committee?

Hon. Mr. Baetz: I have therefore signed the formal recommendations and conveyed them to the executive council, asking that the necessary orders in council be issued. I have done so because, firstly, they do provide long-term assurance of uranium to fuel Hydro's nuclear reactors which are already in operation or committed to be built—an investment of more than \$14 billion. They will assure Ontario Hydro of its required electrical power for the foreseeable future.

Secondly, they contain pricing and other terms which are favourable to Hydro and its consultants, yet provide reasonable incentives to the producers.

Mr. Makarchuk: Reasonable? It's a ripoff.

Hon. Mr. Baetz: Thirdly, they will generate many new jobs in Elliot Lake—don't forget this—and in supporting industries, thereby providing the economy of Ontario a badly needed boost.

Mr. Foulds: So would the public sector. Elliot Lake is going full blast; you couldn't get another worker in the community.

Mr. Deputy Speaker: Order.

Mr. Wildman: There are lots of jobs in Elliot Lake already.

Hon. Mr. Baetz: Fourthly, it would provide a significant measure of provincial control over a federally dominated resource industry.

I have been impressed by the thoroughness of the review which has been carried out in recent months by the Ontario Hydro staff and their consultants, by my ministry and its consultants and, as an ultimate

measure, by the select committee and its consultants' reports.

Mr. Warner: Were you impressed by Stephen Roman?

Hon. Mr. Baetz: I have examined these voluminous data and can find no compelling evidence which would change my mind that the contracts are appropriate and should be allowed to proceed.

Mr. Cassidy: You're pretty blind. They all recommend against the contracts.

Hon. Mr. Baetz: I have also considered the alternatives to the contracts that were reviewed by Ontario Hydro and rejected by the Hydro board on solid business grounds. It did not surprise me, therefore, that the select committee staff reached the same overall conclusion. The evidence was there, and it is there and it is clear.

Mr. McClellan: Yes, that it is a sellout.

Mr. Cassidy: What about the select committee members? Aren't they important?

Hon. Mr. Baetz: What was surprising, and in my mind irresponsible, was the dog-in-the-manger attitude of the opposition. They could not and would not agree on what was in the public interest, but refused to support what the government believed to be the only sensible course of action. In my view, government and the public at least could have expected a credible alternative from the opposition, and we did not get it.

Mr. Cassidy: We provided one.

Hon. Mr. Baetz: We have listened to the Leader of the Opposition fantasize as he has created his dream-world scenarios in which he would have controlled all the actors and written the perfect contracts. But surely he must know that the real world is not totally a controlled, clinical environment.

Ms. Gigantes: The real world is a rip-off.

Mr. Warner: It's full of corporate creeps.

Hon. Mr. Baetz: Circumstances over which we have little or no control must be faced squarely and the best possible decisions reached.

Mr. Wildman: It's vicious out there.

Mr. Swart: The real world of Steve Roman.

Mr. Foulds: You contaminated the real world.

Mr. Warner: Greedy corporate creeps.

Hon. Mr. Baetz: The Leader of the Opposition's make-believe dream world also has no taxes.

Mr. McClellan: What about windfall profits? Are they part of the real world?

Mr. Warner: Steve Roman and other octopuses.

Hon. Mr. Baetz: It's a dream world that has no taxes; at least that is the only conclusion we can draw from the extravagant and alarming claims he has made from the beginning of the select committee hearings about the excessive or bonanza profits which would be made, and we heard it again this moment from across the House.

Mr. Peterson: You talk about taxing them?

Mr. Breithaupt: Of course they are, profits. What do you think?

Hon. Mr. Baetz: It was suggested that my statement to the select committee on the taxing powers of the government was a gimmick—an afterthought made, as we have just heard, by a rookie.

Mr. Makarchuk: Absolutely.

Mr. Cassidy: It certainly was.

Mr. Martel: Like afterbirth.

Hon. Mr. Baetz: I'll tell you why I made the statement, Mr. Speaker—

Mr. Makarchuk: Your record speaks for itself.

Mr. Deputy Speaker: Order.

Hon. Mr. Baetz: It was in response to the wild speculation about the excessive profitability of these contracts to the producers. I felt it necessary to remind the committee and the general public of Ontario of the reality that the government has the power to tax.

Mr. Makarchuk: That's a profound statement.

Mr. Foulds: Darcy and Frank Miller have forgotten that.

Mr. McClellan: This was news, was it?

Hon. Mr. Baetz: I stated the obvious truth, which was blurred by the opposition, that if, as and when circumstances dictated, it would be up to the government of the day to change the system of taxation to redress any unforeseeable imbalance in the distribution of revenue from this source.

Ms. Gigantes: Who pays the taxes?

Mr. Makarchuk: So far the system has been putting it on the property owner.

Hon. Mr. Baetz: I did not start the speculation, but I had to respond simply to maintain some reasonable perspective on the subject.

Mr. Peterson: You are weasling out.

Mr. Foulds: Bring back Jim Taylor.

Hon. Mr. Baetz: The Leader of the Opposition charges that we haven't tried hard

enough to change the federal government's position.

Mr. Makarchuk: The system has been putting it on the property owner.

Mr. Kerrio: Right on.

Hon. Mr. Baetz: He fails to recognize the intransigence of his federal counterparts, and naively says we should have done more.

Mr. Nixon: You didn't do anything.

Hon. Mr. Baetz: Another case, Mr. Speaker, of a make-believe world. Where was the support of this Legislature to the government's stand against the federal energy pricing policy of moving crude oil and natural gas to world prices?

Mr. Peterson: Who wrote this junk?

Ms. Gigantes: Where are the world prices, for heaven's sake?

Hon. Mr. Baetz: The consistent demand by the leader of the NDP to expropriate the mines—

Mr. Martel: You didn't have a policy in those days, for heaven's sake. It was a sellout. The Premier negotiated and didn't know what he was negotiating. Nobody told him the difference between well-head price and pump price.

Hon. Mr. Baetz: —is, for reasons which have been fully documented, so ludicrous and so unrealistic as to warrant no further comment from this side of the House. The policy of the Ministry of Energy is to ensure an adequate supply of energy to Ontario at prices that people can afford—

Mr. Warner: You have abandoned the people of Ontario.

Hon. Mr. Baetz: —and with a minimum effect on the environment.

Mr. Cassidy: And with a maximum sellout to private companies.

Hon. Mr. Baetz: Mr. Speaker, on the basis of the mass of information available—

Mr. Warner: Did Steve Roman write this?

Hon. Mr. Baetz: —I believe these uranium contracts satisfy all three objectives.

Mr. Warner: Particularly Steve Roman's.

Hon. Mr. Baetz: It also makes good sense for Hydro and the companies. It stimulates jobs and investment, especially in northern Ontario. It is, in short, in the public interest of Ontario to press ahead.

Mr. Warner: You don't even know where northern Ontario is.

Hon. Mr. Baetz: While the opposition may wish to continue ad nauseam their partisan political posturing, this government, being

responsive and responsible, must act and must act today.

Mr. Warner: Progressive Neanderthal.

Hon. Mr. Baetz: That is why as Minister of Energy I have signed the formal recommendations to ask cabinet to approve the issuance of the order in council. Thank you.

Mr. Cassidy: Being a minister has gone to your head.

Mr. Makarchuk: Shame. You are giving the country away.

Mr. Reed: Mr. Speaker, the arguments that are being put forward here this afternoon, of course, have been developed and put forward in the select committee, and I choose this afternoon, if I might be permitted, to try and shed whatever new light could be shed on the position which my party has taken—

Mr. Laughren: Some hope.

Mr. Reed: —and with which I concur most wholeheartedly. I would like to, first of all, inform the Minister of Energy that the way the contracts are constructed at the present time, and the way I understand them, and the way I am sure he does too, the taxation that the province of Ontario is empowered to impose in case of excess profits is written into the cost of uranium. Because it is written into the cost of the uranium the people who buy the electric power in Ontario are going to pay for those taxes and no one else.

Hon. Mr. Baetz: He is at least talking about taxes.

Ms. Gigantes: Recycling our own money.

Mr. Reed: The minister referred to the fact that the mining of uranium in Elliot Lake would generate jobs, and it certainly will. Mr. Roman has also pointed out to us that if we choose not to buy the uranium he will sell it somewhere else. So the jobs are there so long as the uranium is there, and I should make that quite clear.

Hon. Mr. Baetz: And Ontario stays in the dark.

Mr. Reed: I'll get to that in just a minute. There were a few premises upon which the government based its argument for accepting the contracts. One was the security of supply. That was one of the paramount arguments that were put forward by Hydro under consultation through Robertson Associates, who painted the picture that precipitated their position or their decision.

The security of supply is a very interesting thing to contemplate, since for many years, as we know, the uranium business was in the doldrums. It has only been in the last couple of years that there has been any active exploration.

I was asking one expert the other day about just how extensive the exploration had been in Canada. He said: "We have covered Canada from aerial surveys at 25 kilometres." I said: "Could you find the Denison mine with a 25-kilometre survey?" He said: "No." I said: "What are you doing now?" He said: "We have started to cover it aerially at five kilometres." I said: "Could you find the Denison mine at five kilometres?" He said: "Not unless you flew right over it." I said: "How do you find the uranium?" He said: "You have to go in on the ground to find it."

It was interesting to note that since the exploration has intensified in the last year or so the finds have started to come in. We know that during the time the select committee was sitting, announcements were made of finds—one in Australia near Darwin which is so close to the surface it will be mined open pit. It's very rich and it is considered by experts to be five to 10 times larger than anything found in Australia to date. In Canada, Hydro-Shell, that combination exploration effort, announced a find in Labrador as we were sitting. It was quite interesting.

The Globe and Mail, February 25, 1978—another little article: "Interest is Revived by Uranium Deposit Find"—"The discovery of yet another significant deposit of uranium mineralization in northern Saskatchewan has revived interest in a number of companies..." I would dare say that we will probably have a dozen or so new mines or new ore bodies come into being or be assessed in this next year.

That is entirely in contrast to the position taken by Hydro under the advice of their experts who painted the picture that the Denison Mines and the Preston Mines and the Elliot Lake ore bodies were all we were going to get. That's what they said, and that was the premise upon which they went into those negotiations. The government's other premise was its own fundamental philosophy which basically opposed any alternatives to outright purchase of the yellow cake after it was processed. It is interesting that that philosophy pervaded the whole picture right through the years of negotiation.

I must agree with my friend in the NDP that Hydro went into those negotiations with its pants around its ankles. You have to remember that; they went in negotiating out of fear.

Mr. Nixon: That was just the chief negotiator.

Mr. Reed: The whole picture has turned over since then. Look at the size of the contract to begin with. The staff of the select committee told us that there was an over-

purchase in it over the 35 years of about 55 million pounds.

Hydro is about to revise its load forecast downward and by 1986 shows a downward forecast of 3,000 megawatts. If you spread the consumption of a reduced load forecast of 3,000 megawatts over that period of time—I'm not counting for any further reductions or anything at all, just what Hydro is doing itself—we can write another 30 million pounds into that over-purchase.

Ms. Gigantes: Right.

Mr. Reed: Now we've got an excess purchase of uranium under these contracts of 85 million pounds and that is almost the capacity of Preston Mines. So just let the minister remember that when he is making his recommendation to the Premier.

The value of the front money was another thing which we discussed at length in the select committee. According to the expert who testified on the last day—on the Friday—we asked him what the value was of front-ending those two mines to the tune of \$300 million—odd and how did that relate per pound in uranium—what value could be applied? The answer was—and it surprised me—was upwards of \$6 a pound. If you take the contract and add the \$5 and you add your 50 cents and you do your split between your world price and you take another \$6 input, Mr. Speaker, you are coming so close to world price you can eat it.

Hon. Mr. Baetz: You didn't convince your staff of that.

Mr. Reed: I want to talk about two more things before I am told to sit down, if I can. First of all the world price of uranium—and these things are tied to world price. The world price right now is supposed to be around \$42 or \$52.50 a pound. It's interesting to note that I have a little article here that appeared in the paper last July 14 which says, "France is buying 1,000 tons of uranium from Africa to begin delivery in 1980"—at, guess what? \$27 a pound. That's a long way from \$42.

[4:15]

I challenge the minister to explain to this House what the world price of uranium really is. He doesn't know and I don't know. We discussed in great detail about how the so-called club or cartel could have precipitated the escalation of prices and so on. We see prices, according to the world-price charts, of so much a pound. Then I read an article like this that an actual sale was made at \$27. So where does the minister stand? He has no way to assess it. Yet he's tying it to a fictitious figure. How can he do that?

Ms. Gigantes: You are going to get hosed.

Mr. Reed: There is one other thing that I would like to put on record, that is, the Denison mine itself. It has come to my attention, and I probably should have paid more attention to it a little earlier in the game, that certain parts of that ore body, as we get down through the extraction of the uranium, contain an ore that is—and you'll have to forgive me, Mr. Speaker, because I'm not too up on my technology here—a highly chloritized ore. Apparently, there is a whole vein of highly chloritized ore that runs through part of this. I have the map here, if the minister would like to see it, that shows that during part of that excavation there's going to be a tremendous high cost awarded to the extraction of that uranium. I will quote from a book, *A Geological Survey of Canada, 1969*: "Highly chloritized ore was intersected in Denison's drill hole No. 29, a few thousand feet west of Can-Met workings."

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. Reed: Mr. Speaker, thank you very much. I hope I shed some new facts in this debate and I pray that the minister will advise the Premier to reconsider these contracts.

Ms. Gigantes: I would like to support the position being taken by the opposition against ratification of these contracts by looking at the contracts in terms of the business deal involved. First of all, I'd like to talk about the quantities being purchased by Hydro under these contracts. The amounts that are being offered to Hydro in both these contracts are the amounts that the companies want to sell. We know for a fact from testimony from the directors of Preston Mines that the sale of this amount to Ontario Hydro will relieve this corporation of its obligation to provide any other reserves for the domestic market. That is very convenient for the companies. The amount we are being told to purchase is very convenient as far as the companies are concerned, but it is too much as far as Hydro's needs go.

With Darlington included—and I would join with some of my colleagues here in the Liberal opposition in feeling that Darlington may not be necessary before the period of 1990 and perhaps not at all if we get into a decent conservation program in this province—we are buying under these contracts too much uranium, 25 per cent too much, as my hon. colleague has mentioned; 55 million pounds too much.

Within the contract, the conditions for curtailment of delivery are too narrow and the resale conditions are too restricted. We may be stuck with 55 million pounds too much, or more, depending upon what we do with Darlington. The deliveries of these amounts do not match Ontario Hydro's needs in terms of time.

Hon. Mr. Baetz: Do you want to take the whole thing?

Ms. Gigantes: We have a cumulative projected shortfall in deliveries of uranium to Ontario Hydro up to the year 1992 under these contracts of 10 million pounds.

Hon. Mr. Baetz: Do you want the whole thing?

Ms. Gigantes: Somewhere Ontario Hydro is going to have to find that 10 million pounds if we're to believe the projections of requirement between now and 1992. That's the amount being offered in the contract.

If we turn to the price side of the contract, we see that under the Denison contract, which is the one which we face most urgently right now, we, the Ontario public through Ontario Hydro must advance to Denison—in 1978 dollars let me point out—the \$178 million capital for Denison to invest in the expansion of its facilities. We know that some of that expansion will obviously enable Denison to more easily meet its current export contract with Spain and with Japan.

The capital advances are repayable to Hydro within the contract period but they are interest free. If these capital investments were made by Denison, as opposed to Hydro, the pricing formula contained in the contract would mean that the cost to Hydro of each pound of uranium would be lower.

What is that pricing formula? Roughly speaking, it is something called the "actual cost of production"—which we are supposed to be able to monitor, pray God—plus all taxes charged against that production, plus environmental costs. So that is what we call the basic actual cost of production. But to that, this contract adds 50-cents-a-pound for exploration charges—and that, Mr. Speaker, will be escalated over the period of the contract—plus \$5-a-pound profit, also escalated over the contract period, plus one-half the difference between that total amount and the world price. That is their formula under this contract.

Now what will our price be? We do not know—there is no way we can know—but there are many reasons to fear it will not be to our benefit.

Let's look first at what world price is.

In 1973, Mr. Speaker, the world price was \$6-a-pound and there had been, as my hon. Liberal colleague points out, very little exploration for new sources of uranium in the previous 14 years.

Mr. Nixon: You couldn't give it away for \$6.

Ms. Gigantes: From 1969 to 1974, Mr. Speaker, the US uranium market was closed to all foreign sellers by an American government embargo; thus creating a cartel-like influence on 70 per cent of the world market. And overlapping this period, from 1972 to 1975, the major producers of uranium outside the US, including those Canadian producers of uranium, like Denison and Rio, operated a counter cartel. We know that. We have documentary evidence of that.

The price of uranium inside and outside the US rose rapidly in the period 1973 to 1975; and new exploration had not produced "producing" mines by mid-1975, when Westinghouse Corporation declared that because of rapid price increases it could not afford to meet its contracts to supply US utilities.

When the Westinghouse renege hit the market, there was a supply panic as the US utilities that had contracted with Westinghouse scrambled to try to cover their immediate requirements. Most of those US utilities—and we have testimony before the select committee indicating that this is the case—have now covered their immediate needs, and it is interesting to note that the world price has remained steady or even declined in real terms, even while this Westinghouse supply scramble was going on.

But to come back to the contracts for Ontario, we want to know how they relate to world price. Will they be better for Ontario than world price? Again, we simply do not know; but it is fascinating to note that within the Denison contract there is a specification that if world price dropped below the contract price by the year 1980, Ontario Hydro could not get out of the contract until 1992.

I note that with interest because it indicates that Denison Mines certainly considers it a possibility.

Hon. Mr. Baetz: You would take over the whole mine for a lifetime.

Mr. Reed: You lose the front money too.

Ms. Gigantes: So we have to ask ourselves, is it likely that the world price will fall significantly in the future. Most of the testimony we have heard from the experts who came before us was negative. But it is important to underline that the track record of some of these very experts on price predictions for uranium, some of the most

significant of the witnesses we have heard, is at least abominable. They have not been able to predict the price for uranium in the very near past, and I do not have much confidence in their ability to do it now. It is important that until 1975 there was not significant exploration going on and we couldn't expect to find new supplies coming on to such a degree that the price would have fallen since that time.

In summary, we are being asked to lock into 40-year contracts which do not cover our uranium needs up to 1992, which deliver us at least 25 per cent more uranium than we require under the overall contract period; we are being asked to take all the financial risks on a purchase that is coming at the height of a sellers' market, and we have no guarantee that we will not find ourselves paying more than the world price for uranium in a very few years.

I believe no businessman who had to report to shareholders would dare sign such a contract. We in this Legislature represent the shareholders of Ontario Hydro, the public of Ontario, and we have to say to this government loud and clear, these contracts represent bad business for the public of Ontario. They must not be approved.

Mr. Speaker: The hon. member for Durham West.

Mr. Mancini: I'm surprised at you, George, real surprised.

Mr. Ashe: Thank you very much, Mr. Speaker. It is indeed a pleasure to participate in this debate this afternoon. As a member of the committee for the past seven weeks, I have had an opportunity to be, and have been, presented with a tremendous amount of testimony from recognized experts in the field. Most without exception they have stated in no uncertain terms that the contracts negotiated by Hydro with both Denison and Preston are among the best that have ever been obtained by any public utility or private corporation.

Ms. Gigantes: For another company.

Mr. Ashe: Almost to a man they have said unequivocally that these contracts are in the best interests of the people of Ontario. It is also worth noting that the staff assigned to the select committee in their report to the committee a week ago very strongly supported the contracts and urged the committee to sign them because they are in the best interests of the people of Ontario.

What we have today is a situation in which, after several years of intense negotiations by Hydro, after independent analysis by experts of these negotiated contracts, after seven

weeks of intense examination by a select committee of this Legislature, there are two opposition parties who say in the face of all this evidence, "Don't sign the contracts."

The position of both parties is, in my opinion, completely indefensible. The position of the Liberal Party, in fact, would be laughable if the question under discussion were not so serious. Almost from the first day of the hearings, the Leader of the Opposition (Mr. S. Smith) decided that here was a chance to make some political hay. As he does so often, he let fly with a barrage of comments to the press before he even knew half the facts—as a matter of fact, a quarter of the facts. On the first or second day the committee met, before any facts had been presented—

Mr. Mancini: Did Darcy write that for you?

Mr. Ashe: —he went on record as being against the contracts. It was so obvious, that after two days of hearing of evidence I read a statement to the committee, which I would like to quote in part. "Consequently I suggest we stop rattling our sabres in the halls, stop trying to serve political expediency with the press and TV, with suggestions that these two contracts are going to be rejected." That was the atmosphere after only two days of the committee set up by this Legislature.

Then, as witness after witness gave testimony as to why the contracts were good, and why they should be signed, Dr. Smith found himself having to do his usual flip-flop as he tried desperately to get himself and his party off the hook. In this end he just could not quite pull it off.

Mr. Reed: Be careful, he has yet to speak.
[4:30]

Mr. Ashe: What a spectacle we witnessed, as the members opposite flip-flopped back and forth, just like a herring right out of water. First we had the member for Halton-Burlington, the Liberal energy critic, who by his statements obviously doesn't understand the contracts and doesn't understand the federal guidelines, saying in all seriousness to the committee on February 21: "The question of acquisition as an alternative is one that, so far as I am concerned under the circumstances, can be a very real alternative." Five minutes later the member for Niagara Falls (Mr. Kerrio), from the same party, disagreed with his party colleague. He said: "Acquisition would take the pressure off the federal government, so we shouldn't go that route."

Mr. Nixon: You couldn't even vote along with your members. You couldn't even scare up a vote.

Mr. Ashe: Here is the best of all.

Mr. Reed: Why don't you read those statements in the proper context?

Mr. Nixon: He is still smarting because he wasn't asked into the cabinet.

Mr. Ashe: A very short time later, the Leader of the Opposition said that if he had been Premier he wouldn't have wasted five minutes before acquiring Denison in 1974. Mind you, Mr. Speaker, he did say that considering him as Premier was "perhaps an outlandish fantasy to the point of either a nightmare or insanity." In that, he's exactly right, and probably it was the only relevant thing he said during the whole debate.

Mr. Kerrio: You're running out of time, too.

Mr. Ashe: That's because you're taking up my time by interjections. Again we have a situation where the Liberals do their famous "I say I will and then I say I won't."

Mr. Reed: No, we've been consistent from the start.

Mr. Speaker: The member for Halton-Burlington has already participated in the debate.

Mr. Ashe: Then they have another approach. They say: Let's blame the Ontario government for the stupidity and ineptitude of their colleagues in Ottawa. They suggest the Ontario government should try harder to get the federal government to change its policy on uranium. The member for Halton-Burlington says of the federal Liberal uranium policy: "It is out of date, it's old fashioned and has to be changed."

Mr. Reed: Right on.

Mr. Ashe: The member for Niagara Falls says to the committee: "We have to put pressure on the federal Liberal government to look after the best interests of Ontario."

Mr. Kerrio: Right on.

Mr. Ashe: The Leader of the Opposition says of his colleagues' federal policy: "It is shortsighted and utterly, in my opinion, unprotective, and that's the most charitable word I can use of the federal government with regard to uranium."

Mr. Kerrio: That's pretty consistent.

Mr. Ashe: Out of date, shortsighted and old-fashioned are good words and are excellent to describe any Liberal policies. Far be it for this government to disagree with those statements. This government has

moved heaven and earth to try to get the federal Liberals to change its policy.

Time after time this government has made urgent representations to the federal Liberal government seeking to have this policy changed and time after time the federal Liberals have refused even to consider it. Let there be no mistake about it. The federal government can never be accused of having the best interests of Ontario as a priority because time after time they have proved that they don't. This is just one further example.

Mr. Reed: Now you are agreeing with us.

Mr. Ashe: The committee heard all of the evidence on this point, and it was documented beyond question that the Ontario government has tried to have this policy changed. The Minister of Energy (Mr. Baetz) sent the federal Liberal minister a telegram on February 4, 1978, and the reply left no doubt as to the federal position on this matter. I quote from Mr. Gillespie's answer: "A two-price system for uranium is not being planned by the federal government. While changing conditions in the industry might require the formation of a marketing board at some future time, the existence of such a board would not necessarily affect the domestic pricing regime. Even if it did, there could be no assurance that it would result in a more favourable price or security of supply situation than now possible through the contracts awaiting your approval."

The facts speak for themselves and the facts are that the federal government will not change its position. If the Leader of the Opposition and his colleagues think they can bring about a change, then why haven't they done so? What kind of conversations have they had with their federal colleagues, and have they heard or seen anything that would indicate that this change might be brought about? The fact is they know it can't and won't be done.

To advocate that the contracts not be signed and that the government try to get a better deal from Ottawa is the cheapest and most dishonest political ploy imaginable. Such an argument is specious and misleading to the citizens of this province. They know it but they have to run somewhere, so they try to hide behind the red herrings that were contained in six pages of gobbleddegook. The truth is that the Liberals have no answers. They obviously have no policies and they have no credibility.

Mr. Reid: Oh, come on now!

Mr. Bolan: Are you serious?

An hon. member: What's your name, Margaret Scrivener?

Mr. Ashe: They have no credibility whatsoever on this issue.

An hon. member: The new Margaret Scrivener.

Mr. Ashe: It is fine for them to say, "Don't sign the contracts," but from the beginning, they have had no alternative and have put forward no constructive policy whatsoever.

Mr. Kerrio: The Premier didn't ask us for an alternative. He asked us what we thought of the contracts.

An hon. member: You asked us what we thought of the contracts.

Mr. Ashe: The members opposite have used the term "windfall" in connection with these contracts. If the people of Ontario had to rely on the Liberal Party to provide future energy needs in Ontario, it would be a windfall, but it would be windfall for the candlestick makers and a disaster for the hydro users in the province of Ontario.

Mr. Bolan: Selling out to Steve Roman again, eh?

An hon. member: George, you don't believe that yourself.

Mr. Ashe: Mr. Speaker, the evidence is overwhelming in favour of these contracts and their signature, and I would recommend to my cabinet colleagues that the contracts be signed.

Mr. Bolan: It is overwhelming in favour of a sellout.

An hon. member: It's a sellout, an absolute sellout.

An hon. member: Give them hell, Bob.

Mr. Nixon: Mr. Speaker, to begin with I should tell you, sir, that I had the greatest respect for the Hydro negotiating team who came before the select committee to explain their procedures, and to more or less organize and orchestrate the presentation of the factual material which was considered by the committee. I don't often praise Hydro and in fact there may be times in the near future when we can be very specifically, and I hope effectively, critical; but in this instance I felt the negotiating team had taken a very valuable and healthy stance in their dealings with the people who own the uranium resources. They had said to Denison and later to Rio-Preston that they were prepared to pay the audited costs, plus a reasonable profit, which they assigned at \$5 a pound, plus in one instance an additional 50 cents for further exploration for uranium, and some of these details have been very effectively put before us by the hon. member for Ottawa-Carleton—

Ms. Gigantes: Carleton East.

Mr. Nixon: Carleton East, one of those important ridings.

Mr. Foulds: That you held so briefly.

Mr. Nixon: They were continuing with those negotiations, not getting very far, when we were told in the committee the Premier, in another situation in which he was talking to the chairman of the board of Denison, had suggested that Mr. Roman should stop sticking to his side of the argument which was world price. The Premier is very proud of the fact that he was able to get what he called a better deal under these circumstances and persuaded Mr. Roman to agree that rather than world price, whatever that is, he—Mr. Roman—would be prepared to accept the formula base price plus one half the difference between that and the world price.

I think, sir, you would be interested to know that although the Premier did not talk to the authorities at Rio-Preston, Rio-Preston had meanwhile negotiated with Hydro to accept the base price plus, not a half, but only a third of the difference between that price and world price.

But I wanted to say this. While we hope and trust there are going to be extensive discoveries of uranium ore in the immediate and mid-range future which will be used to provide electrical energy here in Ontario and in Canada, my own feeling is that the logic of using uranium from the Elliot Lake deposits is almost irrefutable; I believe that this is one of the most extensive and richest deposits in the world. It's not only in Canada but it's in Ontario.

This House has concerned itself with the development and the stability of Elliot Lake on more than one occasion when we couldn't give the uranium away, when government policy at that time might very well have considered either acquiring the assets of the mine or even acquiring some substantial amounts of uranium to fulfil our future needs. But my own feeling is that this is a logical source for the uranium which we obviously need for the plants that are already built and that are specifically planned; that it's part of the terms of reference of this select committee to review the future plans of Ontario Hydro in this connection and certainly that will be a very interesting, and I hope, productive program.

My main objection to the contract and the one which gives me, let's say confidence, along with my colleagues in the Liberal Party, in saying that the contracts are not in the best public interest, has to do with the terms of the contract which associate the price we will be paying over the next 30 to 40 years

with world price. This world price is as artificial, in my view, as the oil price which has been dictated by the OPEC nations.

At one point I brought to the attention of the people in the committee that if you were going to buy a gallon of gas in Abu Dhabi, you don't pay \$1 a gallon. In fact, you can get it for 12 cents a gallon because that's where the oil comes from and the government there is not going to be so benighted as to feel that it is in the best interests of those people to pay a world price or anything that is even connected with it. They know that, in that instance, world price is meaningless; and it is just about as meaningless with reference to uranium.

Not only has there been a cartel in action, sponsored in part by the government of Canada, but there have certainly been restrictions by almost every nation that has uranium, either for use in its own reactors or for sale on the international market. Even the United States, which is still the largest producer of uranium, had an embargo situation for many years which certainly had an artificial effect on the price of uranium.

Let me say this: I have no objection whatsoever to the government of Canada, together with other uranium producers, establishing some sort of club which would establish a cartel pricing situation for world markets. I believe this is an important and extremely valuable resource, that we in Canada are very fortunate to have this resource, and I believe that it is our duty not to hold it away from the rest of the world but, for the development of our own nation, to see that we get the very best price for it. I see nothing wrong with that at all.

I do, however, object to any kind of contract which Ontario would enter into by its own free will, which would have us as a part of the pricing mechanism—in my opinion—a concomitant part of that price based on cartel operations, or even the artificial pricing situations that I have referred to very obliquely and without detail. Therefore, I would agree with those other members who have spoken, that the world price as a phrase or even as a concept is completely meaningless, and that Ontario Hydro was entirely correct—

Ms. Gigantes: They're going to have to pay it.

Mr. Nixon: —when they were attempting to negotiate with the producers in northern Ontario on the basis of audited costs plus a reasonable profit, which they deemed to be \$5 a pound. That was the area for negotiation, nowhere else. If they want to tack on a few sweeteners like an additional 50 cents a

pound for exploration—a few additions to the contract such as the Denison people insisted on, having to do with other safeguards which may or may not be meaningless—that's fine. That's the procedure of negotiation.

The Premier introduced his good offices in a friendly conversation with his friend, Steve Roman, when really, I think they were talking about the possibility of the Premier going to Ottawa as the federal leader, or something like that—and the Premier said, "Listen, Steve. I really think you should come down on this world price." Steve, as the president of Denison, with his great generosity and because of good corporate citizenship, decided they would do that. Of course, they didn't come down nearly as far as Rio-Preston came. And I'll tell you, Mr. Speaker, Rio-Preston, controlled by the Rothschilds, is never considered to be some kind of a giveaway corporation in their emanations and decisions and actions in the world market.

I believe that the Premier should ask for and should still be insisting on the original concept of Ontario Hydro; that is an audited contract plus reasonable profit. This is surely the only reasonable alternative for the province of Ontario, or in fact for any jurisdiction in Canada; but particularly us.

It is probably wrong to say, "That's our uranium," and yet we feel that is so, because it is up there. Sure, it's owned by Denison. The thing that is hard to take is that in 1946, by an Act of Parliament, the government of Canada took over the jurisdiction of uranium because it was a strategic material. We sold hundreds of thousands of pounds to the United States—half the uranium that is presently sitting in those warheads in silos in the United States came from Ontario. That's an appalling thought; but that's a fact.

The whole thing was taken over as a strategic material in 1946. But now, we hope that the strategic importance has somehow decreased, and for us the importance is as an energy source. It's ours; it's right here, not in Alberta. It's not in Saudi Arabia; it's here. And we have led the world. With the greatest respect to the people in Hydro, to the Atomic Energy Commission—whatever we read about them from time to time—and, further, with respect to the initiative of the government of Ontario at the time, I believe most of the credit belongs to the Hon. J. R. Simonett, who made the announcement here that the government was prepared to go forward with the establishment of the Pickering reactor.

[4:45]

My feeling is that the only legitimate policy for the government of Ontario is the one I have enunciated. I believe that there is sufficient power remaining in this government and in this House, in co-operation and in conjunction with the government of Canada, to see that an audited cost plus reasonable profit is the basis for the operation of our uranium reactors both now and in the 30- to 40-year future.

In closing, I want to say to the Minister of Energy that his interjection, about the lights going out, I consider to be unacceptable—in fact, irresponsible—because the uranium will not leave Canada unless it is approved by an order in council in Ottawa—

Hon. Mr. Baetz: You know how responsible they have been.

Mr. Nixon:—and I would submit to you, Mr. Speaker, that orders in council by this cabinet are necessary for the uranium to leave Ontario. There may be legal implications that would force those orders in council—

Hon. B. Stephenson: There sure as hell are.

Mr. Nixon:—but certainly they could be used as an effective bargaining agent.

The Minister of Labour is interjecting—

Mr. Speaker: The hon. member's time has expired.

Mr. Nixon: She probably doesn't even know that she was part of the cabinet that approved those orders in council—

Ms. Gigantes: Did you know, Bette?

Mr. Nixon:—which now are seeing hundreds of thousands of pounds of uranium going to Japan and Spain; and it would be with her tacit approval.

Mr. Foulds: Mr. Speaker, in this whole scenario, what puzzles me the most is why a government such as a Conservative government, which has prided itself on the ability to manage things in Ontario, has rejected so obviously and so arbitrarily what was a good business deal—why they rejected the acquisition route so summarily. I want to speak specifically on that point.

Hon. Mr. Baetz: They didn't reject it. The premise is wrong. Correct your premise and go on.

Mr. Foulds: The Minister of Energy intervenes and says, "Correct your premise."

Hon. Mr. Baetz: Get back to the correct premise.

Mr. Foulds: What I want to point out to him is that the Tories like to talk about the so-called real world in which a contract has

to be signed. Like the former speaker, I give Hydro's officials full marks for negotiating a contract in that so-called real world. But I want to point out to the Minister of Energy that he and his predecessors and the cabinet contaminated the real world because they cut the ground out from Hydro by not allowing them to pursue the acquisition route.

On December 10, 1973, George Gathercole, chairman of Ontario Hydro, wrote to the Minister of Energy: "In our view, we should proceed with the purchase of the uranium assets at Denison Mines, which are understood to have the largest, low-cost reserves available, as quickly as possible."

Mr. Lupusella: He lost the letter.

Mr. Foulds: Following that, on June 4, 1974, J. C. Matthew, manager of fuels and supply resources development at Hydro, wrote: "Acquisition of the Denison reserves is the key to Ontario Hydro's bargaining position now and in the future."

Then, in 1975, after a thorough investigation, Project Wellesley reported: "There is a significant, absolute dollar saving in acquiring the company." They also said: "It is recommended that Ontario Hydro enter into negotiations to obtain a majority interest in Denison Mines Limited through the purchase of shares."

As well as that, we had a number of witnesses before the committee; most impressive was a firm from Washington. The firm is called Donovan, Hamester and Rattien Incorporated—

Hon. Mr. Baetz: Who liked the deal.

Mr. Foulds: Two of the principals in that company, one of whom had been a former president of Consolidated Edison in the United States and the other a consultant, clearly told the committee that acquisition was a desirable and acceptable route to any private utility company.

Hon. Mr. Baetz: They also liked the deal. They liked the contract.

Mr. Foulds: I'd like to quote directly from the Hansard of the committee on February 8, where my colleague, the member for Carleton East, said:

"We are buying a supply today. We are doing it in a \$7 billion contract. And what Wellesley suggested is the same as you suggest, that in principle the better way would be to own a source."

"Dr. Donovan."—and I quote directly—"No question about that, provided it can be obtained at a favourable price . . ."

Hon. Mr. Baetz: That's the big question.

Mr. Foulds: What is interesting in the whole economics of the situation—

Mr. MacDonald: You blew it, the way you fiddled around.

Mr. Foulds:—is that what was economically sound and feasible in 1975 is economically sound and feasible today, in 1978.

Mr. Cassidy: Right on.

Ms. Gigantes: We know that.

Hon. Mr. Baetz: It ain't necessarily so.

Mr. Foulds: We know from the evidence that the staff of the select committee put before the committee that the economics have not changed at all since 1975.

What is interesting also is that Sinclair Stevens, the Conservative finance critic at the federal level, admitted to the committee that if he had been on the board of directors of a private utility seeking these contracts he would have recommended that they go the acquisition route because it was economically sound.

What it would involve is an expenditure of approximately \$800 million. That interestingly is less than half the profit that Denison gets from the contract. Not half the price of the contract, but half the profit that Denison gets from the contract.

Not only that, but as one of the speakers has pointed out previously, we could finance the acquisition of Denison Mines through the revenue we would get after the second year from the Japanese contracts that are already in existence with Denison.

Mr. Cassidy: That's right. Boy!

Mr. Foulds: I submit to you, Mr. Speaker, that if it is good enough for the private sector, why isn't it good enough for the public sector?

Mr. Swart: Because they are doctrinaire.

Mr. Foulds: When it is economically advantageous for the people of Ontario, the residents of Ontario, why do they reject arbitrarily—by the then Minister of Energy, now the Treasurer (Mr. McKeough)—the acquisition move? And I put it to you that we put that alternative as a real alternative, as a possible alternative, as an economically sound alternative.

Given the framework within which the Conservatives operate there are certain seductive elements in saying we must sign the contracts, because they have rejected every other alternative.

Hon. Mr. Baetz: Such as jobs, the economy.

Mr. Foulds: They are hidebound to the contract route alone and they are hidebound

only to the long-term contract route. They reject every other possibility.

Mr. Cassidy: That's right.

Mr. Foulds: But that framework has been imposed upon them. It is not a real world; it is a contaminated world. And it is a world that is contaminated by a doctrinaire, dogmatic position of the Conservative Party, and it is one that is damaging the people of Ontario.

Ms. Gigantes: It's bad business.

Mr. Foulds: One of the main reasons I reject the contract route is because by signing contracts of this length and of this magnitude we are by this seal not only committing the people of Ontario to huge and unnecessary expenditures, we are confirming, aiding and abetting an artificially inflated, so-called world price for uranium.

Hon. Mr. Baetz: Turn over the whole pie and eat the whole thing.

Mr. Foulds: The Minister of Energy—the five-day wonder—comes into the committee and says, "We could tax the windfall profits." What I would like to point out to him is that the Ministry of Natural Resources and the Treasurer have never taxed the mining companies the just economic rent that we deserve.

Mr. Renwick: They never will.

Mr. Foulds: When they were in trouble between 1969 and 1973 we financed them by stockpiling through the federal Liberal government, by stockpiling to assure them a profit. We can assure a company a profit when they are having a downturn, but we won't use stockpiling to assure jobs at Sudbury. And I just cannot stomach that dichotomy any more, Mr. Speaker.

We have received a mere \$55,000 in economic rent over the years from those natural resources at Denison. I want to say, like Peter Finch in the movie "Network", I am mad as hell and I just don't want to take it any more. And I think the people of Ontario—

Mr. Nixon: You know what happened to him.

Mr. Foulds: Is Morty behind me? And I think the people of Ontario should be mad as hell—

Ms. Gigantes: They are.

Mr. Foulds:—and not take that pittance of an economic rent any more. One of the hecklers from the Conservative side at one point indicated that—

An hon. member: Warner.

Mr. Foulds:—jobs were the key. I want to point out that the jobs will be there under public ownership just as equally as they will be there under private ownership. In fact, Ontario Hydro—a public corporation—has directly or indirectly 25,000 employees and those are some jobs—they pay well. As well, in the public sector—

Hon. Mr. Baetz: And you want to make it bigger—one day you complain it is too big and the next day you want to double its size.

Mr. Foulds:—we could plan for the job so it is not subject to the boom and bust of the Sudbury situation, and so that we could protect the health and safety of the workers and we could pay just as well.

I reject the idea of the contracts, because it is the single most expensive way to assure us of a supply of uranium.

Hon. Mr. Baetz: Why did your experts accept it?

Mr. Foulds: I suggest that the government pursue acquisition because it meets our long-term need. It meets our necessity for an assured supply for the \$14.1 billion investment in the nuclear power stations that already exist. And it assures us of a continued supply of electricity for the manufacturers and the home users in Ontario.

Hon. F. S. Miller: Mr. Speaker, as Minister of Natural Resources I would like to look at a different aspect of this contract rather than the issues of profit and of cost that have been looked at carefully by all parties up to date. I have listened to those arguments with interest and attention, but I would like to really relate this contract to other elements that are related to the responsibilities my particular ministry has.

My ministry is responsible for the discovery and the exploitation of minerals, and for the mining industry in Ontario. We believe that it should be done by the private sector. We have supported that attitude for many years.

Mr. Cassidy: Even Con-Ed disagrees with you.

Hon. F. S. Miller: We have had one of the healthiest mining industries in the world. I believe Canada rates either number two or number three in the whole world in terms of the value of mineral exports.

I would like to look at the world situation for a second—

Mr. Deans: Why don't we relate it to the value of the minerals?

Hon. F. S. Miller: Remember that until an ore is taken out of the ground it has no value—

Mr. Deans: That is not so. That is nonsense.

Hon. F. S. Miller: Ore becomes wealth when labour is applied to it.

Interjections.

Mr. Deputy Speaker: Order.

Hon. F. S. Miller: There are some fundamental differences in attitudes—

Mr. Deans: Until you cut the tree, it has no value? Until the mineral is taken—oh, come on. You don't believe that nonsense.

Hon. F. S. Miller: The wealth is created when the labour is added to the resource.

Mr. Deans: Good heavens—is that your contribution?

Hon. F. S. Miller: Mr. Speaker, this kind of debate does spark real ideological differences, as the member for Wentworth is interjecting now. But if you look at the world mining situation at this present time you realize that there are problems in world mining right now.

Mr. Deans: There certainly are.

Mr. McClellan: Sounds like your Inco speech.

Hon. F. S. Miller: I was lucky enough to get a copy of the Financial Times this week which has a supplement on the world mining situation.

Mr. Deans: Written by whom?

Mr. Warner: Steve Roman.

Hon. F. S. Miller: While we have heard a great deal of talk from the opposition about the fact that Canada or Ontario doesn't tax enough, it is interesting to see how we are seen by other eyes. "And in Canada, for example, there has been the spectacle of Ottawa and the provincial governments competing for mining taxes to the point at which royalties have been levied without regard to cost and profit."

That's the way it's seen from another point of view—in another part of the world.

Mr. McClellan: What has that got to do with the issue?

Mr. Makarchuk: That's the kind that comes out of there all the time.

Hon. F. S. Miller: I heard some of the other members before me say that in fact we did have the best exploration in the world. I believe the member for Brant-Oxford-Norfolk said that, or one of the members from the Liberal Party in any case, who was talking about exploration. It wasn't you?

Mr. Nixon: No, that wasn't mine.

[5:00]

Hon. F. S. Miller: We do have the best exploration in the world and as the demand for any particular ore improves, as the markets improve, of course we'll find more mines. The idea that this country or this world has found all the mineral resources that are around is far from true.

Mr. Swart: Are you going to vote for it?

Hon. F. S. Miller: This is one of the interesting points because I think I'm going to agree with some of the things the hon. members brought up in the course of the issue. But let's look at the history of the mining industry in Elliot Lake, or in fact look at the history of the mining industry in Sudbury.

It's only a few short weeks ago I was being belaboured by some of the hon. members opposite to find some mechanism by which we could guarantee employment in the nickel industry in Canada, and certainly I would like to. Yet here we have a mechanism by which we're guaranteeing employment in the Elliot Lake area in the uranium industry in Canada.

Mr. Reid: At what cost?

Hon. F. S. Miller: All right. One can always argue. I said I was staying away from the cost aspects today. I'm going to leave those members who sat in the committee and explored it to look at those.

Ms. Gigantes: What is \$1.6 billion, eh?

Hon. F. S. Miller: I would like to look at the fact that in a world that's becoming increasingly short of energy, one of the keys to all industrial success in the future is an assured source of energy in your own bailiwick.

Mr. Cassidy: At the best possible cost.

Hon. F. S. Miller: At the best possible price.

Mr. Makarchuk: And you hand it over to somebody else.

Hon. F. S. Miller: This contract will guarantee employment for decades to come in the Elliot Lake area at a relatively uniform rate. It will help us stabilize our balance of payments because—

Mr. Cassidy: You're going to guarantee a profit of \$27 a pound.

Hon. F. S. Miller: May I suggest that the leader of the NDP do what I did: listen.

Mr. Swart: It didn't do you any good.

Mr. McClellan: The minister didn't learn a damn thing.

Hon. F. S. Miller: I've just been in another country and I realize how sharp the energy needs of the world are.

Mr. Nixon: Were you in Florida?

Hon. F. S. Miller: No, I was in Yugoslavia—
An hon. member: That was Jim Breithaupt.

Hon. F. S. Miller:—studying their energy sources, and I can tell the hon. members that as we go around this world—that trip was on me—as we go around this world, the industrial growth will depend upon assured energy sources. There's no question about that.

Ms. Gigantes: Who is arguing that?

Mr. Swart: Nobody is arguing against that.

Hon. F. S. Miller: Therefore, if one sits here today and makes certain commitments to guarantee employment in the mining industry—

Mr. Makarchuk: Assuming you can provide power at a good price.

Hon. F. S. Miller:—to guarantee assured sources of supply, perhaps the argument about whether the cost is the best possible one, which will not be resolved until future—in other words, in historical hindsight we'll know—becomes a little less critical. The key thing is to have Canadian employment, Canadian sources of energy, and an assured source of energy so that we can go on. There are going to be about \$300 million invested in the construction of the new mine. There are going to be about 1,400 jobs created in the expansion of the mine. There are going to be, I think, 2,500 jobs for miners as the mines are expanded. This gives us somewhere in the range of 2,500 permanent jobs in the future in the mining industry—

Mr. Makarchuk: And you could do it without giving away the province.

Hon. F. S. Miller:—and at the very minimum we'll have 10,000 to 12,000 other jobs in the service industries. All of those will come provided this contract is signed.

Mr. Deans: No. No.

Mr. Reeds: They'll come anyway.

Mr. Deputy Speaker: Order. Order.

Hon. F. S. Miller: Don't count on it. Some of the hon. members were making comments about other sources of energy coming on stream at lower costs, but they aren't sure of that. In this case, Hydro is committed to buy, Elliot Lake is committed to deliver, the jobs are in Canada. That's a thing that we should keep in mind.

Mr. Reed: They would be either way.

Hon. F. S. Miller: As to acquisition, I think it was the member for Port Arthur who said acquisition by private companies has been always a natural route. But acqui-

sition by private companies is not the same as acquisition by government.

Mr. Cassidy: Why not?

Hon. F. S. Miller: I didn't expect the NDP to have any other position but the nationalization position, and I respect their point of view. I disagree with it.

Mr. Samis: It's not nationalization.

Mr. Cassidy: It makes good business sense.

Ms. Gigantes: It's making your investment pay off.

Hon. F. S. Miller: At the same time, I am surprised to hear my friends in the Liberal Party—

Mr. MacDonald: Oh, for the Tories of yesteryear who at least understood these things.

Hon. F. S. Miller:—the people who have been selling the free-enterprise line more than any other group in the last few years, stand up and say, as their leader did: "It wouldn't have taken me five minutes to nationalize the mining industry if I'd been Premier in 1974."

Mr. Samis: He didn't say "nationalize."

Mr. Reid: Not the mining industry, the uranium industry.

Mr. Reed: The uranium industry.

Hon. F. S. Miller: The uranium industry.

Mr. Deputy Speaker: Order. Order.

Hon. F. S. Miller: But if you start taking the uranium industry because it suits you today, what will you take tomorrow? What will you take tomorrow?

Mr. Reid: Who nationalized Hydro?

Mr. Nixon: Today, uranium; tomorrow, the world.

Mr. Reid: Who nationalized Hydro?

Hon. F. S. Miller: The leader of the Liberals said—just calm down, Pat.

Mr. Deputy Speaker: Order, please. This isn't the question period.

Mr. Nixon: George Ashe did it better.

Hon. F. S. Miller: Our friend, the leader, said he would eliminate the profits. He would, believe me, but he would not have cut the costs because government-run organizations do not run as efficiently as private organizations.

Mr. Swart: That is not true.

Mr. Makarchuk: Are you saying that Hydro is more poorly run than Consolidated Edison?

Mr. Reid: We missed you.

Hon. F. S. Miller: Now let me tell you this: Just for your information, within the mining corporation area—

Interjections.

Hon. F. S. Miller: You know, I must be getting you fellows upset.

A review of Ontario's mining tax rates and corporation tax rates would show you that corporation tax is about 46 per cent—is that right? Forty-six per cent is currently the combination of provincial and federal—

Ms. Gigantes: We have to pay that.

Mr. Makarchuk: What do they pay though; what is the final payout?

Hon. F. S. Miller: And in addition, Ontario has a mining tax of up to 40 per cent on profits of the mining—

Mr. Cassidy: That is part of the base price.

Hon. F. S. Miller: —non-deductible for federal tax calculations. Today, incremental tax rates in profitable mines can be as high as 60 per cent of total profit.

Ms. Gigantes: According to whom?

Hon. F. S. Miller: Mr. Speaker, I would say that this government—

Mr. Haggerty: What are you going to do about it, Frank?

Hon. F. S. Miller: —this Parliament, should ensure the future economic stability of this province by ensuring that our energy sources are supplied by these mines and by ensuring that Ontario will have a sound, healthy economic future, both in the mines and the industrial sector.

Mr. Makarchuk: The only stability will be Denison's.

Mr. Kerrio: The top line, of course is, do you think these contracts are in the public interest? That is what the Premier has asked us to evaluate. Some of the implications that have been read into what has been happening here today simply should not be before us; we should address ourselves to the question; and I suggest that the contracts as they are presented to us are not in the best interests of the public. The government and the government members are basing acceptance of these contracts on the evidence of experts who appeared before us in the committee. I would just like to relate to you a couple of instances of testimony given by these experts.

In one case, there was an expert, who happens to be one of the top people in the world, supposedly, who suggested to us in the committee that he was certain, by some 90 per cent, that by 1980 the world price of uranium would not be over \$15 to \$16.

Mr. Haggerty: You got that, Reuben? Get that down. That's from an expert.

Mr. Kerrio: Another expert came before us and suggested that if we put front money up to the tune of \$300 million the interest cost to the people of this province would amount to a similar sum, something like \$300 million. Very shortly thereafter he changed his mind and suggested it might be \$400 million or maybe \$450 million.

Mr. Haggerty: You could have bought the mine.

Mr. Kerrio: As an individual who had been quite hesitant in speculating before I saw the expert change his mind two or three times. I suggest to you sitting in your places over there the front money is going to cost the people of Ontario \$1 billion or better, because you cannot borrow what might end up at about \$350 million in front money, when you get the back end of it back after 30 years for less than maybe two-and-a-half three times the principal sum.

Hon. Mr. Baetz: With that kind of mathematics you better not bid.

Mr. Reed: In 1978 dollars.

Mr. Kerrio: So now I would suggest to the minister that on that kind of evidence—and everyone who appeared before suggested that because of the circumstances in the United States of America, where they have some 17 per cent of the necessary fuel to fuel their reactors, they would jump at the chance to sign these contracts; and I agree wholeheartedly with them, when you are prepared to pay any kind of a price to get the supply. But we were not in such circumstances. The uranium was under our feet. We put Hydro in a very narrowly, confined box—we, the federal government and the provincial government.

Hon. Mr. Baetz: Kissing cousins.

Mr. Kerrio: You take that and do anything you want with that term. It is a bunch of garbage and you know it.

Now I say to the minister on this particular issue I am only concerned about the interests of the people of Ontario.

Mr. Cunningham: You need each other, I will tell you.

Mr. Kerrio: I care little for the way he wants to match me up with the people down in Ottawa. I suggest to you that in these very contracts that are before us, to show the figures that the government has set aside for the domestic users of Ontario, in this set of contracts we have used up all the supply dedicated to domestic users. It just points up the fact of how inadequate government policy was to protect the consumers of Ontario.

I am suggesting that the policy was made at a time when the federal government was more intent on exporting uranium than on seeing that the domestic users had a supply. I say that is why we suggest there should have been much greater pressure brought to bear when the whole scene changed as it has. That is what forced Hydro to put up the front money. Because it is happening all over the world it is not a fact that that is the way to go. It is a fact that those people have no option.

Because they were not guaranteed domestic supply, Hydro had to put up front money to open the mines and develop them. The federal government did not see to it that the guarantee to domestic users was coming off the belt and not just being left in a hole in the ground where hydro consumers of Ontario could be told there's the part that was dedicated to their use, it is in the back corner of the mine. That is what the federal policy does in as far as it protects the domestic user of Ontario, and that is the reason Hydro had to put up the big front money.

I would like to suggest to the minister that in incorporating the front money in the price, we are talking in terms of roughly \$20 a pound as far as the cost of developing the uranium is concerned to the mines, and then we give them \$5 profit, which makes \$25. We are also looking at a cartel-inflated price of \$40 for a difference of \$7.50 which we add on. I suggest also adding \$5 to \$6 a pound for the interest on the front money. Isn't it strange that we should then end up paying maybe \$38.50 a pound for uranium that is in this country of ours?

I suggest that some of the arguments that have been made are sound. They were made by people who have looked this thing over and I think have assessed many of the people who appeared before us. I would also suggest in talking about this government—and my associate from Brant-Oxford-Norfolk made this comment—the government signed export policies to send our uranium to Japan. The Ontario government had to agree. Whether it was in the works that they would have been forced to export it regardless of signing or not, certainly the position of this government should have been that they would see that anything that went out of the country was at least refined to the greatest degree we could. But the suggestion was the Japanese would not buy it under those circumstances; they dictated the terms and this provincial government signed the exemptions so that uranium could be exported.

While we are on that subject, it just seems the policy of the government is whatever

suits it. I have heard the Minister of Natural Resources say that the government would not go the other route of public ownership. We are not suggesting that a public company should run it either. We are talking about free enterprise, that is, to bid, to run it legitimately and to take a legitimate profit. I would suggest this government uses policy to suit itself because it happens to be in the biggest construction business in the province of Ontario in Ontario Hydro. That certainly is not free enterprise. That is only because it suits the government to do that; in this instance it does not. The minister can muse on that particular situation if he will.

I would suggest that when I raise the question with the Premier as it relates to the conversation that he had with Denison, that in keeping with some kind of consistent policy he might well have called Preston, because while we had half the difference to the world price on one hand, we had a third of the difference on the other. Who says what might have transpired with the same kind of a conversation? This also points up the inconsistency of the price range in the two contracts.

[5.15]

Hon. Mr. Baetz: They're quite different contracts though.

Mr. Kerrio: Absolutely, they're different contracts. One is one-third of the difference and the other is a half. That's quite a difference.

Hon. Mr. Baetz: Then don't compare them.

Mr. Reed: That's the first admission we've had of that.

Mr. Eakins: It is the Bermuda triangle.

Mr. Kerrio: I would suggest then, in summing up my submission here, that in 1973 when we were talking \$6 to \$7 per pound for uranium as being a viable price for mines to function and make a decent profit, it seems inconceivable that the government members will not admit that, at this stage of the game, this short number of years later, that just in the spiral of inflation as it exists, in the percentages over those few years, they could take \$6 and elevate it to \$40 and really convince themselves that there hasn't been something at work that influenced this price to those dollars.

I suggest that if there was a two-price system and we were getting the best dollar for uranium on the world market and that what was used within the province of Ontario was given at a fair profit to the mines, or the corporations, and that a fair royalty was put into position, that when the time came that

the supplies were deleted we'd have something in the public purse to show for having had one of the great deposits of that particular ore in the world.

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. Kerrio: Thank you very much. I would just make one comment in closing and that is that I also have had great reservations about the kind of time they've given to the disposal aspects of the nuclear fuel wastes, and I hope they are going to do something about that.

Mr. Deputy Speaker: The hon. member for Wentworth.

Mr. Deans: Thank you, Mr. Speaker. This applause is a practice which has to stop around here. It takes up time.

Mr. Conway: You're a special case.

Mr. Cunningham: It is also getting very phoney.

Mr. Deans: Yes, I must admit that. Whoever said that was right. There's a limit to how much of that you can stand.

Mr. Speaker, the Minister of Natural Resources made one accurate statement during his contribution. He said we must take steps to have assured energy sources in the province of Ontario. With that I agree. From that point on it seemed as if his contribution deteriorated significantly, since he didn't appear to understand what it was that we were talking about.

First of all, we have to decide why we need these assured energy sources and we've got to try to determine what the obligation of the government of the province of Ontario is, not only in terms of energy but in terms of long-term economic planning and how one goes about it. I think we've got to begin by the clear understanding that we're speaking about a resource that belongs to us, a resource of the people of the province of Ontario and a resource which we're prepared to share with the rest of Canada; a resource which we know, though it has a particular value today, is likely to become even more valuable as time goes on as we find ways of dealing with the waste that naturally accumulates from nuclear reactors.

We need not and we should not pay exorbitant prices for these resources that belong to us. We have to be sure that we utilize those resources in the best possible way to bring about the kind of economic planning and development in the province of Ontario that will not only maintain our position in the world as an industrial force but assist us in developing even further the industry of Ontario and, therefore, the industry of Canada.

We have to use these resources that are available to us, not only this uranium resource, but all of the resources to build our economic future. We have to use them to develop the diversity of employment opportunities that we all understand we're going to have to have if we're going to be successful in world terms over the next 25 to 50 years.

Why would we then decide to pay more than we absolutely have to in order to secure that energy source when we could, at this point in time, undertake the very appropriate measure suggested by my leader of acquiring that resource in the public sector in order that we not only are able to use it at the cheapest possible cost but to make sure that it is used in our best interest? I think that's what we're talking about here. There is clear evidence in this contract of the attitude of the government towards the private sector, and the attitude of the government towards the private sector, and the attitude of the government towards the utilization of public funds.

It seems that this government has adopted a view that it is appropriate to tax the people of Ontario, whether it be by way of direct taxation or whether it be by way of energy costs, and to pass that money on to the private sector. It seems as if the government of the province of Ontario has adopted a view which says that anything that is in the public sector is bad and anything that is in the private sector is good, notwithstanding what the evidence shows. That's the attitude that this government is putting forward.

Mr. Foulds: Shameful.

An hon. member: A dogmatic, doctrinaire, straitjacket.

Mr. Deans: We have had 35 years of Conservative rule in this province. In that 35 years the opportunity has been before the government on so many occasions to utilize the resources of the province in the best interests of the people of this province—not only in terms of immediate gain in tax dollars; not only in terms of immediate gain in the sale of the product; but in using those resources to develop the economy of the province of Ontario in the short- and long-term best interests of the province. If it is true that we should have the guarantee of this uranium in order to assure ourselves that we will have it available to us if, as and when we require it for the production of electrical energy, then surely the obligation is to make sure we will get that resource at the cheapest possible price and

therefore make our economy more competitive in world terms.

Here we have mineral resources which we could have been using for the development of the secondary manufacturing sector that we all understand we are going to need. Here we have a uranium resource which we believe, and I believe, will at some point be developed for the production of electric power in the province of Ontario and, using those two sources alone, we could be infinitely more competitive in world terms.

We don't have to be in the world market. We don't have to adopt the Alberta position that the world price for that resource is what has to be achieved. We don't have to adopt that. We have that resource. We are rich, infinitely rich, in world terms. We have the capacity right here in the province of Ontario to make ourselves even more competitive in world terms. We have available to us a resource which, if used properly and wisely, could allow us to develop and to manufacture at prices which would be even more competitive than the prices at which we are able to manufacture now.

Why in heaven's name would we then turn around and enter into a contract which will guarantee to these two particular corporations excessive profits based on world prices, when in fact what we are really doing is saying to the consumer of the province of Ontario that he will have to pay the additional price in order to guarantee the almost \$2 billion of profit? Why would we do that? Why is it necessary?

If it's true what the Minister of Natural Resources says, that there are some 2,500 permanent jobs to be gained in the province as the result of the development of this resource; if it is true that there are some 12,000 jobs in the service sector related directly to the utilization and the development of this resource, then that is true whether it is developed in the private sector or the public sector. And if that is true, then why would we spend an additional \$2 billion to get those benefits?

What in heaven's name is wrong with the government? Why would it want to hand over \$2 billion of public funds, of taxpayers' dollars, of consumers' dollars—

Mr. Makarchuk: Tell us why.

Mr. Deans: —when it can get the same results without spending the money.

Mr. Makarchuk: Don't just sit there, Reuben, say something.

Mr. Deans: Why would you not—

Hon. Mr. Baetz: I am trying to be a gentleman and not interrupt.

Mr. Deans: Please don't, because it's uncharacteristic.

Why doesn't the government utilize the resource as it now is? Why doesn't it develop it as part of the overall Hydro development? Why doesn't it guarantee to Hydro, because they own it—

Hon. Mr. Baetz: Why didn't you convince all the experts who have been working on this for months?

Mr. Deans: —the utilization of that resource?

An hon. member: Hand it to the experts.

Mr. Conway: Deans for leader.

Mr. Cassidy: They never even looked at the Project Wellesley report.

Mr. Deans: I'm telling you now, Mr. Speaker, what I believe to be true and what I have believed to be true all along. When the minister signed over the approval to have that order in council approved, he effectively said to the consumers of the province of Ontario: "I, the Minister of Energy, am prepared to levy on you \$2 billion more than you need to pay"—

An hon. member: Why don't you speak the truth?

Interjections.

Mr. Deans: —"in order to give that money to Denison and to Preston." I would like to know something about the relationship that brought that about.

Interjections.

Mr. Deans: How in heaven's name can the minister fly in the face of all the evidence, including the evidence before the committee? How can he stand in his place and say that he is prepared to tax the consumers of Ontario that additional \$2 billion, in spite of the evidence of the former chairman of Hydro, in spite of the evidence put forward by his own subcommittee group which looked into it, in spite of the evidence of many of the key witnesses who appeared before the select committee? How can he then stand up and tell the province of Ontario that he believes it appropriate to hand over public funds to private corporations, even though he knows it is going to result directly in higher costs to those people?

Hon. Mr. Baetz: Because we listen to people who know a lot more about it than you do.

Mr. Deans: That's what he is doing. Not only that, but he is alienating from the public sector something which is vital to its very well-being in the future. He is turning over, on a long-term lease, a resource which,

if properly used and properly developed in the public sector in accordance with the needs of Ontario Hydro, could provide for this province in the long run energy at a price considerably below that which other parts of the world are going to be required to pay.

Hon. Mr. Baetz: That sounds great, but you can't prove it.

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. Deans: That is what is wrong with this policy. It means we are selling out to other parts of the world. We lose jobs, we lose economic development, we lose the opportunity for secondary manufacturing—

Hon. Mr. Baetz: You are getting carried away with your rhetoric.

Mr. Deputy Speaker: Your time has expired.

Mr. Deans: —we lose the opportunity for diversity. The minister is wrong.

Mr. Jones: Mr. Speaker, I would like to express my appreciation for the opportunity to take part in this debate. I think in all this rhetoric we musn't lose sight of the question before us this afternoon, and that is basically the future energy needs and how to provide them for every citizen in this province, and what is at stake and what will be affected by the decision that is taken today.

I, too, want to emphasize, as my colleagues have done, the importance of the expert testimony we heard during the hearings of the select committee. We have heard some of that taken out of context this afternoon. The fact is that the weight of the evidence that was presented was overwhelmingly in favour of these contracts, and I believe we have to listen to that evidence that was presented to us. It seems obvious to me that during the several years in which negotiations took place, Ontario Hydro did an excellent job in protecting the interests of the citizens of Ontario while ensuring what would be an adequate uranium supply to meet our energy needs.

The New Democratic Party has opposed the contracts on the grounds that it would like to expropriate or otherwise acquire control of Denison Mines. We just heard from the member for Wentworth underscoring that. We heard the leader of the NDP saying nationalization "makes good business sense."

Mr. Foulds: Just as Hydro asked.

Mr. Cassidy: That's what Hydro said, too, only the government wouldn't listen.

Mr. Jones: I respect the NDP for at least having an alternative, for being consistent, I suppose, with the party philosophy in that alternative.

Ms. Gigantes: And good business practice.

Mr. Cassidy: Good business for the people of the province.

Mr. Jones: I personally, though, can't accept the premise that Ontario should follow that route, and I reject it on philosophical grounds—

Mr. Foulds: Philosophical grounds that cost the people of Ontario money.

Mr. Cassidy: Why don't you sell off Hydro as well?

Mr. Deputy Speaker: Order, order.

Mr. Jones: —because I sincerely believe the government should not be active as a partner in the marketplace. I am just not convinced that government could operate a uranium mine nearly as efficiently or as well as those can who have specialized in that field.

Mr. Cassidy: Then sell off Hydro.

Mr. Makarchuk: Where is the evidence?

Mr. Renwick: It is not so, and you know it.

Mr. Jones: All of my experience has taught me—and it's a fact—that government involvement in ventures is usually more costly and less beneficial than allowing private enterprise to do the job.

[5:30]

Mr. Makarchuk: Where's the evidence?

Mr. Renwick: It is not so and you know it.

Mr. Jones: The contracts, as negotiated, give the government the right to closely monitor—

Mr. Cassidy: There are exactly 25,000 Hydro employees.

Mr. Foulds: Are you implying you can run this government but you couldn't run a mine? Is that what you're saying?

Mr. Jones: —the operations of both Denison and Preston, and to intervene if it becomes necessary to protect the public interest—

Mr. Foulds: The Minister of Correctional Services (Mr. Drea) nods in the affirmative.

Mr. Jones: —and that's sufficient protection. We need only look at Saskatchewan to see that government is better off not getting involved in such ventures. There we have an example of an NDP government investing hundreds of millions of taxpayers' dollars in potash plants. And what has been the result? Hundreds of millions of dollars have been spent without in any way changing the course of industry and without generating any addi-

tional revenues. If we paid for these mines, as you people propose, how do you suggest we—

Mr. Makarchuk: They're making money, aren't they? They are providing jobs. They're keeping the money in Canada.

Mr. Deputy Speaker: Order. The member for Brantford may have a chance to speak later.

Mr. S. Smith: I hope not.

Mr. Jones: Mr. Speaker, I merely ask this question of the NDP and their proposal—

Mr. Cassidy: You prefer the Inco proposal.

Mr. Jones: —how would they propose to pay for them. With increased taxes on an already over-burdened public? Or should we cut back health or education or social services?

Mr. Foulds: With the profits we get from the Japanese contracts.

Mr. Jones: It would be very interesting to hear how they answer that question.

Mr. Cassidy: Where are you finding the \$300 million?

Mr. Jones: Of course, in the case of the Liberal proposal, there really hasn't been an alternative proposal, despite all the rhetoric. There simply wasn't.

Mr. Kerrio: We weren't asked.

Mr. S. Smith: That's not true and you know it.

Mr. Jones: "Don't sign," they say; but no answers and a lot of political posturing. That's the simple fact that prevailed in the committee and here again on this floor.

Mr. S. Smith: That's right—don't sign and declare a public policy you have never heard.

Mr. Jones: Mr. Speaker, I urge this government to, indeed, sign these contracts—

Mr. Makarchuk: Give away the province.

Mr. Jones: —as they are clearly in the best interest of the people of Ontario; and that's also as the staff spoke in committee and also, of course, resulting from the extra testimony that can't be ignored.

Mr. Cassidy: That's not what the committee said. The committee voted you down.

Mr. S. Smith: Mr. Speaker, I have spoken on this topic many times; to the select committee on several occasions, to this House during my reply to the motion after the Throne Speech and now, once again, I have a chance—and I'm grateful for the opportunity—to reiterate the point of view of this party.

Let me be very clear that we believe that the nuclear policy adopted by Ontario Hydro

is not a question here, nor at question is the matter of exploiting the uranium resources of this province and creating jobs here. All those are obviously acceptable, at least within the framework that they have so far been approved. Our concern, however, is that there has not been a public policy in Ontario to declare that the uranium used to generate electricity for the consumers of Ontario, provided that uranium is found in the soil of Ontario, would be priced at nothing more than the cost of production plus a fair profit to the owners involved.

Mr. Turner: What's a fair profit?

Mr. S. Smith: That public policy has never been stated by the Premier of Ontario, although he has been invited to do so many times. Apparently, it does not represent the public policy of this government. This government prefers to settle for something that the Premier referred to during the time he was at the committee as "something less than world price." That was all he asked for. He never asked Hydro whether they had been demanding nothing more than the cost of production plus a fair profit, and he never asked Mr. Roman to settle for the cost of production plus a fair profit.

Hon. Mr. Baetz: That's a questionable premise.

Mr. S. Smith: Instead he admitted—and he will be here to speak for himself—that all he asked of Mr. Roman was to come up with something other than, something less than, world price.

We believe that the people of Ontario should not have to pay a price that is tied in any way to the world price for us to use in our own Ontario Hydro system uranium that is found in the soil of Ontario. We do not understand why we should have to worry about what escalation might occur in world price in the future when it is our own resource in this province. The only arguments that we have seen are, first of all, the fact that Ontario doesn't have control of its uranium.

What I would like to know is why this government has not fought hard, once it realized that we had in mind such a massive purchase of Ontario uranium, to regain provincial control of uranium. All other energy sources are under provincial control, and this one is out of provincial control only because of its possible relationship to defence problems and the creation of atomic bombs and weapons. The fact of the matter is, however, that we could have found many ways to provincialize the resource which is presently federalized. We could have found many

ways to do that without impinging on the matter of national defence and the creation of atomic weapons. Yet the government has never fought for that.

What should have been done in 1974 was to have had a definite policy to acquire the uranium resources. At that time, the government had a willing seller and might have been able to handle the situation without the present problems. The present problems are constitutional because we can't expropriate. The problems are that the prices have gone up and the government doesn't have a willing seller. The problems are that it has to deal with the minority shareholders. Those are all real problems, even though the members of the New Democratic Party prefer to ignore those particular problems.

Ms. Gigantes: Come on! You are just scared.

Mr. S. Smith: We believe the government should have acquired that resource. I say in all honesty since the Premier is in the House that had I been in his place—and I know he doesn't like me to talk like that—

Hon. Mr. Baetz: It is fantasizing.

Mr. S. Smith:—we would not have hesitated five minutes to acquire those resources for the people of Ontario. Failing that, the next step is to demand a public policy of the kind I have outlined. The question is, what does one do now that they didn't do it, now that Hydro was sent in to negotiate with Mr. Stephen Roman. Hydro was given nothing in the way of support from the government in the way of a declaration of public policy. They were forced to negotiate with virtually no weapons of their own in what seemed to be a seller's market at the time. They are lucky to come out with anything at all. In fact, I don't fault Hydro at all in any of these negotiations. But I do fault the government in these negotiations. I fault the government severely and I fault it at both levels, provincial and federal, but in particular it is up to the government of Ontario to protect the interests of Ontarians.

Mr. Roy: Especially the former minister.

Mr. S. Smith: The question is what to do now? Look at this contract. Hundreds of millions of dollars are being put up by the people of Ontario for Stephen Roman to expand his mine, his production capacity, which he has to do to meet his Japanese contracts. He will use that production capacity, that you and I are going to pay for, interest free to send the best uranium in the mine to Japan for some years to come.

Hon. Mr. Baetz: Come on! You are getting carried away now. You can't prove that.

Mr. S. Smith: Then and only then will he use that interest-free provided production capacity to produce uranium for us from poorer grade ore at the bottom of the mine. That is the deal that this government wants us to endorse.

Hon. Mr. Baetz: You can't prove that.

Mr. S. Smith: I tell you, Mr. Speaker, that this failure to defend the interests of the people of Ontario is something that the people of Ontario will have their opportunity to speak about at some time in the future, I suspect. I am saying to you that this has been a failure on the part of the government to defend the interests of our people. I would say to the government, don't sign.

The member for Mississauga North and the Premier have from time to time mused on the idea that we haven't given what they call an alternative. We haven't said "nationalize" and we don't say "nationalize."

Hon. Mr. Baetz: What do you say?

Mr. S. Smith: The alternative is that the government doesn't sign. It makes a declaration of public policy that the cost of uranium here is to be the cost of production, plus a fair profit.

Hon. Mr. Bernier: Control yourself.

Mr. S. Smith: It demands renegotiation of the contract with Stephen Roman and then it sees what happens.

Mr. Deans: Then you nationalize.

Interjections.

Mr. S. Smith: The government says what is going to happen is that Mr. Roman—and listen to them quaking in their boots—might sell the uranium to Japan tomorrow.

Hon. Mr. Baetz: The lights have gone. You have got no electricity. That's what will happen.

Mr. S. Smith: They are afraid he might turn around and sell the uranium out from under our feet to Japan tomorrow. They are afraid they don't have the power to bring him to the bargaining table and strike a fair and reasonable bargain with this so-called wonderful corporate citizen.

Hon. Mr. Rhodes: Get another picture taken with Pierre. You looked lovely. What did you whisper in Pierre's ear?

Mr. S. Smith. Let me tell the ladies and gentlemen in this chamber that Stephen Roman does not run the province of Ontario and, if he does, he should not be running the province of Ontario.

Hon. Mr. Rhodes: And neither do you.

Interjections.

Mr. Deputy Speaker: Order.

Mr. S. Smith: If Denison wants to sell out our uranium from under our feet, and if the Premier is powerless to prevent it from doing that, then I say it is a sorry day for Ontario to learn who really is running the show here. If I were Premier of this province—

Hon. Mr. Baetz: If!

Hon. Mr. Bernier: That will never be.

Mr. S. Smith:—and Stephen Roman threatened to sell this uranium out from under our feet, I would move heaven and earth to block that contract.

Hon. Mr. Rhodes: You're bringing a little humour into it now.

Mr. S. Smith: I would fight the federal government to prevent an export contract. There are many legal ways in which you could make it impossible for Roman to extract that uranium. There are a good many ways.

Mr. Handleman: Is that what you were discussing with himself last Saturday?

Mr. S. Smith: I remind the former member of the cabinet from the Ottawa-Carleton area that when he was a member of the cabinet, I suspect, his cabinet actually gave approval to certain of those export contracts that Denison wanted in order to send uranium to Japan.

An hon. member: You didn't even know what you were doing.

Mr. S. Smith: None of them knows what is going on.

Hon. Mr. Baetz: You're the only one who knows.

Interjections.

Mr. S. Smith: The fact of the matter is that the government has to stand up for the people of Ontario.

Hon. Mr. Rhodes: By golly, Mike, you've got a fight on your hands.

Interjections.

Mr. S. Smith: The government must not let Mr. Roman bluff them or threaten them or in any way frighten them. Have some guts, I say to the gentlemen in the cabinet. Stand up to him. Don't sign the contracts.

Furthermore, I would like those gentlemen to know that if they follow the way things are going nowadays, there have been some very significant discoveries of uranium in Saskatchewan. There is a lot more exploration going on right now for uranium.

Hon. Mr. Baetz: And much greater use being made of it.

Mr. S. Smith: It is no longer going to be a seller's market in the next few years to come. Don't quake in your boots, I say to them. Don't get down and lick the shoes of

Mr. Roman or anyone else. Don't sign the contract. Demand a shorter-term contract under the public policy that says, "We'll pay for uranium the cost plus a fair profit—and no tying it to the world price. We in Ontario have that uranium in our soil. We should not have to pay any price related to the world price for uranium. That is our policy."

Hon. Mr. Rhodes: What is your position on oil? Tell us about your oil position.

Interjections.

Mr. MacDonald: Mr. Speaker, when a week ago as chairman of the select committee on Hydro I wrote to the Premier indicating that a majority of the committee did not feel that these contracts were in the public interest and therefore orders in council should not be promulgated to legalize them or to authorize them, the press reported that the Premier was disappointed.

He acknowledged that a majority of the people on the committee felt, and expressed the view, that the contracts weren't in the public interest. But he expressed disappointment that they offered no alternative. May I say to the Premier, who is within earshot, that is not quite wholly true. I want to indicate why. It's partially true but not wholly true.

Mr. Handleman: It's either true or it's not true.

Mr. MacDonald: It is true that members of the Conservative Party indicated they were in favour of approving of the contracts. They used for their arguments a rather judicious choice of the summary and the synthesizing of the evidence that the staff presented to the committee a week ago Monday.

What the staff did was, on balance, to come to the conclusion that Hydro, within the restrictive parameters which were imposed upon Hydro by the two senior levels of governments, had negotiated good contracts. Within those parameters they negotiated good contracts. They were toughly negotiated; they were skillfully drafted. The majority of the committee didn't accept the contention that the contracts were acceptable because they questioned the parameters imposed by government on Hydro; and I want to focus on those for a moment.

For example, the staff argued that you could sign the contracts and then go to Ottawa and continue to press to get a two-price system. In fact, if you got a two-price system and that price happened to be lower than the price that is negotiated under the contract, it would apply because it

would be the posted domestic price authorized by the government of Canada. However, as late as a week or so ago we had a letter from Mr. Gillespie in Ottawa indicating that the government of Canada has no intention at all of changing its policy.

Hon. Mr. Davis: You're right. And you didn't even read your friend's letter.

Mr. MacDonald: There is no intention at all of changing its policy.

Hon. Mr. Davis: Your buddy—your friend. [5:45]

Mr. MacDonald: Therefore, I suggest that to argue that this is a way to escape from the restrictive parameters of the contract and that you should go ahead and sign it is a false conclusion.

Secondly, it was argued that if you signed these contracts at lower than the world price—

Interjections.

Mr. MacDonald: Have I got the floor, Mr. Speaker? Very good.

Hon. Mr. Maack: Looks like it.

Mr. Deputy Speaker: I recognize you.

Mr. MacDonald: If you sign these contracts at less than world price, the capital value of the mine would be less than if you didn't have the contracts and they were selling their uranium at world prices; therefore, go ahead and sign it at something less than world prices and the capital value would be less, so that if you wanted to proceed with acquisition presumably you might be able to get them for even less. That, I suggest, with all the respect I have for the staff of this committee—the best staff I've ever seen in any select committee—is also not a very convincing conclusion.

Mr. Reid: That doesn't say much for the other staff.

Mr. MacDonald: The reality is that these contracts, if they were signed would remove the dynamic for moving towards something of a lower price than Ottawa is going to impose upon us. Secondly, it would remove the dynamic for moving towards acquisition.

Let me pause right there to address another point. There has been a very false impression created—assiduously cultivated, I would add—that if these contracts aren't signed, suddenly we're going to get into deep trouble. The light won't go on, the lights will go out down at Hydro.

Mr. Speaker, will the House please recognize this reality? The first delivery on the Denison contract is in 1980. By the year 1985, the total delivery will be 3.7 million pounds.

By 1990, the total delivery on the contract will be 15.9 million pounds. These contracts aren't meeting our short-term needs. There's no crisis going to burst upon us with the lights going out if we don't happen to sign these contracts.

Hon. Mr. Baetz: You need lead time.

Mr. Nixon: What about shortfall?

Mr. MacDonald: In fact, the situation is even worse. These contracts don't meet our immediate needs. There's a shortfall of some 10 million pounds which Hydro has got to go out and borrow from the federal stockpile, or to purchase on the international spot market; in either case at world prices. So they do not meet our immediate needs and there is no urgency for signing it now. We have got time to negotiate, that is the point, we have got time to negotiate.

Hon. Mr. Davis: That is not what you were saying in November, Donald.

Hon. Mr. Baetz: We need lead time.

Mr. MacDonald: Don't let anybody panic you into believing that we're going to have a crisis on our hands. There won't be a pound of uranium delivered for two years from Denison. Indeed there will only be 3.7 million pounds by 1985 and 15.9 million pounds by 1990.

So I come back to the really tragic thing, the missed opportunity that this government has imposed upon the province of Ontario for the last five years. In 1973, Task Force Hydro—not a group of socialists, not a group of ideologues—said that it was in the interests of Hydro to secure its long-term supply by acquiring a mining complex. And in precisely that year, Denison was a willing seller. Indeed, they sold their mine and then the federal government vetoed it and they had to take it back and they cancelled the sale.

In that year, as has been pointed out by two or three of my colleagues, you had the beginning of a scenario. You had George Gathercole, the chairman of Hydro, writing to the Minister of Energy, and indicating in his view that we should proceed immediately with the purchase of uranium assets. In June 4, the next year, you had J. G. Matthew indicating that the key to Ontario Hydro's bargaining position now and in the future was the acquisition of uranium assets. Not an ideological position—

Ms. Gigantes: Business.

Mr. MacDonald: —a cold, hard business proposition presented to the government by Hydro.

Mr. Cassidy: You can't run Ontario any more.

Hon. Mr. Baetz: The member has never made a business decision yet.

Mr. MacDonald: And what were you getting back from the government? You have it magnificently summed up by Darcy McKeough's letter to George Gathercole at one point, when he plaintively said, "Surely there must be an alternative to acquiring the mines?"

Ms. Gigantes: Yes; some alternative!

Mr. MacDonald: Ideological position? There it was: "Surely there must be an alternative to acquiring the mine?" This government has consistently opposed it. When Project Wellesley indicated that there were economic advantages in it, they did not even look at Project Wellesley. For something like three and a half years they didn't look at Project Wellesley.

Mr. Nixon: They did not even show it to Jim Taylor.

Mr. MacDonald: They did not show it and, indeed, the government did not even get a copy until a week before the committee began to look into it.

May I just finalize this scenario, Mr. Speaker? The staff of the committee, from which the government members are willing to pick and choose for their analysis—and they choose to ignore this—the staff has pointed out that the economic advantages for acquiring Denison are as great today as they were five years ago; as great today as they were in 1975, when Project Wellesley was reported.

Ms. Gigantes: Better.

Mr. MacDonald: So, Mr. Speaker, there is an opinion that there is a viable alternative. Here is where the Premier has half a measure of truth.

Hon. Mr. Davis: We never deal in half truths over here.

Mr. MacDonald: Just a minute now, just let me make my speech. The Premier is not in this debate. I am a little puzzled by where the Liberals stand, because the leader of the Liberal Party said in the committee, and he repeated it here this afternoon, that if he had had any say back in 1974 he would not have delayed five minutes, he would have moved to acquire the Denison assets. Now he says it is too late.

Mr. Breithaupt: That is correct. You're getting it.

Mr. MacDonald: There has been no documentation by the Liberal Party as to why it is too late. The only other alternative that they have given is the alternative that we

should have from the government, a declaration of public policy.

Mr. S. Smith: I will give you three reasons.

Mr. MacDonald: What is that declaration of public policy? It is that the resources in the ground of Ontario should be available to meet Ontario needs. Are they going to get that from the federal Liberals? Of course they are not. Their policy is contrary to it. It is going to be at world prices and with guidelines that are no sure guarantee. The only viable way of implementing that policy is by the acquisition route and I only wish the Liberal Party had shared it and the government would not be able to twist the story. We would have had a clear alternative.

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. MacDonald: Mr. Speaker, may I just say to the Premier, quietly, in conclusion, if he goes down University Avenue and takes a look at the Adam Beck statue he will find in the base of it, or he will find over in the Hydro building, a motto. Does he know what the motto of Hydro is? "Dona naturae pro populo sunt"—"The gifts of nature are for the people."

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. MacDonald: There used to be Tories who understood that. There used to be Tories who recognized the viability of public ownership—

Mr. Deputy Speaker: Order, order.

Hon. Mr. Davis: Mr. Speaker, I find it a little difficult to sum up the discussion of the past two-plus hours in the very few minutes that are left. I must say to the honourable members, if they felt I was not listening, in fact, I was. I had my volume turned up in my office when the member from Wentworth was speaking, I could actually turn it down and still hear him, but that does not diminish his contribution in any way.

I would like again at the outset, as I did when I appeared at the invitation of the committee, to express my appreciation to the members of the select committee. We did ask them to assume this responsibility and I guess, as I have said at the committee and I have said since, that on occasion one must expect that the human reaction will be such that sometimes partisan politics will be placed ahead of, shall we say, objective points of view. I understand that.

The distinguished member who is the chairman of that select committee wrote me a very interesting letter. He did say the only area where there was a consensus was that

opposition members said don't sign. He is quite right. There was no alternative agreed upon by the majority of the committee. The fact of the matter is that the select committee in reviewing these contracts in its judgement said don't sign, with no alternative supported by the majority of the members of that committee.

Mr. MacDonald: Not to let you off the hook.

Hon. Mr. Davis: That is the fact that faces the government. I would say to the new Liberal House leader that I listened to his observations—and I would never accuse him of misinterpreting the facts—but he perhaps did not portray them with the accuracy that the facts really represent. I would say to the very distinguished member, who has had a lot of experience in this House and on these matters, if he tries, as he is, to oversimplify by saying that it was as simple as Denison asking for world price, and Hydro asking for the cost of production plus a reasonable profit—and no one has yet defined what he means by a reasonable profit—that was not the alternative. Denison had refused to discuss it and there was no question that that was not going to happen. That is when I was asked to intervene. As I said at that committee, I am a very modest person.

Mr. Cassidy: A modest apologist for business.

Mr. S. Smith: Oh my God.

Mr. Kerrio: You've got a lot to be modest about.

Hon. Mr. Davis: That is right. I would say to that very able member from wherever he is who knows it all and who knows it all on every issue, that if my intervention led to the terms that have been agreed upon and did result in savings of hundreds of millions of dollars to the consumers of this province I am not taking any credit for that.

We talk in very large sums, and I hope the media put this in some form of perspective. We are talking about two contracts which are worth a lot of money, \$6 to \$7 billion. I think the public should know that if we are talking about other forms of energy or fuel to produce the same comparable amount of energy, if we are talking about US coal, which is something which is not indigenous to this province, we are talking \$50 billion. If we are talking about coal from our western provinces, we are talking about \$65 billion.

Ms. Gigantes: What a red herring!

Hon. Mr. Davis: If we are talking about oil, that Liberals want at world price—and if I have ever heard a more inconsistent policy

in the history of my time in this House, it is the policy of the Liberal Party that says, "World price for oil and natural gas, but let's have a two-price policy for uranium".

I have decided that is the Greer formula. I have decided to name it the Greer formula. At world price for oil, do members know what the oil bill would be for the same amount of fuel? The member for London Centre (Mr. Peterson) should be interested. He is a businessman he keeps telling me, and his family keep telling me.

Mr. Peterson: I have told them not to speak to you.

Mr. Breithaupt: It is our uranium.

Mr. Nixon: You will give away what is ours.

Hon. Mr. Davis: The member's mother and father came through the receiving line the other day.

Mr. Peterson: They needed the free coffee.

Hon. Mr. Davis: I say how could their son be so misguided.

Mr. Speaker, do you know what that figure is? It is \$67 billion under their formula to produce the same amount of energy that \$6 or \$7 billion in nuclear power will produce for the people of this province. Those are the figures that should be put in perspective.

Mr. Makarchuk: What's a billion dollars in oil?

Mr. S. Smith: You're right, we should not burn oil in nuclear reactors.

Hon. Mr. Davis: That is right. You cannot burn oil in nuclear reactors. We cannot control the price of oil because they want it to go world price.

Interjections.

Hon. Mr. Davis: Let's put it into perspective for my wife. I have dealt with the hon. member's family.

Mr. S. Smith: She does not want to burn oil in nuclear reactors either.

Hon. Mr. Davis: She pays the bills in our household. She may be listening. Let's put it in perspective for the consumer. We are talking about 75 cents a month or two cents a day. That is what this contract represents in fuel cost for the development of this amount of energy. That is the perspective it should be put in. What this House should be concerned about is the security of supply that these contracts may afford. Members opposite talk about nationalization or confiscation. If they had any sense, do they know what they would have done?

Mr. Roy: As usual you are not listening.

Mr. Martel: You cannot nationalize what belongs to the people.

Hon. Mr. Davis: You would have accepted it. You would have made your position more credible. You should have said: "Sign the contracts and then see if you can't take it over." That would have been a more intelligent position to take. That's what your staff told you.

So, Mr. Speaker, to sum it up: the government is left with this—and we're going into cabinet very shortly—we have the judgement of seven intelligent people in this House. I don't quarrel with that. We have their judgement based, I think I can say honestly, on somewhat partisan and perhaps even on somewhat philosophical points of view.

Mr. Martel: Doctrinaire.

Hon. Mr. Davis: I am taking a look at that. On the other side of the equation, Mr. Speaker, and this is what we have to consider in our responsibilities.

Hon. Mr. Rhodes: What do the Steelworkers say?

Interjections.

Mr. Deputy Speaker: Order.

Hon. Mr. Rhodes: They said to sign it.

Hon. Mr. Davis: We have the report of your own staff, which I think is one of the excellent reports that have been presented. You have the objective advice of the adviser to the Ministry of Energy. You have the objective advice from the people retained by Ontario Hydro. And I would say to the former Leader of the Opposition, there was one man there at least whose judgement you should accept, one Mr. MacIntosh—

Mr. Cassidy: What about George Gathercole?

Hon. Mr. Davis: —who impressed me, really, in a very singular sense. His advice is to sign these contracts, and the former leader can't dispute this because that's the same man who in 1975 was going to arrange for the take-over by the Nixon administration of the affairs of this province. That's the same Alec MacIntosh. That's the same man in whom you had this great confidence. I must say I didn't know him before, but I now share that confidence in his judgement.

Mr. Cassidy: You don't understand the parliamentary system, you know. You are flouting minority government.

Mr. Nixon: We are keeping him on.

Hon. Mr. Davis: So, Mr. Speaker, we're left with the interests of the public, the

consumers, the employment opportunities, the security of supply and—

Mr. Nixon: Why haven't you been able to attract able people?

Hon. Mr. Davis: —one very relevant factor that some members in this House forget. Mr. Speaker, since Hydro began—and I know the motto, I spent a little time down there—that corporation has provided the cheapest power to the people of this province. They have provided security. We haven't had brownouts; we haven't had the problems. We can supply this ore for our economic growth.

Mr. Makarchuk: Do you mean our government operation can work efficiently?

Hon. Mr. Davis: I still have to make up my mind as to whether or not that order in council can be signed, but I would say to the members opposite that nothing they have presented this afternoon adds anything to the discussions in the select committee. The policy of nationalization or confiscation by the NDP—and I say it—

Mr. Roy: You're not listening. As usual you're not listening.

Mr. Martel: That's a lot of crap. You can't nationalize what belongs to the people.

Mr. Deputy Speaker: The time has expired.

Hon. Mr. Davis: Come on. The member for Sudbury East knows full well the reason he wants me to nationalize it. It's so he can run Denison. He wants to run Denison.

Mr. Foulds: That's a complete fabrication and you know it.

Hon. Mr. Rhodes: He wants to be president of Inco.

Hon. Mr. Davis: He would be signing everything overnight if he could run that company.

Interjections.

Mr. Martel: I have never heard so much crap in all my life. You couldn't even spend \$15 million to save 8,000 jobs. Don't tell me such nonsense. You're incredible.

Hon. Mr. Davis: And Mr. Speaker, the totally incredible, incredible position of the official opposition who claim, "Don't sign it, things will sort themselves out; we will buy it in Saskatchewan, buy it in Australia," with no finality, no solution.

Mr. Roy: Show some guts.

Hon. Mr. Davis: And I say that does not present a viable alternative as far as the government considerations are concerned.

I want to assure all members of this House—

Mr. Reed: You should have been listening to what I said.

Hon. Mr. Davis: —that the government will make a decision taking into account the public interests, the consumers, the cost, and we will make that determination sometime before midnight tonight.

Mr. Makarchuk: You are vandalizing the province. That's what you are doing.

Mr. Martel: You don't need a cabinet meeting. Just sign the document. Give it away.

Hon. Mr. Rhodes: You social workers and teachers are all the same.

Mr. Deputy Speaker: Order.

Mr. Martel: You ex-cops are all the same, finks.

Mr. Makarchuk: You are giving away the province.

The House recessed at 6:03 p.m.

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No. 7

Legislature of Ontario Debates

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Second Session, 31st Parliament

Tuesday, February 28, 1978

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, FEBRUARY 28, 1978

The House resumed at 8 p.m.

THRONE SPEECH DEBATE

(continued)

Resumption of the adjourned debate on the amendment to the motion for an address in reply to the speech of the Honourable the Lieutenant Governor at the opening of the session.

Mr. Walker: Mr. Speaker, I arise to speak on the address of Her Honour which is a very commendable address. She said a number of things that I consider to be particularly relevant and important. I wanted to draw attention particularly to the reference to the sunset law in the Throne Speech, as some may have guessed.

Mr. McClellan: Well, is it a reference or isn't it?

Mr. Walker: I am not sure—there are times I wondered if it was the initiative of the Leader of the Opposition (Mr. S. Smith), whatever that initiative may be.

On page 11 of the Speech from the Throne, Her Honour said that "in addition, the government will establish a mechanism to review the operation of agencies, boards and commissions which have responsibility for many of the regulatory functions that are now carried out." I am of the opinion that this signals intention on the part of the government to proceed—I had the feeling on occasion—kicking and screaming to the altar. But in any case it is along the lines of "sunset" as I traditionally know it.

I was disappointed that the Speech from the Throne did not actually state the word "sunset" because I thought that was a word that offered a certain meaning all of us in this House would fully appreciate. However, from my discussions carried out prior to the Speech from the Throne, and discussions with a number of people, I am satisfied that there is an indication here that sunset is likely to be deemed part of the legislative process that we may see in future months, in terms of its having been presented to the House. I am most appreciative of that, and feel it will go a long way towards solving many of the problems that we have as a Legislature—that all govern-

ments have—in terms of the growth of the size of our bureaucracy, the dimension of our bureaucracy and its involvement in the daily lives of people.

When we talked about sunset, I really don't need to remind members that we are talking about an automatic termination, an automatic death date if you choose to use those words; but, in any case, a point in time when there will be a finish, an absolute end, a termination, a death of a regulatory board, an agency, a commission, and for that matter a government program. The proposal in the Throne Speech does not seem to go so far as to include government programs, but I would hope that government programs might come under the scrutiny of the sunset provision.

Mr. Wildman: What about government members?

Mr. Walker: I want to remind the member for Algoma, who has indicated we should include government members, that the first and only form of sunset has occurred with government members and with opposition members. It occurs almost every four years and occasionally sooner.

Mr. Laughren: You know that.

Mr. Walker: There is a certain accountability that occurs, and speaking with some degree of knowledge—perhaps somewhat greater than that of others in this Legislature—I can say that the provisions of sunset are at times very devastating. They certainly accomplish their purpose and solve a number of problems.

The sunset that we see here does not go so far as to include the provisions of a government program. I think that is unfortunate; however, I think there is room for government programs all eventually to be included.

My particular concern involves the area of licensing. I think all of us are concerned about the degree to which regulatory agencies, through the vehicle of licensing, interfere with the ways of our lives. We don't have to look very far—to municipal licensing, to provincial licensing, and in fact to federal licensing—to realize that we have a gross amount of over-regulation in this

country. I mention what used to be called the CRTC. I don't know what the new acronym is, but it is the equivalent of the agency which licenses the right of television to provide some form of service but which in fact provides, for our benefit, what we want to see, whether we want to see it or not. And I think that's the unfortunate part of these licensing agencies.

The regulatory agencies in Colorado: some members will remember the debate on November 3 concerning the regulatory agencies in that state of the union. There, 40 of the regulatory agencies were brought under the aegis of what is called the "sunset provision," and legislated into them was the automatic termination date beyond which these boards and commissions and agencies, which were regulatory, would not continue. That has had a very good effect.

The program was scheduled so that some 13 agencies were to be considered in the year 1977; the Act was passed in 1976. The 1976 Act in Colorado indicated that 13 of the agencies would be reviewed in the year 1977, a further 13 in 1979, and 13 more in 1981. It gave a proper vehicle for review. The review process was to be completed by the Legislature prior to the actual termination date of the agency. In Colorado in 1977, as I indicated, 13 agencies were reviewed, one being the Passenger Tramway Agency, whatever that was. That was one of the four which ended up being terminated completely. It was allowed to come to a successful conclusion and entered into that area restricted to those who depart life.

The other agencies were reviewed very methodically and some four or five survived the review process completely unscathed. An additional four or five were modified in serious and significant ways. That process alone was very valuable. But perhaps the inherent process that was unexpected in the Colorado review was the therapeutic value that it had on the other agencies, boards and commissions within the purview of that state. Suddenly all kinds of new and good and methodical changes in the policies came forward.

A good many of the boards and commissions, who were self-regulatory, went through that good, medicinal approach of removing their worst appendages and correcting some of their abuses. That process was extremely good, too. By the end of 1977 a good number of the boards had eliminated the unnecessary parts of their legislation. That in itself, while not directly part of the process of sunset,

was a spinoff which proved to be extremely successful.

The general philosophy in all this is that no program, no agency, no board, no commission—no regulatory body—is so sacrosanct as to escape regular and periodic review. That is something I think our Legislature fails to achieve. It fails to accommodate a review process. There just is no review. I don't know when this Legislature has reviewed anything.

Only occasionally the odd item will come forward from the past for some reason—usually due to media attention—and it is given some review. But by and large we have a process that's not unlike a sausage machine in that it cranks out—if I may use that awful description—one sausage after another sausage after another sausage, and they merely pile up on the floor, there to lie forever. Really, they're never thoroughly reviewed. That, I think, is a significant bad side in our legislative process.

The real issue is whether or not all those boards, agencies, commissions and programs are really worthwhile, are really worth keeping. Are they ever reviewed? The answer is no. The approach we take in the Legislature is a scattergun approach. We approach it through the estimates and the estimates approach, I think for all members, is a totally—well, I don't like to use the word "useless," but I must suggest that the word "useless" comes to mind. I am not convinced that the estimates approach has any value whatsoever in our legislative process.

What happens? If we review it, it's in a scattergun approach. If we review it and we reduce it by \$1 the government's liable to fall. So what are we really going to accomplish, even in this minority time?

Mr. Wildman: That would be something.

Mr. Walker: The estimates are neither increased nor reduced. What happens is that the minister goes before the estimates committee—whatever it might be—and he subjects himself to the kind of abuse that only some of us can provide, and he comes out usually scathed—

Mr. Wildman: Quit looking at the member for Sudbury East (Mr. Martel).

Mr. Walker: —certainly being offered comments that are not appropriate for reproduction at this moment, and he's not at all happy about the process.

What about the government members? Most of the government members go in and, frankly, they sit there and wonder why they're there.

Mr. Haggerty: I can give you some reasons.

Mr. Walker: If they raise too many questions, the minister starts to wonder why they're there too.

Mr. Martel: They will not get to be a PA, Gord.

Mr. Walker: That's right. And if they start to raise very embarrassing questions, I think there are times when the minister has some feeling that perhaps we would be better off if they weren't present at that time.

For the members of the opposition, I guess there is good therapy in that, because it's a chance to berate people, to rake people over the coals, to rake even civil servants over the coals. What is accomplished in the end? Really nothing. The minister walks out with his budget intact. So what has been accomplished by that period of 20 hours spent on it?

The Ministry of Transportation and Communications had their estimates before our committee—and I see the minister (Mr. Snow) looking forward and I remember him so well appearing before our committee. It was a very interesting discussion that we had with the minister. We spent 20 hours discussing the estimates of his department and that ministry carries estimates that are \$1,063,144,000.

Mr. Kerrio: Too much money.
[8:15]

Mr. Walker: The estimates were neither increased nor decreased.

Mr. Blundy: And they won't build a highway to Sarnia.

Mr. Walker: I don't think that really says the minister was perfect in his estimates. I think that merely recognizes the fact that if the estimates had been reduced or altered in some meaningful way then there would be likely an election in the offing. So, of course, there was no reduction of the estimates.

Mr. Wildman: There must be a couple of roads in your riding you don't want built.

Mr. Walker: However, I have a very able person by the name of Ann Townsend, who is a parliamentary intern this year with me, and she did an analysis of the Ministry of Transportation and Communications estimates to see just what the votes represented and just what was discussed generally. It might interest you to know that, as I indicated, the budget is \$1,063,144,000—a lot of money.

Mr. Martel: Yes, 10 per cent a year.

Mr. Kerrio: Just about what the government is going to overspend; what you are going to go into debt for.

Mr. Laughren: Just about the deficit.

Mr. Kerrio: Cut that one right out and you will balance the budget.

Mr. Walker: The votes were rather interesting. I think the opposition can take a lot of credit for their review and thorough analysis of what this minister presented before the House, because during that period of time there was one area that was reviewed, and in terms of money it represented three per cent of the budget—approximately \$32 million. Yet 25 per cent of the estimates time was devoted to it. Fully five hours was devoted then to three per cent of the budget.

Mr. Wildman: What was it?

Mr. Walker: That was the area involving vote 2503, dealing with the Ontario Highway Transport Board and the administration of that particular area; half the time was spent on that \$714,000. And for the balance, the \$30 million, another two and a half hours was spent on that. That involved licensing, inspection, examination and enforcement.

Then there were three votes—just to make up the balance of the time—that totalled 92 per cent of the budget—almost \$1 billion; \$987,144,000. You would expect that 92 per cent of the budget would command an awful lot of attention; and it did—fully 21 per cent of the time was spent on 92 per cent of the budget.

Mr. Martel: But we don't all have assistants to do that research for us, Gordon.

Mr. Walker: These were parliamentary interns, and they were available.

Mr. Martel: That's right, but there are only eight of them floating around.

Mr. Walker: I am very properly accommodated by my parliamentary intern who has provided some very good research.

Mr. Martel: Right, now give us all one and we would be happy.

Mr. Walker: She has indicated that just over four hours was spent on over \$978 million—which was 92 per cent of that particular budget.

Mr. Bounsall: It's disgraceful, the way the government schedules its business.

Mr. Walker: I agree with the member for Windsor-Sandwich who indicates that that is disgraceful. I can't understand why members of the opposition would have spent so much time on so little.

Mr. Bounsall: The government organized the time structure.

Mr. Cunningham: Trying to get the answers; in fact, we are still waiting.

Mr. Walker: I think that all points out that very little time is spent on the kind of pro-

grams that come before the Legislature. For the benefit of the minister, it is a kind of tiring exercise. I suppose he wonders why he goes through it. For the opposition, when they get all the way through, they too wonder, I suppose, why they have gone all the way through it.

Mr. Bounsall: It is called being a government.

Mr. Laughren: It doesn't bother Jim Snow.

Mr. Walker: All they ultimately find is a scattergun approach, so that extremely important programs are totally ignored in the whole process. And that is why I think the estimates approach should be given a look at.

Mr. Bounsall: We will really take Transportation down the next time.

Mr. Wildman: Did you break it down in terms of questions and answers?

Mr. Walker: This was one particular ministry taken at random. I think other ministries would reflect the same. There is not the proper opportunity to review all the programs in a meaningful way and then to do something about it. It would seem to me that with a sunset law built into a certain number of government programs—in fact, hopefully, all programs at some point in time—these might properly be brought before the opposition and government members who sit on these committees—

Mr. Cunningham: Sunset law for ministers.

Mr. Walker: —to carefully consider and determine whether a program has served its usefulness or not. That, I think, would be an extremely valuable purpose, and I would recommend it as a logical extension of the entire process.

Mr. Martel: I thought you were going to recommend a researcher for each of us.

Mr. Wildman: Did you calculate how long the minister took to answer the questions?

Mr. Walker: That is a comment about sunset. Certainly sunset can be blended very well with the concept of zero-base budgeting, which I gather the government is approaching in fairly strong and meaningful ways.

Mr. Wildman: Did you say the government was approaching a sunset?

Mr. Walker: No, zero-base budgeting. But I understand that great representative of the people, the Ombudsman, has introduced his budget before the Board of Internal Economy—I think that is how it is put, Mr. Speaker; variously, other words are applied to it. In any case, I understand the Ombudsman has put forward his budget, which is something

like \$89,000 less than what it was last year and which was fairly significant.

I am told the reason for that achievement was an approach to a budgeting called the zero-base budgeting process, which means that instead of considering the budget as of last year and adding on a certain percentage for next year, what you do is take the budget, go back to zero and say, "What would happen if we had no dollars in this particular budget, in this particular decision package for this particular year?" Then, when you've considered that and come to the conclusion that calamity would occur, you say, "All right. What would happen if we had 25 per cent of the dollars?" You scale it upward to 100 per cent of the dollars and, after four attempts, you may arrive at 100 per cent and then even add something on. That would be unlike last year, when let us say the budget was \$82 million last year, as an example, for a certain program; therefore, we would add on 10 per cent for inflation and the budget logically would be whatever that is—\$90 million or so—for the ensuing year.

That is why I think zero-base budgeting is so attractive; it is a way of getting to the root question: Is this program even needed at all? Can we get rid of it? That is the kind of thing that I think would be extremely valuable through much of the government process, and I am very pleased to see so many of the ministries now venturing into zero-base budgeting.

The connection with sunset is that sunset is merely a triggering mechanism that brings it about. Once the triggering mechanism occurs, once the review is forced upon the legislative body—whatever it may be—then the approach of zero-base budgeting is properly reviewed at that point of time. So there is a strong marriage between the two points.

I think zero-base budgeting has an awful lot to offer, and I am so pleased to see the government proceeding along that line in so many of the ministries at this moment in time. It is impossible to attempt to zero-base the whole government at once and it has to be done on a gradual basis. I commend the government in their approach this way, and I am even more pleased to see the addition of what I deem to be a sunset provision in the Throne Speech. I suppose if it is not sunset, we will have to bring in some kind of a bill that might propose sunset at some point in time.

Mr. Wildman: I think you are moon-gazing.

Mr. Walker: In any case, at the moment it looks to me as if this is the sunset and I am very pleased that we have arrived at that point.

Mr. Martel: We could have sunset for Frank Miller. It would be a new idea.

Mr. Walker: It all fits well into the concept of deregulation which I think is a thread through the entire Throne Speech—deregulation, less government, less size, less bureaucracy and so much the better for everybody concerned.

Mr. Riddell: You'd better come over to this side. That's what we have been saying.

Mr. Van Horne: Mr. Speaker, it's rather interesting that the former member for London North is followed by the member for London North. First of all, I would say that it is a pleasure and honour for me to reply to the Throne Speech for this second session of the 31st Parliament. As the member for the riding of London North, to which I alluded a moment ago, I am very mindful of my duty and obligation to those constituents who thought enough of me to make me their representative in this great province.

Mr. Riddell: They love you, Ronnie.

Mr. Van Horne: I hope their foresight in this past election will be not unlike that of Lieutenant Governor John Graves Simcoe, who back in the year 1793 selected the forks of the Thames as his choice for a possible future site for the capital of the province, or at least the western seat of the province. Of course, those of us who are historians will recall that that city, although it was not founded until 1826, did in fact become the administrative seat for the vast London district of what used to be known as the south-western peninsula.

The ongoing growth and prosperity of this fine community is a reflection of the strong character of those fine people and, again, a reflection of those people that we call Ontarians. If there is a thread through the Speech from the Throne, and the member for London South has found a thread—

Mr. Laughren: It's threadbare.

Mr. Van Horne:—perhaps a little different from mine, I would have to suggest that that thread is a people thread.

Mr. Wildman: It's going to hang them.

Mr. Van Horne: I would like, before I get into specific comments, to make one or two observations that would be of interest, I hope, to the members of the House. I would like to point out particularly that the Uni-

versity of Western Ontario, which is in a part of the riding that I represent, will celebrate its 100th anniversary on March 7; in other words, in another few days. Western's centenary, which will be marked with a week of special activity culminating in activities on March 7, I would hope would be acknowledged by all members but specifically by those members who happen to claim Western as their alma mater. It was on March 7, 1878 that royal assent was given to the Act of incorporation of the University of Western Ontario.

There is another general observation, too, before I get to specifics, and that is that I'm very concerned as a new member to look at the history of the House in the last eight years. If my research is correct, I would call to the attention of the members that the number of days in which the House has sat from 1970 through to the end of 1977 would average about 101 days per year. This sounds amazing, does it not, that in a province which has over eight million people and with a budget that has within this last year passed the \$14 billion mark, all of its business can be done in so little period of time, so few days.

For example, in the year 1970, the House sat for 88 days; in 1971, for 62 days; in 1972, for 77 days; in 1973, for 112; in 1974, for 135; in 1975, for 155; in 1976, for 103; in 1977, for 76. This total of 808 days over eight years is a deplorable record.

I would like to suggest that it has been far too easy particularly for the government to insist on the business of the House being done in committee. The guise, to me, is obvious. This frees up, for members of government and cabinet, a lot of time for them to carry on business, public relations and other business, and assists them in the perpetuity of Tory government.

It is my attitude and my opinion that this must change. I would state very clearly that this House should sit as long as necessary to get its business done. It should not, except in dire circumstances or emergency situations, refer its business to committees that meet when the House does not normally sit. We should all take it upon ourselves to resolve that the business of the province of Ontario will be done five days a week, 52 weeks or 50 weeks a year if necessary, to make sure that the job is done.

This comment leads me into the thrust of the Speech from the Throne, this speech which indicated in its early comments that our main challenge as members of Parliament is to meet the crisis of confidence—I think that is an exact quote—also to build

upon our assets to reflect the belief in the type of society we are trying to preserve. [8:30]

I, for one, and I am sure also my colleagues in this part of the House, would assure the government that we accept this challenge. The Speech from the Throne indicates that the worst unemployment, in Ontario as in Canada, is among the youth. Unfortunately, the speech does not give too much hope for this group. Vague reference is made to a training program especially geared to satisfying the manpower needs of industry. It also goes on to say that development of such a program will be given the highest priority in the coming year. It says too that the new training scheme will emphasize employer-centred training and will provide the required level of skills in the shortest possible time.

It goes on to point out, moreover, that the Minister of Labour (B. Stephenson) will in the very near future convene a conference with college and university personnel and representatives of labour and business as well as federal and provincial officials directly concerned. What a tower of Babylon will be built again! I would submit that the history of the apprenticeship training program in this province is not an altogether happy one. There is a growing confusion between the levels of authority in so far as apprenticeship is concerned. These levels of authority are those levels that one would find in the secondary schools. They are the teachers responsible there for the preliminary training at least of the people going into trades and then, beyond them, the people at the colleges and universities, particularly at the colleges of applied arts and technology level. Then they have to work in concert with the various employers involved in whatever training program.

These lines of authority have turned fuzzy at best. It would now seem that there really is not one central authority. To add to this, as is suggested in the Speech from the Throne, further confusion from the Ministry of Labour will not, in my opinion, resolve the problem. If it is true that the major group with which the government has to concern itself, that is, the unemployed group, is that group from age 16 to 24, I would suggest the central authority which must take upon itself greater responsibility is not Labour or Colleges and Universities but rather Education.

This is the system which has these young people in the years leading up to 16 years of age and has a responsibility to teach these young people the very skills they will need

to succeed, be it in a trade or otherwise, in our economically lagging province. People must be encouraged—and I am not quarrelling with that particular part of the implication in the Speech from the Throne—to train in technology and skilled trade areas. I do not think we should be training more and more teachers and nurses, if I can use this as an example, when our obvious need might be for people such as geriatric care workers or environmental specialists. No matter how one looks at it, the educational system starting in elementary and on into secondary schools is that agency which must have as its major function the concern of these youngsters on an ongoing basis.

If I could revert just for a moment to the role of the secondary and elementary schools, it is my opinion that we have to build in our schools a new spirit of self-reliance. Our young people must learn to rely upon themselves and not on government jobs and government handouts. We need to regain the pioneer spirit which built this great country and this great province. Our young people are going to have to work harder, compete more fiercely and scramble faster than any other recent generation of Ontarians. It will not be easy for them to make it in the world and we had better start telling them that.

Hard work, competition and discipline will be the keys to success and to survival, but these are, in my opinion again, exactly the qualities which have been taken out of our school system. In other words, hard work and discipline must be restored to our schools. We owe that much at least to our young people, who desperately need to learn the skills which will make them able to get a job and make their way in our free-enterprise economy.

I was disappointed that in the Speech from the Throne we did not find too heavy a reference to the various problems in our educational system. It has been said before by our party and I would like to repeat it. Personally I am of the opinion that there is a great need to establish diagnostic evaluation processes to measure the achievement of children within our system. The results, we would hope, would enable these children and their parents and teachers to identify areas which require more work, or from which they could benefit from enrichment.

In this connection, too, I would suggest that although there has been recent reference from the ministry to basic subjects, or a more definitely underlined emphasis on core curriculum, we must go a step further and spell out the specifics of core curriculum, including English grammar, English literature, mathe-

matics—Canadian history and geography would not hurt either—and perhaps a little more emphasis on physical education and health education, which for some time unfortunately have been getting nothing much more than lip service.

I would like to digress for just a moment. From time to time—and I give credit to the government for this—there has been an attempt to try to find out what some of the shortcomings are, what some of the problems are as a youngster moves from elementary to secondary, or secondary to post-secondary education. This little quote from the text “Basic Skills at School and Work” I think is a reflection to prove the point, and I am quoting:

“Students, too, are keenly aware of their shortcomings. Their teachers in secondary school and post-secondary institutions have hammered the point home. Young people have discovered that they are ill-equipped for the formal demands of any post-secondary courses which require much reading and writing. Students rarely express pride in their secondary school education. They feel that much of their work was futile. Many now express regret that they were permitted to avoid the drill and discipline needed to provide solid competence in mathematics and English composition.” I use that, Mr. Speaker, as only one evidence of some of the earlier comments I made.

It is rather disturbing as one looks through the Speech from the Throne to hear that the government plans to attack the unemployment problem—and with emphasis for this younger-age group to which I have referred—through two, what I would call, Band-Aid programs. I refer specifically to the Ontario Youth Employment Program, which is basically a summer employment subsidy program, and to the Career Action Program, which too, really is nothing more than a short-term proposal. Surely we can do better than that.

I will come back to education in a moment, but following through the Throne Speech I would like now, very briefly, to move into the area of the economic proposals. I must submit that I am not an expert in matters economic. Certainly one, however, could not quarrel, be he expert or not, with the aim suggested, and that is to improve our balance of payments and return our deficit position to a balance point, particularly in such fields as tourism. That has to be commendable. There is also an intent, as I understand it, to increase efforts to find new export markets for Canadian products, particularly Ontario prod-

ucts, and technology. This, too, has to be commendable.

But let me submit to the House that in this regard we are overlooking perhaps one of the biggest assets our province has. There wasn't a reference made to this in the speech. That oversight is this: In my opinion, we have more well-qualified doctors, medical technicians, dentists, dental technicians, pharmacists, pharmaceutical technicians—generally speaking, if you want to put them under one umbrella, scientifically oriented people—per capita than any other part of Canada or any part of the western hemisphere. We are blessed with many capable scientific people. Yet we are not assisting in any way—we are not giving any provincial encouragement in—the field of medical and related research. That, in my opinion, is more than sinful.

Hopefully, the comment in the Speech from the Throne in so far as the challenge of coping with the unprecedented growth of the 1960s being replaced by the need for reordering of priorities in the late 1970s—that is to do better with relatively less—cannot and should not apply in the field of medical, nor for that matter scientific, research.

In regard to the comment made about the government increasing its investment in energy conservation and renewable energy projects, let me say at the beginning I applaud this statement. Lest the government—three or four representatives of which happen to be here tonight—

Mr. Mancini: It's nice of the member for Peterborough (Mr. Turner) to show up.

Mr. Wildman: He's practically the only one from the government here tonight.

Mr. Van Horne: —feel that it has come upon something new, I would like to read a quotation:

“Within our lifetime, our greatest need will be conservation. Our greatest thrust should be to encourage scientists and engineering people to plan the wisest possible use and development of our energy resources. The comparatively cheap hydro power which we can now provide will attract industry and population. Our concern then is for development based on a foundation of wise use and conservation.”

This statement was made to the Rotary Club of London in 1928. The speaker was Dr. E. D. Buchanan, a lifelong friend of Sir Adam Beck and a former general manager of the London Public Utilities Commission. His statement, which I just read, sounds very

much like something that we heard last Tuesday.

Surely the government and Hydro should have known for many years that conservation had to be one of its main programs. Let us hope the growing concern for Hydro over cost and conservation will be put into a program that will be a positive and meaningful program.

I found it interesting, in following through the Speech from the Throne, to see how references continually were made to education. I'm going to go back to that topic, because in the sequence of things this does come up at this point in the evolution of that particular document.

I note with interest that the government will seize—note the word—it's going to seize the opportunity to place an increasing emphasis on special education in our elementary and secondary schools.

Mr. Wildman: They're going to put it in a straitjacket.

Mr. Van Horne: I'm pleased to note that a plan of increased funding has been introduced to stimulate and support expanded special education programs and services at the local board levels. At least that's what I'm told. I've tried to analyse this statement with some people in the ministry and my analysis has revealed, in these last few days, that approximately \$12.6 million more will be made available for special education at the elementary level and \$11.5 million available at the secondary level for this coming year. Add them together and you get \$24.1 million. When we take a look at the overall budget of \$2.4 billion plus for this past year, we will realize what a rather insignificant percentage increase that is.

[8:45]

These increased funds, as I understand it at any rate, come through the ministry manipulating weighting factors; and if anyone wishes to take on an interesting exercise of an evening, I would suggest that he goes through the grant regulations and then follows that up by trying to understand weighting factors.

Although this project is commendable, one has to wonder just how long these funds will be available to our school systems. The ministry cannot, if it is serious about these programs, put the funds in for a year or two and then remove them if things happen to get a little tougher.

Special education programs are just that. They are special. They take a long time to plan, they take a long time to implement. The minister must, at the same time that

he announces such increased funds for the coming year, also indicate to school boards a greater continuing concern for special education than has been shown in the past.

In this regard I note that the Throne Speech also makes reference to initiatives being taken to place more emphasis on early identification of children with learning disabilities. It brings tears to your eyes. I am sure the former leader of the third party is about to reach for his Kleenex.

Mr. Speaker, if they are serious about this, one would have to question some events from the past. Some six years ago the Windsor board of education and the Ministry of Education in the province of Ontario began a project called the Windsor Early Identification Project. This very commendable undertaking was completed and its findings summarized in a booklet form issued in 1976. Many of the findings in that report could be used for future planning. I would like to know if the ministry is intending to use this as its foundation for this new program or whether something else is being planned.

I find it very disturbing that the ministry puts great emphasis on projects such as this. The projects seem to be nothing more than just that, a project, something to be done for a year or two and then left alone.

To give evidence again to this criticism, I would suggest that during the estimates debate in July of 1977 when a question was put to one of the staff of the ministry about incidence tables for those children with learning disabilities, the ministry replied that it, in fact, did not have an Ontario incidence table. Yet there was the project to which I referred just a few moments ago, the Windsor Early Identification Project. If any members are interested copies are available; it's an interesting document.

How much dust is that gathering on the shelves now, and why didn't they follow it up with further studies to find how many of these youngsters there are in the province so that they could properly fund for them? How can they fund for children with learning disabilities or for special education if they don't know how many they have got? It makes absolutely no sense at all and I hope, beyond all hope, that the ministry is not playing with this. To give them credit I feel that they are not, but I am not sure that they are going in the right direction.

Before I leave this topic, I would like to note that there is not one single reference in the Speech from the Throne, not one single reference, to where the Ministry of Education particularly, or for that matter any of

the ministries, is going to cut. Where? Where do we find reference to that? Certainly, is that not one of the thrusts that should have been taken in the opening of this new session?

I find other comments that are made in the Speech from the Throne interesting. I found it a little disconcerting to see that reference was made to compulsory automobile insurance before there was any opportunity for the select committee on company law to make any of its recommendations known to the House. That particular committee is winding up its considerations and its study on that theme of automobile insurance. It struck me that the government moved a little bit beyond what it should have considered its domain and, as far as I can determine, made no reference to that committee before it made that statement in the Speech from the Throne.

I am not quarrelling with compulsory automobile insurance; I am quarrelling with the way in which it was presented and perhaps with the uncertainty about the implementation date. What does implemented by December, 1979 mean? Will we be totally phased in by then or will we start phasing in at that point in time?

I have another comment or two. Legislation is proposed to protect children caught up in family disputes, and one cannot help but applaud that type of legislation. It is interesting to note in the sequence of things in the Throne Speech that this legislation is followed with a direct reference to a series of initiatives towards an overall approach to combat alcohol abuse in our society. I am sure that this back-to-back reference to family law legislation and the new legislation controlling alcohol is not an accident. It was rather skillfully designed to put these back to back. Hopefully, when the members of this House deal with these problems, party loyalties will be put aside and the common good of all those people in our province will be considered.

At this point in time, I must take a moment to remind all of those present and those that might read the Hansard record of this evening that we cannot forget that the initial impetus for changing the drinking age—the legislation coming from a private member's bill—came from the Liberal member for Essex South (Mr. Mancini).

Mr. Mackenzie: And the select committee on highway safety.

Mr. Van Horne: Or both.

In conclusion, it will be interesting to see how the government manages to manipulate

the finances of our province in order to try to achieve the goal of a balanced budget over the next year, or two or three or four years. Hopefully, the government will not resort to taxation only as a means to attain this end. I am sure we are all aware that when Adam Smith proposed his four basic principles of taxation, he insisted that taxes should always be—

Mr. Laughren: Did he say Adam Smith?

Mr. Van Horne: It depends on which book the member likes to read.

Mr. Samis: That's not one of the member for Nickel Belt's favourites.

Mr. Van Horne: Does he want me to bring out another reference, say Karl Marx?

Mr. Laughren: I used to stand on his book to reach the cookie jar. That is how old it is.

Mr. Samis: You should see what he's got in his library now.

Mr. Van Horne: The basic principles referred to, either by him or others, are that taxes should be certain, convenient, economical and based on the individual's ability to pay. What wasn't mentioned was that taxes should also have the capability of raising a great deal of money for the hard-pressed taxing authority. We all know who that is; members opposite, I am sure, will be aware of that.

I had to chuckle at an article in our local press in the fall headed, "How the Government Picks Your Pocket." A reference was made therein to Ontario introducing the provincial gasoline tax back in 1925, which raised a humble \$2 million in the first year of operation. I understand that in this past year there was something over \$500 million raised through that same tax. Those members who scanned the press today will realize that gasoline is going to cost even more in another day or two.

The provincial sales tax is another device. Julius Caesar is really the one who introduced the old sales tax. Then we had our own dictator; I think Frost was his name. In 1961 he exhibited some of the same fearsome facility for filching money out of our taxpayers' pockets. In 1961 the government introduced something that was called the Frostbite. I may have the date just a little inaccurate, but the Frostbite, the first provincial sales tax, fixed at three per cent, raised \$175 million. Now that it's up around the seven per cent level, how much is the government pulling in? Short of \$2 billion? Whatever the numbers, surely the taxpayers of this province are staggering under the weight of these various hidden and open taxes.

Let us, before we consider any further taxation, take a look at those areas within our provincial budget from which we could cull out those fat areas. Let's review all of those budgets and reduce them wherever possible.

I can't help but chuckle when I recall another comment made by a gentleman by the name of Levenson. We're all struggling with making ends meet, and Levenson said, "I spent so many years of my life learning how to make ends meet. Now that I have the means, they've moved the ends farther apart." I think that's what's happening to our people here in the province of Ontario.

Mr. Nixon: Right.

Mr. Samis: Even down on the farm, Bob. Next page.

Mr. Van Horne: In summary, our job as members of Parliament is to work for the individual welfare of each Ontarian and the collective good of our province. Can you imagine how effective we could be if we did work together for the people of Ontario?

There is reference made from time to time about the individual. It has been said that behind every deed and behind every great movement there has been an individual, a person existing. As the dictionary puts it, "Person: A separate, indivisible entity; unique, never repeated phenomenon, acting and feeling in a peculiar way, a way peculiar to himself." He is a person who has resolved, "I will walk on my own feet. I will work with my own hands. I will speak with my own mind." If we could get together, we could get the job done in the province of Ontario. I was hoping that I would have seen more of that in the Speech from the Throne. Perhaps the members would take these few words under advisement and work together.

Mr. McClellan: I'm pleased to take part in the Throne Speech debate, Mr. Speaker, although God knows this is surely the most vacuous Throne Speech that has come our way, at least since I was elected in 1975.

Mr. Martel: It is called the year of the dinosaur.

Mr. McClellan: At a time when unemployment is verging on 300,000 people in this province out of work, the Throne Speech offers on the major social problem of the day a complete cop-out; a little cheer-leading towards Mr. Trudeau's feeble efforts to deal with the problem of unemployment, but a self-righteous, Pontius Pilate-ish washing of the hands in the face of the tragedy of unemployment in this province.

It's pathetic. As my colleague said, it's a theadbare Throne Speech that is a disgrace to any government in any province.

I don't want to dwell on this—

Mr. Nixon: Are you for or against it?

Mr. McLellan: I'm against it. This is a fairly dead crowd. You have to realize the difficulty—

Mr. Nixon: We remember when you used to work for a living. You used to sit under the gallery here telling Yaremko what to say. Do you remember that?

Mr. Martel: You can't even insult them.

Mr. McClellan: That's right; there's nobody to insult. There's nobody for me to work myself into the—

Mr. Martel: Frank Miller is over there giving away land.

Mr. McClellan: —into the self-righteous rage that this Throne Speech deserves.

Mr. Wildman: You've got two members of the government.

Mr. Turner: Where are they when you really need them?

Mr. Samis: Come on, John, work on him.

Mr. Nixon: I see Villeneuve.

Mr. McClellan: So I hope you'll appreciate the difficulties that I'm labouring under.

Mr. Cunningham: Dispense.

Mr. Samis: We've got more in the back bench than you've got in the whole place.

Mr. McClellan: The last Throne Speech, as I recall, wrapped itself in the flag. This Throne Speech, I suppose you could say, Mr. Speaker, hides behind the skirts of the family. This little series of diversionary hallelujahs to the family is set out as though this government had some reason to be proud of its record with respect to services to families or to people in this province.

[9:00]

I thought it would be useful to spend my allotted time elaborating on a tiny little section of Throne Speech on page 17, and just look at this government's record with respect to services to families in this province.

The Throne Speech, on page 17, has the following noble sentiment: "My government shares the concerns of thoughtful citizens who see a need for concerted action, and is prepared to take a leading part in supporting and strengthening the family in Ontario."

Mr. Martel: Going to increase family benefits tomorrow.

Mr. McClellan: "First, the government will undertake a comprehensive review of its policies and programs as they affect the family, with the aim of making changes to" et cetera. "Special attention will be focused on the needs of single parent families, working mothers and their children, family care for the handicapped, the sick and the elderly."

Mr. Martel: At the same time cut the budget.

Mr. McClellan: At the same time cut the budget.

This government has nerve in associating itself with, as it says, thoughtful citizens who have a concern for the family, who see a need for concerted action. We should just spend a few minutes looking at this government's record in each of those areas that it outlines for itself as subjects of special attention.

We can make some suggestions to this government, some fairly concrete suggestions, around what they might do if they are serious about undertaking a review of this government's policies and programs with respect to family. I hope that the Minister of Community and Social Services (Mr. Norton), and the Provincial Secretary for Social Development (Mrs. Birch), will pay some attention.

Mr. Martel: Would they were here.

Mr. McClellan: If they were here.

Single-parent families are the first group identified; and the plight of single-parent families in this province ought to be one of the major concerns, even obsessions, of a government concerned in a serious way with the needs of the family.

Since 1961 there has been an 85 per cent increase in social assistance caseloads in this province and a substantial portion of that increase has been attributable to the increase in the number of single-parent families on social assistance rolls.

The children of single-parent families in Ontario who are members of families on social assistance rolls number 100,000; one hundred thousand children in Ontario are members of single-parent families on social assistance. Quoting from a June 1977 report of the Social Planning Council of Metropolitan Toronto, as follows: "We may say that Ontario welfare allowances are neither adequate nor equitable, and that those dependent upon them are unquestionably living in poverty." One hundred thousand children in this province, who are the direct responsibility of this government because

they are dependent for their support on this government, are living in poverty.

Mr. Wildman: They should go on Workmen's Compensation benefits.

Mr. McClellan: The government has had an opportunity to redress this inequity. There was a period between June 1975 and April 1977 when the social assistance rate remained unchanged; the period during which the consumer price index went up some 20 per cent. Finally, in April 1977 the government raised the social assistance rate nine per cent to restore exactly half of the lost purchasing power of families on social assistance in this province. At the same time, the government had unspent funds in the family benefit and general welfare assistance budget for 1976-77 of \$36 million. At the end of the fiscal year 1976-77, \$36.6 million was left unspent and disappeared back into general revenue. That \$36 million was sufficient to give an eight per cent increase to social assistance recipients, including the 100,000 kids in poverty on social assistance in this province. And yet this government used that money as part of its ruthless and obsessive desire to meet its goal of a balanced budget. That money would have been sufficient to restore the purchasing power of social assistance recipients; almost exactly to restore the purchasing power that had been eroded over the years 1975 to 1977.

But that is not what this government is about. This government is not about meeting the needs of single-parent families. That is not what this government is in the business to do. Their business is to keep these kinds of families, these kinds of kids, in a state of poverty to meet their overall objectives of restoring profit to the private sector. That is simply what they are about. For them to say in the Throne Speech that they have concerns about families is the sheerest unadulterated hypocrisy. This government still pays foster parents more money to look after somebody else's kids—

Hon. B. Stephenson: Balderdash.

Mr. Wildman: The minister says that's balderdash.

Mr. McClellan: This government still pays foster parents, in case the Minister of Labour wasn't listening, more money to look after somebody else's children than it will pay a mother to look after her own child.

Mr. Mancini: Are you listening, Bette?

Mr. McClellan: And this is a government that states in its Throne Speech that it has a concern for the needs of families. That is the sheerest bunk.

The government says it intends to review the special needs of working mothers. They are going to have a comprehensive review of the special needs of working mothers. This is the same government that brought a total halt to day-care expansion in 1976-77. I should say not a total halt—the government was going to build 215 new day-care spaces for the year 1976-77.

The government budgeted, for day-care operating money, \$29 million. They spent \$24 million for a surplus of day-care operating funds of \$4.4 million. They budgeted \$5 million for mental retardation day-care centres and spent \$3.7 million for a saving of \$1.3 million. They budgeted \$5.4 million for day-care capital. They spent \$3 million for a surplus of \$2.4 million. They had a surplus at the end of 1976-1977 of \$8 million in unspent money for day care. And they have the nerve now to say in the Throne Speech that they are going to pay special attention to the needs of working mothers, after bringing a complete halt to day-care expansion and after piling up a surplus of \$8 million—again, for the purpose of restoring profitability to the private sector, regardless of the social consequences.

This is the government that requires working mothers who wish to obtain a day-care subsidy to go to the welfare office. This is the government that requires ritual degradation and humiliation of working mothers who want to get day care for their kids and need a subsidy. And they have to go to the George Street welfare office in my city of Toronto and fill out the most humiliating and intrusive means test that exists, I think, anywhere in this country. I think that the Form 7 means-test ritual that is required of day-care subsidy applicants is probably the most abusive and humiliating means test that exists anywhere in this country.

This is the government that says in the Throne Speech that it has a concern about the needs of working mothers. They have the gall in the Throne Speech to say they are going to celebrate this year the United Nations' year of the child. If you are going to do that—

Hon. B. Stephenson: That starts next year. It's not this year; it's next year.

Mr. McClellan: Is it 1978 or 1979?

Mr. Lewis: It's 1979.

Hon. B. Stephenson: It's 1979.

Mr. Lewis: But you're celebrating family unity month next month. The hypocrisy doesn't really matter.

Mr. McClellan: I was going to come to family unity month a little later.

Mr. Makarchuk: I've always wondered where the Tories came from.

Hon. B. Stephenson: At least we can say we had parents; that's more than you can say.

Mr. McClellan: If you are preparing for celebrations for the year of the child, they might remember that in Ontario, according to the National Council on Welfare—

Mr. Wildman: Go back to figuring out workmen's compensation benefit increases.

Mr. McClellan:—that in Ontario there are 400,000 children who live in poverty. Seventeen per cent of all the children in this province of Ontario are members of families living below the Statistics Canada poverty line. Ontario has a child poverty problem of what can only be called enormous proportions.

The great irony, of course, for the benefit of the Minister of Labour, is that most of the children, most of the 400,000 poor kids in this province belong to families whose parents are in the work force. That's why we talk so angrily to her about the inadequacy of Ontario's minimum wage law. That's why we talk so angrily about the absence of measures that would make it easier to extend the collective bargaining process in this province. Ontario's minimum wage, even after the August 1978 increases, will still be lower than British Columbia, Alberta, Saskatchewan, Manitoba and Quebec.

Mr. Martel: We're a poor province.

Mr. Lewis: And the Yukon and the Northwest Territories.

Mr. Martel: Some day we'll get a Minister of Labour who supports labouring people.

Mr. McClellan: And yet it is understood by all of us on this side of the House that the government will not eradicate poverty in this province as long as they tolerate substandard labour conditions, as long as they tolerate exploitation of working people and their families in secondary sectors of the work force. That is where poverty exists. That is where poverty exists in this province. The way to deal with it is through an adequate minimum wage. They can keep their four or five or how many it is—

Mr. Lewis: Four.

Mr. McClellan:—philosophers who dispute the need for a decent minimum wage or for any minimum wage.

Mr. Makarchuk: Colin Brown will be number six on the list.

Mr. McClellan: May is going to be family unity month in Ontario. It wasn't too long ago that I obtained a report—this is by way of illustration of how this government fosters family unity through its social development policies, Mr. Speaker—from the Metro Children's Aid Society that indicated that 41 per cent of the kids in protective custody of the Metro Children's Aid Society were kids who suffered from mental retardation, from a development handicap, and who were in care absolutely unnecessarily. They did not need to be in care. There was no reason for them to be separated from their families, except that this government has failed to develop the kind of family support services that would make it possible for a family to keep a handicapped child, a mentally retarded child. Forty-one per cent of the kids in the care of the Metro CAS were forced into care unnecessarily because of the absence of services and because of the absence of adequate income support for parents to keep their own kids.

At the same time that I received this report, we learned that \$50 million of the new money that this government had received to provide community and home support services for the mentally retarded had been spent instead on the operating costs of the old hospital school. In other words, that \$50 million became part of the government's restraint program. It became, in a sense, a windfall profit to the government that was ploughed into existing operations for a cost saving of \$50 million, in their own narrow little bookkeeping terms, and that money was not put into programs that would have made it possible for parents in Metro Toronto or other parts of Ontario to provide adequately for their own retarded children.

This is the same government that spends \$33.50 a day to send a person to a hospital school for the retarded. That comes out to \$10,000 a year per person.

[9:15]

Mr. Makarchuk: That even makes bad economics.

Mr. McClellan: Shortly before the election, members may recall that the minister announced he was finally going to bring in a special allowance for the parents of retarded kids that would enable them to absorb some of the enormous additional costs entailed in looking after a retarded child at home, and he offered the glorious and generous sum of \$150 a month maximum. That is \$150 a month this government is prepared to offer to a mother and father to keep their child at home together with them while at the

same time it is willing to pay \$10,000 a year to send the child to an institution.

That, by way of illustration, is a typical pattern with respect to this government's social development policies. That is what this government has always done and it has, in the past and to this day, refused to move away to a different sense of social services, to a different philosophy of social development.

Yet it has the nerve to use the rhetoric of family unity when its policies are absolutely destructive of family unit.

Mr. Wildman: Penny wise, pound foolish.

Mr. McClellan: The Throne Speech offers special attention to the needs of the sick. I do not have to dwell on the health cut. I do not have to dwell on the cut in nursing services. There has been an enormous exodus of Ontario trained and educated nurses to the United States, nurses who could be used to form the basis of a community-based, home-based health delivery system. We have seen cuts in services such as visiting homemakers, for example, budgeted by the Ministry of Community and Social Services at \$7.9 million, spent at the level of \$4.9 million for a surplus in that area alone of \$3 million. It all adds up. It all adds up to the kind of cost savings that the Treasurer was referring to this afternoon, I believe, during question period. If members want to know where he got those cost savings, he got \$55 million of those cost savings or cost trimmings out of the budget of the Ministry of Community and Social Services. Yet again they have the nerve, while at the same time savagely decimating services to families in Ontario, to pose as the champions of family unity, to pose as people concerned about the need for action to strengthen family life.

Finally, they mentioned in the Throne Speech that they intend to pay special attention to the needs of the elderly. I have a sense that we are heading for—I think one can use the phrase—an enormous social catastrophe with respect to the elderly. Ontario still has a relatively small percentage of elderly people, relative to the total population. I think it is in the order of eight per cent and that is substantially lower than the proportion of elderly in most western industrial societies, where it is more in the neighbourhood of 13 to 15 per cent.

Yet we are unable to cope in Ontario with the needs of our elderly today, even while they remain a relatively small segment of the total population. We know, as clearly as we knew that the baby boom was going to disrupt the school system and as clearly as

we knew that the baby boom was going to disrupt the labour market, that the baby boom eventually is going to place enormous demands on our society and on our capacity to provide both income support and social services to the elderly population.

If we do not start planning for that immediately, if not sooner, we are going to be in an absolutely hopeless situation. Unless we begin to put into place now the two essential elements of an adequate income support scheme and a comprehensive community-based, home-oriented geriatric care service, we are going to be faced with the only alternative, which is a return to what amounts to incarceration of the elderly. There is no other way out. One cannot put that kind of a system in place overnight. It needs to be developed slowly over a period of time. Resources need to be allocated in a planned and systematic way over many years until that kind of a system gets put in place.

Failing that, we will have a crash program of building homes for the aged, which is a rather hideous prospect. We have barely emerged—I don't think in fact we have really emerged—from the poor law era of dealing with the aged, which was to incarcerate the aged. Lambert Lodge was torn down last year or two years ago. It was in my riding. It was the old poor house in Toronto, a relic of the 1834 poor law tradition of looking after the indigent. It became the home for the aged. It was a hideous way to look after old people, and yet we have not really emerged from that.

The 1975 interministry report on residential services indicated very clearly and very starkly that this province really has not progressed from a policy of institutional incarceration as the main way of addressing the needs of the elderly people. The interministry report spoke to the reality of the situation. It said: "Ontario gives its seniors a strong financial incentive to go inside, to go into institutional care. In the meantime, the aged person in the community can barely make ends meet and has extremely little in the way of service to help him stay there." That is simply a description of an elderly care system that is based on a poor law mentality, on an institutional or custodial mentality. And Ontario has not moved away from that.

It is starting to pay lip service to the notion of developing adequate income supports and adequate community-based geriatric services on an integrated, comprehensive planned basis. But that has not happened in any serious way. All we have had so far is last summer's student employment

program. This government still has a sufficiently low sense of priorities with respect to the needs of the elderly that it is able to feel it can fob off such essential services as home support, home help and visiting homemakers to a temporary, ad hoc, low paid, minimum wage summer student employment program. That is a simple disgrace.

The Social Planning Council in its recent submission to the royal commission on pensions has pointed out the stark reality that in Metropolitan Toronto alone more than 50 per cent of the elderly individuals who are living alone, who are in the main women, have retirement incomes of less than \$3,500 a year. That means that in Metro Toronto half the elderly individuals living alone are living in a state of poverty.

This government has no business identifying itself with those, as they say in the Throne Speech, thoughtful citizens who see a need for concerted action and are prepared to do something respecting supporting and strengthening the family. The government has much to do to get its own social development house in order if it intends to undertake a review of each of those five areas within the Social Development secretariat. The review shouldn't take very long. The review shouldn't take any longer than 10 or 15 minutes.

Members in both parties on this side of the House have been addressing themselves to these concerns for many years. My colleague from Sudbury East has spoken on all of those issues in the years when he was social service critic prior to myself. Before him, critics have addressed themselves to the selfsame issues I'm raising again here tonight, probably for the umpteenth time.

This government does not need a review of action to support and strengthen families. This government needs the guts to do something about these long-neglected areas of social development policies.

Mr. Laughren: You just hit on the missing ingredient.

Mr. McClellan: I would like to conclude by making a couple of remarks respecting the needs of my own constituency. I don't know how to describe the sense of anger within the community I represent with respect to the Workmen's Compensation Board. I raise it every year at every possible opportunity, I suppose, to the Minister of Labour. It's beginning to sound boring.

I remind the minister that I fought the last election with my Conservative opponent largely on the issue of the Workmen's Compensation Board. We joined in combat very

directly and very specifically on that issue in my community, and the results speak for themselves. The Conservative candidate managed to reduce the Conservative vote to less than 25 per cent in a riding that had been held by the Conservative Party previously for 25 years when the issue was the Workmen's Compensation Board. It really was a local issue election in many respects in 1977.

I would hope the minister would take note of that. I doubt she will. Her remarks in this House as recently as Friday, in response to my request that she bring in an amendment to the Workmen's Compensation Act to raise the rates, which have been raised since 1975, were simply despicable.

The consumer price index has gone up something in the order of 20 per cent since the last increase in the workmen's compensation rate. It is only just that the minister raise the workmen's compensation rates at least by an equivalent amount. Those rates are already inadequate, as every member in this House knows. Every single member in this House knows that the workmen's compensation rates are inadequate. For the minister and the government to sit there and refuse, after three years, to bring in a cost-of-living increase, that is sick government; that is government that is unworthy of any people.

Mr. Makarchuk: Her ideology has paralysed any sense of compassion she ever had.

Mr. McClellan: The explanation is very simple: After the last raise in 1975, the government was unwilling to raise the assessments on companies sufficient to retire the cost of the last increase. As a result, the government has a \$400-million unfunded liability. Rather than deal with the problem by raising the rates and retiring the cost in a reasonable period of time, it commissioned this study. It is now postponing and deliberately delaying the obvious rational course of action, which is to raise the rates, and it is an act of pettiness that—

[9:30]

Hon. B. Stephenson: Don't impugn others with your motives.

Mr. Laughren: The minister is a blot on the landscape.

Mr. McClellan: It is an act of pettiness that is a blot on this government's record, and on any government would be.

Mr. Conway: It is an act of Bette-ness.

Mr. McClellan: The other issue with respect to the Workmen's Compensation Board is the problem of jobs for injured

workers, and again that's an issue that's been raised by both parties on this side of the House. Surely to God that's not a partisan issue. Surely it makes sense for the government to provide, through affirmative action or through any other means, even if it's affirmative action within its own hiring policy, jobs for injured workers, particularly for injured workers who—

Mr. Laughren: The government is not doing anything for them.

Mr. Makarchuk: Don't mumble. Just raise the amounts.

Mr. McClellan:—work in manual labour and who lack, for a variety of reasons, the skills to upgrade themselves vocationally and there are thousands—

Mr. Speaker: Will the hon. members for Nickel Belt and York Mills carry on their private conversation elsewhere?

Mr. McClellan: Thank you, Mr. Speaker. There are thousands and thousands of workers in this province who are in that predicament and the government still fails to act.

Mr. Wildman: Let them eat cake.

Mr. Makarchuk: Marie Antoinette.

Mr. McClellan: Let them do what? Let them go on welfare. Let them eat cake. Let them do anything, this government's attitude is, except go back to work. My constituents will not go to welfare. My constituents won't go to the welfare office. Injured workers in the riding of Bellwoods will borrow from friends and from family and they will do without, but they will not go to the welfare office. They don't want workmen's compensation particularly either. What they want is work that they can do at a decent wage that will support their families.

That's not a very irrational demand. That's not a very unjust demand for people of this province to make on their government, and yet this demand is being made year after year. Injured workers have come in their thousands to demonstrate here in front of this Legislature and they came from my riding. The Union of Injured Workers originated in the riding of Bellwoods. Nothing has been done. Nothing has been done since that ferment first began within my community back in 1969-70 and now it's 1978 and the frustration is just as strong and the resentment is just as deep and just as bitter as it was eight years ago.

It will stay so until this government comes to grips with the needs of injured workers through a twofold program of adequate compensation, eventually through universal accident and illness insurance, and secondly,

through a program of guaranteed jobs for injured workers through affirmative action. Yet the Throne Speech says the government is going to pay special attention to the needs of the handicapped. What a lot of bunk. What a lot of hypocrisy.

Mr. Makarchuk: They should have printed it on stitched rolls.

Mr. McClellan: Finally, the issue of property tax relief: Nothing promised nothing gained. There continues to be a need within my community for some kind of special tax credit provisions for home renovation. We are very interested in development in the great riding of Bellwoods, but not in highrise development. We would like to redevelop our own homes. Most of my riding has been redeveloped by the workers who own and occupy their own homes; and they, by and large, rebuilt their own homes from the inside out and from the bottom to the top. Those who haven't done it yet are doing it now. It is a part of the economy of my community that supports a lot of people, a lot of small businessmen, a lot of tradespeople. It is a very vital part of the economic life of the community that I represent.

It is an enormous hardship to the working people who spend their time and effort—mostly their own sweat equity—on renovating and redeveloping their homes, to then get socked with an enormous increase in their assessment. It's iniquitous. The contribution that that kind of sweat equity and that kind of investment represents to the community, in terms of preserving the housing stock and preserving the stability and liveability of our neighbourhoods and communities, ought to be recognized through property tax credits that accrue to the renovator-owner of the property.

I would hope the government would see the wisdom of introducing those kinds of measures. I appreciate the opportunity to have joined in the debate. But I regard this Throne Speech as even more obnoxious than previous Throne Speeches. I thank you for your indulgence.

Mr. Sterling: Although I have had the opportunity of speaking in this House on two or three occasions prior to this time, I have never really had the opportunity to talk to this House about the former member for Carleton-Grenville, Donald Irvine. I would like to pay tribute to him at this time, because I believe that he served the province of Ontario and served his community in an outstanding manner.

Before coming to the Legislature of Ontario, Don served on his council and as mayor of the town of Prescott. In 1971, he

was elected to the Legislature for the riding of Grenville-Dundas. In 1975, he was re-elected as the first member for Carleton-Grenville, and retired in 1977. Don served as the parliamentary assistant to the Treasurer and was the Minister of Housing. He then went to the Provincial Secretariat for Resources, Development. I know Don, personally; I know his wife Eleanor. I think that both these individuals have given to Ontario a tremendous contribution.

I would like everyone in the House who were friends of Don to know that he hasn't withdrawn from community life. He continues as a representative for the town of Prescott and the South Grenville Industrial Commission, and is doing everything in a local sense to try to attract industry to his town of Prescott.

Mr. Nixon: He'd be pushing Edwardsburgh in every way he could.

Mr. Samis: He'd probably be criticizing the government for their inaction. He already has, hasn't he?

Mr. Sterling: Don is doing everything to help in the development of Edwardsburgh, and I might report that he was at our meeting with the other local representatives on November 18. He agreed with all of the proposals that were put forward by the relative ministries at that time—

Mr. Wildman: Was he out planting trees?

Mr. Sterling:—including those by the Ministry of Natural Resources to utilize some of the land in the southern end for the growth of poplar and other types of forestry programs.

Mr. Samis: Why don't you plant jobs, not trees?

Mr. Sterling: And I might add to the member for Cornwall that one of the reasons Don felt so strongly about supporting that program was so that that particular land site can provide pulp that is badly needed for the mills in Cornwall.

Mr. Samis: Well, we'll see what he produces.

Mr. Nixon: We liked his goodbye speech at his dinner.

Mr. Sterling: At that speech at his dinner on November 17, I had the pleasure of reading a telegram from the Treasurer. He described Mr. Irvine as "the greatest right-winger since Maurice Richard."

An hon. member: Since Attila the Hun.

Mr. Samis: Where does that leave Handleman? Don't mention that name in Dundas.

Mr. Sterling: I believe that that was probably a fairly good description and Don never hid his political leanings.

Mr. Samis: He sure didn't. How could he?

Mr. Sterling: I only wish that some of the politicians in this House had listened more closely to him and recognized the facts as they were.

Mr. Nixon: We got along with him fine, but his colleagues didn't get along with him very well sometimes.

Hon. W. Newman: Look who's talking.

Hon. B. Stephenson: We got along very well, very well indeed.

Mr. Nixon: The Tories wouldn't listen to him. He had more sense than half of them rolled into one.

Mr. Foulds: What board, agency or commission has he been appointed to?

Mr. Sterling: Don is in private industry at this time—

Mr. Cassidy: He is waiting for his appointment, is that right?

Mr. Walker: That means he is a taxpayer.

Mr. Sterling: —for the information of the members opposite, and in his endeavours at this time he has been travelling to the province of Quebec. We have spoken on several occasions of the situation of the economy and the feeling of the people in Quebec. He is very concerned with that feeling, and I think we all must recognize in this House that the political uncertainty in this country is having more effect on the economy than anything else, and we must all work together to attempt to rectify that situation at the earliest possible date.

Mr. Wildman: Inco's trying.

Mr. Sterling: I think another thing that Don would have said and which I would endorse, and after listening to the proposals by the member for Bellwoods (Mr. McClellan)—

Mr. Cassidy: What do you think? We learned too well what he thought.

Mr. Samis: Who's the member for Carleton-Grenville?

Mr. Sterling: I think we could endorse the policy that we cannot continue to spend ad infinitum more than we collect.

Mr. Nixon: Darcy's got a plan.

Mr. Samis: Tell Darcy that.

Mr. Nixon: It's called slip-year finance.

Mr. Kerrio: Just keep bringing the money up from New York on a triple-A train.

Mr. Sterling: I was interested in reading the Ontario Economic Council's report on business investment. That report outlined that the rates of return on our investment at this time are too low to attract additional investment. It also pointed out that our costs of manufacturing and labour are too high and our productivity is too low.

I think it's important to remember that every time we as individuals or any particular labour group get a dollar more on the wage packet, it effectively takes a dollar out of another wage earner's packet. It's usually from a weaker worker.

Mr. Nixon: How about those dollars we gave Steve Roman this afternoon?

Mr. Sterling: I think we must face up to these things. I must state that we must face up to these actual facts and deal with them in the very near future.

Hon. W. Newman: I'd love to put the member for Brant-Oxford-Norfolk in the hot seat.

Mr. Samis: We want to hear the member for Carleton-Grenville here.

Mr. Wildman: Give him a chance, eh?

Mr. Samis: Come on, Bill.

Mr. Sterling: I'd like to turn now to the riding of Carleton-Grenville, which is an eastern Ontario community, part rural, part urban.

Mr. Wildman: Part Irvine?

Mr. Sterling: It was part Irvine and now it's part urban.

Mr. Wildman: One saw him for one minute and he'd disappear for weeks.

Mr. Sterling: In the Throne Speech there was reference to the—

Mr. Samis: Ah, finally.

Mr. Sterling: —South Nation watershed. I'm glad that our government has given a top priority to this problem which has existed for some period of time.

Mr. Nixon: That is the Edwardsburgh swamp.

Mr. Sterling: Part of the Edwardsburgh land site is located in the South Nation watershed and no doubt will become part of this overall program.

Mr. Samis: Forget the raging river.

Mr. Sterling: It is hoped the program in total will alleviate the flooding, provide adequate quantities and quality of water to meet the needs of the people, industry and the community during all of the year and optimize the use of agricultural land in the area.

It is expected that the program will require a great deal of capital expenditure and our government recognizes that it will not be able to solve all of the problems encountered. However, it is presently undertaking major engineering studies to determine the best possible route to take in this endeavour. One of the first projects is already under way, being the Chesterville dam. I am glad to see that our government is recognizing this most important need in eastern Ontario.

There are other areas of the Throne Speech which directly affect my riding. Recently Ontario Hydro has indicated that there are four sites in the southern end of Grenville and the southern end of Dundas county which would be selected as future generation centres. It is noted, as the former Minister of Energy noted in this House, that the municipalities located close to these potential centres have all expressed a desire to explore the possibilities of an energy station being located near them.

The leaders of these communities, the township of Augusta, the township of Edwardsburgh, the town of Prescott, the town of Cardinal and the town of Iroquois, all have taken a positive approach to the location of a generating station in their area.

Mr. Samis: Along with other things.

Mr. Sterling: They see that Grenville and Dundas can have a greater role in providing the energy for eastern Ontario. While I myself have some reservations about the size of any generating station that might be built there, I congratulate the municipalities on their openness to Ontario Hydro at this time. If we have to provide jobs in eastern Ontario we must also provide the energy to eastern Ontario.

On February 17 of this year I was honoured to be named the parliamentary assistant to the Attorney General (Mr. McMurry). I look forward to working closely with him and taking to a final conclusion the Family Law Reform Act which is now before this Legislature. I also look forward to working with all of this Legislature in attaining the best possible Custody Act in this session of Parliament.

In the fall session we dealt with amendments to the Small Claims Courts Act. I believe this Act again could be amended and the whole small claims court system could be revamped. I intend, if I am able to maintain my position as parliamentary assistant to the Attorney General for a long period of time, to look into this particular area. I will also be looking into the need for courthouse facilities in the locale from where I come—that is in the city of Ottawa.

Mr. McClellan: What if you are sacked?

Mr. Sterling: It is interesting that the members should talk about my neighbours across the way in Quebec because we do have many problems with them in terms of trying to keep straight the policies of the provincial government of Quebec in terms of offering opportunity to tradesmen and to small businessmen to carry on their business in that province.

Mr. Samis: The problem is in Ontario, not in Quebec.

Mr. Sterling: I have worked closely with these businessmen in attempting to dispel any rumors which are untrue, and I have also approached our government in urging them to seek agreements with the province of Quebec in clearing the way.

Mr. Samis: With no results.

Mr. Sterling: I think it is noteworthy that a press release not more than two weeks ago came out noting that the Minister of Transportation and Communications (Mr. Snow) had a meeting regarding the licensing of trucks with the province of Quebec and was successful in reaching an agreement with them to alleviate a potentially aggravating condition. In that area I think that most eastern Ontario residents understand the difficulties in implementing a blanket policy regarding the use of a second language within its system. I believe that the bilingual policy of the federal government has done immeasurable harm to the cause of unity in my riding.

Mr. Samis: That's not what Joe Clark says.

Mr. Sterling: I am thankful that we are not making the same mistakes here in Ontario.

Mr. Samis: That is not what Walter Baker says.

Mr. Sterling: This is my first term in the Legislature of Ontario and I trust that I will be here for a few terms in future.

Mr. Foulds: You almost missed your cue that time.

Mr. Ruston: The Minister of Agriculture and Food is the only one who is applauding.

Mr. Sterling: Of the 36 years which I have now lived within this province, 35 years have been blessed with Tory rule.

Mr. McClellan: Blessed did you say?

Mr. Nixon: Blessed! Maybe that's your problem.

Hon. W. Newman: It sure is yours.

Mr. Samis: Quit while you are ahead.

Mr. Kerrio: You can't win them all.

Mr. Walker: Maybe you meant to say shock.

Mr. Wildman: Doesn't it make you feel old?

Mr. Nixon: No, he's just a baby—one of these war babies.

Mr. Sterling: Our province has prospered in the past and presented unlimited opportunities to its young people.

Mr. Samis: Not in eastern Ontario.

Mr. Sterling: Now we are moving into an era where we have moved from the basic economic premises that ruled our parents.

Mr. McClellan: Speak English.

Mr. Sterling: I believe that the programs outlined in the Throne Speech will start us back towards the position where the people of Ontario can again regain the optimism and security for the future of this province.

Mr. Blundy: I am very happy to participate in the debate on the Throne Speech. You might say, Mr. Speaker, this is my maiden speech in the House, although I have spoken a number of times on various pieces of legislation and on estimates in the House, but tonight I am going to be able really to tell you all about Sarnia. When I get through I would imagine there will be a great exodus from all of your ridings to the Sarnia area.

Mr. Cassidy: Just from this House; that's all.

Mr. Foulds: Why is everybody leaving?

Mr. Blundy: I got rid of that many. By the time I get through speaking there won't be anybody but the Speaker and myself here. However, I do want to say several of the news media asked me what about the Throne Speech.

Mr. Kennedy: We are all listening.

Mr. Blundy: I said it was so vague it was very difficult for me to pinpoint anything that would be of interest.

Mr. Walker: You haven't read it.

Mr. Blundy: If one speaks in very vague terms, then one is really not pinned down to anything, and that's the way I look upon this recent Throne Speech. When one thinks about the province of Ontario and the problems we have now, its economic condition and financial condition and its unemployment—

An hon. member: You blame Trudeau like the rest of them.

Hon. Mr. Kerr: Fight about the price of uranium.

Mr. Blundy:—it's hard to realize how the government could propose a Speech from the Throne so vague as the one that we heard last Tuesday. I hope that those vague terms in which that Throne Speech was written will produce more than they did in my mind when I heard that Speech from the Throne on Tuesday.

There was some reference to looking at boards and commissions. I don't believe they used the words "sunset law," which my friend from London South (Mr. Walker) mentioned, but I personally think that a sunset law is long overdue in this province, when you consider the number of boards and commissions, most of which came into being so many years ago that most of us don't know what they stand for. I think that if we really want to streamline the government of this province, we ought to look at those. I hope there will be something done in that regard.

Mr. Kerrio: We'll have to streamline most of the government.

Mr. Blundy: There were very few hopes for unemployed people of this province in the Throne Speech debate. I noticed in today's paper that the Economic Council of Ontario said it is likely that unemployment will be a problem in this province for the next eight years. Well, God help us. There wasn't very much in the Throne Speech of last Tuesday that is going to deal with the problem of unemployment that exists right now. I know that the troubles we are in with unemployment and inflation and economics cannot all be laid at the door of the government, but I think a good deal of it can. I was interested that the hon. member for Grenville-Carleton (Mr. Sterling) talked about this government being in for 35 of his 36 years of life. All I have to say is that I feel sorry for the member for Grenville-Carleton. He hasn't lived yet. Wait until we get another government and then he'll see what this province can be like.

Mr. Germa: How it was with Mitch.

Mr. Blundy: I think what I've said about the Throne Speech is about all that it deserves.

I would like to talk about some of the good things in the province of Ontario; and, in particular, about the riding of Sarnia. The riding of Sarnia, for the edification of all of those present, is composed of the city of Sarnia and the township of Sarnia and the village of Point Edward. The village of Point Edward is celebrating its 100th anniversary this year, 1878 to 1978. The village of Point

Edward came into being with the coming of the Grand Trunk Western Railroad in 1877, and was incorporated in 1878. So we're going to have a big celebration down there and Her Honour, the Lieutenant Governor, will come to open that celebration.

As far as the city of Sarnia is concerned, I'm sure that most of the members know the vibrant economy and the vibrant industrial complex that we have in the city of Sarnia. The people of the city of Sarnia can never understand how they can have all these industries, with continuing employment and their contribution to the gross national product of this country—and think of all the income tax and the corporation tax and so forth that comes out of the city of Sarnia—yet what does the city of Sarnia get in return? Very little. This government in power now, looks out from the ramparts of Queen's Park, peers out to the west and perhaps on a good day might see as far as London; but as far as Sarnia, no.

Mr. Ruston: Or Windsor.

Mr. Nixon: They don't see much past Brampton.

Mr. Mancini: Shame on your government.

Mr. Ruston: We'll fool you. We'll secede.

Mr. Blundy: A neighbour of mine was doing some alteration in the home and tore out a partition and found a newspaper of May 1925. The headline story was that the chamber of commerce and the city council of the city of Sarnia were coming to Queen's Park to see if they could get the road paved from Sarnia to London.

[10:00]

Mr. Mancini: They're still trying.

Mr. Blundy: Fifty-three years later, I am pleading with the Minister of Transportation and Communications (Mr. Snow)—

Mr. Mancini: Where is the minister?

Mr. Blundy: —to build a road from Sarnia to Highway 401 that will take care of the traffic that is generated by the city of Sarnia.

Mr. Mancini: How many years to macadamize a road?

Mr. Blundy: If you drive out Highway 7 from Sarnia towards London, you have to pass convoys of tank trucks and other transport trucks, in addition to the ordinary automobile traffic. Highway 7 and Highway 22 from Sarnia to London is known as the death strip. Every year the number of deaths and the accidents and the injuries to people are increasing.

And here now, 53 years later Mr. Speaker, I beg the province and the government of

Ontario to provide us with a four-lane controlled-access highway to the centre of government and commerce in the province of Ontario.

I think the city of Sarnia deserves it. The city, in our immediate area, is the leader in the petrochemical field. The refineries of all the oil companies are there, the chemical industries. Every time you people drink a cup of coffee out of a Styrofoam cup, you are adding and contributing to the welfare of the city of Sarnia.

When you stand at the corner of South Vidal Street and Churchill Road, you can just look around, and in a glance you can see the entire ethylene production of Canada, with Imperial Oil, Dow Chemical and Ethyl Chemical.

There is no doubt about the contribution that has been made to the province by the Sarnia area, but there is considerable doubt about what has been returned to the long-suffering people of the city of Sarnia and area.

There is another matter that I would just like to touch on, when I was speaking about the industries of Sarnia, Mr. Speaker. For some time the mayor and members of council, and the people of Sarnia, have wanted to have a daily air pollution index for the city of Sarnia.

When I came here, I talked to the Minister of the Environment at that time, now the Solicitor General (Mr. Kerr), on several occasions. One time he said to me, "Why do you want so badly to have a daily air pollution index for the city of Sarnia?" I said, "Because I want to show the people that we have been maligned over the years and that we don't smell nearly as badly as people have painted us."

Mr. Ruston: That's what comes of using a good deodorant.

Hon. F. S. Miller: There's the answer.

Mr. Blundy: I tell you that the daily air pollution index was commenced as of December 1, 1977, and since that time I have been proven right.

Most of the days we are lower than Hamilton, Toronto, Sudbury, Windsor et cetera; most of the days. Check it out and you find out that I am right. Occasionally there is an accident, odour will release or something. Consider, Mr. Speaker, that in the last 15 years, the incidence or the amount of industry in the Sarnia area has increased tenfold, and in that same time, the air pollution, the quality of the air has improved tenfold.

The industries are not perfect, they are not pure; but they have done a tremendous job in trying to come up to and stand up to the requirements of the Ministry of the Environment in the province of Ontario and I have to give those industries credit where credit is due.

I would like to speak about finance, particularly as it pertains to my riding. Over the past seven or eight years during the term of this government, they have used every nickel that came into the teachers' super-annuation fund, the Ontario Municipal Employees Retirement Service Fund, and the Canada Pension Plan as it pertains to Ontarians. All this money was so handy it burned a hole in the pocket of the government and the government had to spend it. They did spend it. They have been on a spending spree for the last seven or eight years. Now we are reaping the whirlwind. We are going to have to restrain ourselves. The government is saying we must restrain here and there and so forth.

What really gets me is that the Treasurer (Mr. McKeough) has the nerve to renege on the Edmonton commitment as far as the municipalities of Ontario are concerned. Tomorrow is March 1. In that month, March, the municipalities of this province will be sitting down and going over the budgets for the year 1978—and are they ever going to have a time. Their costs have gone up—everything that they do has gone up, their wages and so forth—and they are going to get a smaller percentage increase from the province than they have had in years gone by. The municipalities of Ontario don't know exactly how badly off they are until the end of this month is over and they have done their municipal budgets.

Another thing I want to speak of is the matter that has been raised by the mayor and city council and by myself. It is the matter of the treatment of certain municipalities in this province which, because they looked after their affairs, had an updating of their assessment prior to the takeover of the assessment function by the province in 1970. In the case of the city of Sarnia, we had an updating of our assessment, not quite to market value but very close to it, in 1962. Several other municipalities, such as Windsor, St. Catharines and Waterloo and other areas, did the same thing.

Mr. B. Newman: Emphasize Windsor.

Mr. Blundy: I'll leave that to the hon. member.

However, now, Mr. Speaker, those people who were aggressive and tried to do some-

thing for their municipality are being penalized, because as the function of assessment throughout the province was taken over in 1970—practically over my dead body because I was the mayor at the time and I was very much opposed to it—now the resource equalization grants are based on those sums of assessment as of that date.

Naturally the city of Sarnia had its assessment increased to the point where it gets zero resource equalization grants—nothing, zero. The city of Sarnia gets nothing.

We have been asking that until such time as market value assessment is introduced throughout the province of Ontario, we and the other municipalities similarly affected should get transitional grants to tide us over. This is the only fair way to treat the cities of Sarnia and Windsor and St. Catharines, and the other municipalities similarly affected. It has been asked by me in this House, it has been asked by the mayor, and up to this time we have received a negative answer.

What does it mean to my constituents? It means that in this year of 1978 they will pay additional taxes of at least \$58 on the average home throughout the city because they are not able to get the grants that are due to the city of Sarnia and the other municipalities which I mentioned.

I was reading in the paper, I believe it was the London Free Press, where they were making a comparison of assessment, because they were talking about the subject of which I am now talking. They mentioned that the Treasurer's home in Raleigh township outside of Chatham was assessed for \$11,000. According to the article I read in the paper, the minister said the taxes he paid on that house were just a little under \$1,000.

Mr. Conway: Another Tory.

Mr. Blundy: Let me tell you what the comparison of that is in the city of Sarnia that produces so much to make Ontario a great province.

On my home, which is on the shores of Lake Huron in Sarnia, the assessment is \$20,400, and you can look it up. The taxes that I pay on that property are \$1,794. You know as well as I do that a poor man like me would not have a home as nice as the Treasurer has. So you can see the injustice of it. I have pleaded and pleaded for this government to look on this in a fair and just manner, and we have had nothing but a deaf ear.

Mr. Nixon: That fellow McKeough has a dual estate.

Mr. Blundy: The people of the Sarnia riding are going to remember that. They're not going to forget it. They can remember that for 35 of those 53 years that we've been waiting for a highway, the government in power now has been in power—and they will not forget that.

Mr. Roy: He pays less taxes than I do, even.

Mr. Blundy: I would like to continue in a more peaceful vein. There are a couple of other things that I would like to speak about that are perhaps less controversial than those of which I have just spoken. One of the things I would like to mention, and I hope to pursue this matter later in the House as well, is the matter of insurance for municipalities.

Many of the municipalities pay out ever-increasing sums of money for public liability, property damage, fire and theft—the ordinary things that we all pay in the way of insurance. It is becoming an increasing burden for municipalities. What I would like to propose is that the ministry responsible for municipal affairs try to correlate the insurance needs and the insurance problems of all the municipalities of Ontario.

Let us have a co-ordinated approach to insurance. The people of Ontario could save considerable money if we had a large blanket policy to which all of the municipalities contributed and which would cover the insurance needs of all the municipalities of Ontario. This is something that, when I was mayor, I tried very hard to get going and never was able to obtain it. I hope that later on I will be able to make some proposals in this House that might be able to achieve that. It is a way of municipalities being able to save dollars on their insurance.

I would also like to speak on behalf of the municipalities—that they be given more autonomy. The more that they become a creature of the province through budget, grants and so forth, the more the autonomy of a municipality is eroded. I think that the people who are elected on the municipal scene are just as important as those who are elected on the provincial level or the federal level.

[10:15]

As a matter of fact, when you are a municipal politician, the people who vote for you know you so well—you live in their community; you work in their community—they really do pick people who they know can be responsible. I have said over and over again that the municipalities are losing their

autonomy every year because of the grant structure of the government at this time.

I would like to mention something about the recent report on provincial-municipal grants. The report talks about a number of things, but there's one thing about which I am quite bothered. In our riding we have what is known as the St. Clair Parkway, which is one of the most interesting drives in the province of Ontario. You drive from the beautiful waters of Lake Huron, all the way down the St. Clair River, by our industries and through the farm lands of Moore township.

Mr. Conway: And the Lorne Henderson estate?

Mr. Blundy: Yes. We go right through the riding of the Minister of Government Services, and I think he probably will be very interested in what I have to say.

It has been suggested that the St. Clair Parkway and the Sydenham River Conservation Authority, which chiefly runs through Lambton county, be amalgamated. That's absolute nonsense; they are 40 miles apart. If they were two organizations that were close by, whereby they could share the equipment and the manpower of the two of them, there could be a saving seen in that respect. But to try to cut down the contribution of the province of Ontario to those two great bodies in the Sarnia-Lambton area, under the guise of amalgamating the two, is really a dirty trick; that's all I have to say about it.

The people of Lambton riding—although the Minister of Government Services may not tell you this—feel the same about it as we do in Sarnia. To amalgamate the Sydenham Conservation Authority and the St. Clair Parkway, which are really not the same kinds of bodies in many respects and which are 40 miles apart, is a ridiculous thing and I hope to be able to speak about against that at a future time.

I have appreciated this opportunity, Mr. Speaker, to tell you something about the wonders of my riding and about the problems that I believe my constituents face. They are not only problems that are being faced by my municipality but they are being faced generally by the municipalities of Ontario. I just hope there will be more of a sense of direction given to the municipalities, that there will be a greater degree of autonomy for the municipalities of Ontario and that the government of Ontario is not going to try to reduce that awful deficit it has at the expense of the municipalities of Ontario. This is what is being talked of now and the municipalities of Ontario recognize that. The government

members can talk about their 35 years in office—

Mr. Conway: Has Bette been here this long?

Mr. Blundy: No, it just seems that long. But I am saying that after 35 years of the government we have had, it isn't going to continue very long; there are going to be some changes very soon.

Hon. B. Stephenson: You have got a cloudy crystal ball, Mr. Blunder.

Mr. Blundy: I am sorry that the minister is not going to be around for another 35 years—

Mr. Cassidy: You never put your hatchet away.

Mr. Blundy: I don't take offence at the minister calling me Mr. Blunder. At least she is getting the first five letters of my name correct anyway.

An hon. member: You are half right, Bette.

Mr. Conway: What is it over there? Is it Miss, Ms. or Mrs.?

Mr. Cassidy: Just call her Mr. Stephenson and see how she reacts.

Mr. Cunningham: Ms. One of these days, Bette, your job is going to turn you grey.

Mr. Blundy: I want to conclude my remarks on a very pleasant tone. I think it is a great opportunity for me to be a member in this House, and I really appreciate being able to represent the people of the city of Sarnia and the township of Sarnia and the village of Point Edward here in this House. I appreciate having this opportunity to speak tonight.

Mr. Cooke: Mr. Speaker, I too am very pleased to be able to join in this Throne Speech debate. This is my first Throne Speech debate since being elected.

I guess I could spend some time talking about my home town and my home riding. I don't want to talk about it in any great depth, but I maybe should point out that Windsor too, like Sarnia, feels a little bit alienated from the great metropolis of Toronto and the present government. I should point out especially to the Minister of Labour (B. Stephenson) that although she did suggest at one time in this House that Windsor should be shut down, and the Minister of Education (Mr. Wells) at another time suggested that we should raise the American flag over Essex county, Windsor and Essex county intend to stay part of this province and we

intend to send good NDP representatives to this House for many years.

Mr. Mancini: Yes, not too many.

Mr. Cooke: We've got two out of three in Windsor, and we'll get that third one one of these days.

Hon. B. Stephenson: No such thing. That's a contradiction in terms, good NDP representatives.

Mr. Cooke: I think the people of Windsor would disagree with the minister.

I would like to talk briefly about some of the issues raised in the Throne Speech—some of them local issues and some that affect the province as a whole. I was very pleased that the Throne Speech finally recognized that unemployment is the number one problem in this province. In the past, we have heard the Premier (Mr. Davis) and members of the cabinet talk about national unity being the number one problem. We've heard them talk about inflation and balancing the budget as being the number one problem. The people of Windsor and the people of this province recognize unemployment is the number one problem.

I recently sent out a questionnaire as part of my Queen's Park report, and clearly the people of Windsor-Riverside state that unemployment is the number one problem. Fifty-nine per cent of the people who returned the questionnaire stated that was the number one problem. Another top-priority problem that I will talk about later was the reform of the property tax.

The government, as I say, has recognized now that unemployment is the number one problem, but what does it plan on doing about it? We continue to hear that our economy is recovering. Over the last three years the Treasurer (Mr. McKeough) and the federal officials have told us that our economy is getting better, but each month we get the unemployment figures and they continue to rise. Last year the government coped with unemployment by suggesting that it would redefine what full employment meant. Now this year it decides it is going to cope with it by saying it is out of its jurisdiction, it is a federal problem.

Mr. Cassidy: It's a cop-out.

Mr. Cooke: I just don't agree with that approach. I think this government has it within its power to have a great effect on unemployment and to resolve the problem to a certain extent. Instead, what this government is doing is it is contributing to unemployment. The budget cutbacks in Health, Colleges and Universities, grants to munic-

ipalities, have all contributed to thousands of civil servants being laid off.

Nobody knows better about that problem than the representatives from Windsor. In Windsor the provincial government is attempting to close a chronic-care hospital, it has closed our OHIP office; we are being affected like every other municipality by cutbacks in municipal grants, school boards are being affected, and our university is being affected. The government decided to close Riverview Hospital. That decision will eventually be made in the courts, but if that hospital is closed there will at least be a number of layoffs. The union says a couple of hundred; it's debatable exactly how many layoffs there will be, but a number of people will lose their jobs as a result of that hospital being closed. Not only will people lose their jobs, but the quality of care to chronic-care patients will certainly be decreased when they're moved into a hospital that has been a general hospital up to this point.

The OHIP office closing probably enraged the citizens of Windsor more than anything else that has happened to us over the last few months. Forty-seven people could possibly have lost their jobs. It didn't quite amount to that many, but around 40 people lost their jobs. Instead, the office was centralized in London. I should point out that Windsor has an unemployment rate of 11.4 per cent as of January 31. London has an unemployment rate of 7.3 per cent. If this government had any sense at all, what they would have done is reversed the trend. They would have had the OHIP office centralized in Windsor, if they really felt that was going to be saving money.

The school boards in our province are being cut back. As a former school board trustee, I think I have some understanding of exactly what's going to happen. In Windsor, for example, the Windsor Board of Education is talking presently of laying off a number of caretakers. With declining enrolment, teachers are now losing their jobs. Again that is another example of the government's cutting back grants or not increasing grants in order to keep up with inflation and, as a result, more people are unemployed.

The Ministry of Colleges and Universities, which is now the area for which I will be responsible for my party, recently announced that grants for 1978 would be increasing by an average of 5.8 per cent. The immediate reaction of universities across this province was that there will have to be cutbacks in staff. We know that the cutbacks in staff are going to result in teaching assistants being

laid off and graduate students losing valuable income. Also some professors will no doubt lose their jobs. Courses will be cut and therefore programs for our university students in this province are going to be seriously affected. I just don't think that's the direction in which we should be going.

I don't understand why this government is so obsessed with balancing a budget by 1981 when we have 300,000 people in this province presently unemployed. Even the President of the United States, President Carter, who said he wanted to balance his budget by 1981, is now saying that that is an unrealistic goal and that the priority should be to get the people back to work. With increased revenues and with people working and paying taxes, then we can start talking about balancing a budget.

I'd also like to talk a bit about the auto industry since it's so very important to my home town. So far in 1978 the workers in the auto plant at Chrysler Canada have been laid off for four weeks, and the prospects are that they're going to be laid off again. Auto sales are on the decline. Big cars are not selling and the cars we produce in Windsor are fairly large cars. I beg the government to start looking at the problem now before we have another crisis. Windsor is pretty well a one-industry town. If they don't start coming up with plans to revitalize the auto industry, we're going to have a serious problem in Windsor, as they had in Sudbury.

Mr. Foulds: When it starts hitting the manufacturing sector, the economy is in real trouble.

Mr. Cooke: I suggest to the government that they look at that problem immediately, that they look at what could be done and what can be done and not wait for a problem to arise and then react to a crisis. Because from what I've seen of this government so far, that's exactly what they do. They plan and they react. They react to a crisis all the time. Sudbury is an example.

In social services right now with the child abuse problem they could have made some major changes when people were talking about it before. Instead, they had to wait for child abuse cases to be reported in the press and tragic deaths to occur. Then the government decided they're going to take action. That's not the way an effective, responsible government should be acting.

The Throne Speech states that the government is committed to getting a better deal on the auto pact for Ontario and for Canada.

They are committed to convince or put pressure on the federal government to make those changes or possibly renegotiate the auto pact. I've been hearing that for quite some time now. The Treasurer has been talking about it, but I get the impression that he's not

really serious about the renegotiation of the auto pact.

On motion by Mr. Cooke, the debate was adjourned.

On motion by Hon. F. S. Miller, the House adjourned at 10:30 p.m.

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Cassidy, M. (Ottawa Centre NDP)
Conway, S. (Renfrew North L)
Cooke, D. (Windsor-Riverside NDP)
Cunningham, E. (Wentworth North L)
Foulds, J. F. (Port Arthur NDP)
Germa, M. C. (Sudbury NDP)
Haggerty, R. (Erie L)
Kennedy, R. D. (Mississauga South PC)
Kerr, Hon. G. A.; Provincial Secretary for Justice and Solicitor General
(Burlington South PC)
Kerrio, V (Niagara Falls L)
Laughren, F. (Nickel Belt NDP)
Lewis, S. (Scarborough West NDP)
Mackenzie, R. (Hamilton East NDP)
Makarchuk, M. (Brandford NDP)
Mancini, R. (Essex South L)
Martel, E. W. (Sudbury East NDP)
McClellan, R. (Bellwoods NDP)
Miller, Hon. F. S.; Minister of Natural Resources (Muskoka PC)
Newman, B. (Windsor-Walkerville L)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Riddell, J. (Huron-Middlesex L)
Roy, A. J. (Ottawa East L)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Stephenson, Hon. B.; Minister of Labour (York Mills PC)
Sterling, N. W. (Carleton-Grenville PC)
Stokes, Hon. J. E.; Speaker (Lake Nipigon NDP)
Turner, J. (Peterborough PC)
Van Horne, R. (London North L)
Walker, G. (London South PC)
Wildman, B. (Algoma NDP)



No. 8

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Daily Edition

Second Session, 31st Parliament

Thursday, March 2, 1978

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, MARCH 2, 1978

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

CROWN LAND SALES

Hon. F. S. Miller: Mr. Speaker, the hon. members will recall the Speech from the Throne announced a special northern program to allow the purchase of Crown land for private recreational use. This, we believe, will help increase jobs in several ways.

For the past seven years summer cottage lots on Crown land were only available on a lease basis.

Mr. Martel: That's because there wasn't enough land available.

Hon. F. S. Miller: During the first year after registration of a subdivision, only Ontario residents were eligible to lease land. During the second year, Canadians from other provinces have been permitted to lease, and after that non-residents could apply for any remaining lots.

The new program approved by cabinet will follow the same timetable, except that for Ontarians and other Canadians lots in a subdivision may now be purchased. Non-residents will still be able to lease lots after the second year.

We believe that ownership will stimulate cottagers to invest more money in the buildings erected and will encourage improvements which will create employment in the local communities.

We have received many inquiries about this program since it was announced. Details on its administration are being worked out and will be announced in three or four weeks time.

Mr. Martel: What a cop-out.

Mr. Mancini: Are you asking us to wait a little longer?

DEATH OF KIM ANNE POPEN

Hon. Mr. Norton: Mr. Speaker, last week I announced to the House that I had decided to hold a judicial inquiry into the Kim Anne Popen case of child abuse and the role and operation of the Sarnia-Lambton Children's Aid Society.

I wish to inform the House today that the terms of reference and the appointment of a judge to conduct this inquiry have now been made under the provisions of section 3 of the Child Welfare Act.

In this regard, I have named his honour, Judge H. Ward Allen, of the county and district courts of the counties and districts of Ontario to conduct the inquiry and report his findings and recommendations to me.

The terms of reference are as follows:

1. To investigate all matters relating to the care of Kim Anne Popen by the Children's Aid Society of the city of Sarnia and the county of Lambton, including: (a) the circumstances relating to the removal, care, return and supervision of Kim Anne Popen by the said society; and (b) the actions of and the performance of duties by the said society and its officers, employees, agents and of any other person or agency relating to such removal, care, return and supervision.

2. To review any matter arising out of this investigation of the care of Kim Anne Popen by the society in relation to the ability of the society to perform the powers and duties assigned to a Children's Aid Society under the Child Welfare Act.

3. To report his findings and to make such recommendations as he may deem fit to the Minister of Community and Social Services.

I wish also to advise the House that his honour Judge Allen is in your gallery this afternoon following a meeting that we had recently.

Mr. Lewis: We wish him well; it is not an easy job.

Mr. Speaker: Point of privilege?

Mr. McClellan: Would you remind the ministry that the House requires copies of ministerial statements to be provided to party leaders or their representatives at or before the time of the statement.

Hon. Mr. Norton: I apologize that that was not done. It was intended that that be done during the lunch hour. If they did not reach the critics and the leaders of the opposition parties, I apologize and I will certainly find out why they did not, because I specifically inquired and was told that they were being delivered.

Mr. Warner: Don't apologize, just resign.

Hon. Mr. Welch: Will you change the gramophone needle?

MENTAL HEALTH SERVICES

Hon. Mr. Timbrell: Mr. Speaker, later this afternoon I will introduce proposed changes to the Mental Health Act.

As the members are aware, while there have been significant changes in the philosophy of mental health services and their delivery in the past decade, there have been no changes in the corresponding legislation.

The senior advisory body to my ministry, the Ontario Council of Health, is undertaking a thorough review of the Mental Health Act. After the council's study is completed, in mid-1979, I should be able to submit legislative proposals for a complete revision of the Act.

However, certain aspects of the Act require immediate consideration. The members will recall that on April 14 last year I advised the House of my intention to introduce proposals for interim changes to the Act. On December 13 last I did so.

There are three principal areas being addressed at this time: civil commitment, confidentiality and the role of the public trustee. The first of these, civil commitment, involves involuntary hospitalization and the rights of patients. Under the present Act, anyone found to have a disease or disability of the mind severe enough to require hospitalization, either in the interest of his or her own safety or the safety of others, can be confined for a period of up to 30 days on the application of a single physician.

While use in the present Act of the word "safety" may give physicians latitude in judgement, the lack of legislative clarity has resulted in some confusion. At the crucial phase of the process of incarceration, when a commitment decision is made, relevant parties are uncertain as to their rights and obligations. The confusion over the meaning of the word "safety" underscores the necessity for speaking clearly in an area that obviously deals with the freedom of the individual. To achieve maximum clarity in directing physicians and others in society who have a moral or social investment in fair and equitable treatment of persons found in this condition, we are proposing to set out in detail the nature of the evidence required and the grounds for action by a physician, a justice of the peace or a peace officer.

Specifically, the bill provides that "where a physician examines a person and has reason to believe that the person has threatened or attempted or is threatening or attempting to

cause bodily harm to himself; has behaved or is behaving violently toward another person or has caused or is causing another person to fear bodily harm from him; or has shown or is showing a lack of competence to care for himself; and the physician is of the opinion that the person is apparently suffering from mental disorder of a nature or quality that likely will result in serious bodily harm to the person, serious bodily harm to another person or imminent and serious physical impairment of the person, the physician may make application in the prescribed form for a psychiatric assessment of the person."

Since I first introduced this bill in December, concern has arisen that the criteria in the bill may exclude from commitment many people who are mentally ill but refuse to seek help, even when it is urgently needed. Many of the examples drawn to my attention are, in my view, covered by the criteria set out in the bill. Other examples should be confronted and resolved by placing greater emphasis on community and family support and resources.

This is a trend that has been under way for several years in the field of mental health, of which the members are already aware. Many patients who would previously have been admitted are now being looked after on an out-patient basis. Many of the issues raised are already being addressed, through our current programs and practices. For some years now, we have been treating the most acute cases as involuntary patients in our psychiatric hospitals. The emphasis has been on treating as many people as possible in the community. There has been a substantial growth both in the establishment of mental health units in public hospitals and in community mental health programs.

I firmly believe that many examples drawn to my attention as not covered by the criteria should be dealt with on an out-patient basis or as voluntary in-patients. Other examples can be dealt with through existing legal mechanism, such as the Mental Incompetency Act, which provides for a committee or guardian of the person being appointed by the court. I believe that as much as possible society must rely on alternatives, like community and family support, and use involuntary hospitalization only when warranted.

The bill further provides that when a physician completes the commitment certificate, the patient can be taken into a psychiatric facility for psychiatric assessment and can be detained there for a maximum of 72 hours. During that 72-hour period the individual must be either re-

leased, admitted informally, that is voluntarily, or admitted involuntarily. It is important to note that if a certificate of involuntary admission is to be issued, a physician other than the one who completed the application will have to conduct the assessment. When a certificate of involuntary admission is completed, the patient or his or her representative will have an immediate right of appeal to a regional review board. This proposal contrasts sharply with the provisions of the present Act, under which an individual can be held for up to 30 days on the certificate of one physician, with no right of appeal for that period.

With the larger number of people now working with psychiatric patients, the potential for improper disclosure becomes more critical and legislative action is needed. In a public hospital, for example, no distinction is made today between psychiatric patient records and others. The officer in charge of government psychiatric facilities has broad discretion in releasing information. The sensitive nature of psychiatric data demands that stringent controls govern its release. In any event, this legislation affects only public hospitals or government facilities. Many other facilities under the Mental Health Act lack guidance in this area entirely. This section of the bill will now remove this issue from the area of hospital administrative discretion and put it in primary legislation affecting the interests of psychiatric patients.

Along with these provisions, appropriate forms will be included in the regulations. These forms will set out the requirements for gaining access to records for research purposes, and for obtaining consent to the release of information.

[2:15]

Further, provisions have been included in the bill granting a court discretion to keep out of court any clinical records that could result in harm if disclosed. The great value of medical privilege lies in the inviolable nature of medical confidences, recognized by law and secure from controversy and interference. Legislative action now will bring recognition of such privilege.

Psychiatric units of public hospitals already have been asked to require requests for patient information to be in writing and to keep a log. The ministry also has issued directives, consistent with the spirit of this legislation, designed to reduce significantly the discretionary powers of our psychiatric facility administrators under the present Act.

Currently, individuals admitted to a psychiatric facility must be examined as quickly as possible to determine their competency to manage their estates. Where they are incompetent, a certificate of incompetence is issued to the public trustee, who assumes responsibility on behalf of the patient. However, many outpatients also need the help of the public trustee because of their incompetence but are unable to qualify. By extending the application of the certificate of incompetence to outpatients, the services of the public trustee now will be available to more people.

A notice of continuance now permits the public trustee to continue to act on the patient's behalf for three months after hospital discharge. Often this is not long enough, so a provision is included in the Act to allow the public trustee to maintain control over the estate of discharged persons by applying to the Supreme Court of Ontario.

Present legislation permits patients to ask a regional review board to inquire into their competence to manage their estates when a certificate of incompetence or a notice of continuance is issued. This provision has been retained. However, current legislation permits only yearly applications by the patient thereafter. This has been reduced to once in any six-month period.

I believe that the proposed amendments will serve well as interim reforms until the Health Council report provides the basis for a major overhaul of the Act. The field of mental health is a personal priority of mine, Mr. Speaker, and I intend to do all that I can to see that it receives the attention it deserves.

MULTILINGUAL TV STATION

Hon. Mr. Snow: Mr. Speaker, in response to a question from the hon. Leader of the Opposition (Mr. S. Smith), I believe to the Minister of Culture and Recreation (Mr. Welch) on Friday, I would like to make my position clear regarding the establishment of a multilingual television station in the Toronto area.

When the Canadian Radio-Television and Telecommunications Commission held its hearings on this question, the government of Ontario supported the introduction of a multilingual TV station. The CRTC has approved the concept in principle and we strongly welcome this positive decision.

The idea of one television station broadcasting in several languages to a number of selected audiences is a unique idea in North America. As such, it is a new specialized television service which can play a role in main-

taining cultural identity and the provision of information to third-language groups in the Toronto area.

There is one concern I do have about the licensing of a multilingual station. That question is whether it should be placed on the basic cable service or on the augmented channel service when it is delivered to the home by cable.

My concern has nothing to do with the introduction of a multilingual TV station in itself. I am concerned about the nature of the product that consumers in the Toronto area can expect when they want to purchase the basic cable service but not a converter.

In the past, Ontario has agreed with the CRTC policies that give priority to Canadian television channels on the basic service. Now, however, the establishment of any new television services in the Toronto area threatens to change dramatically the nature of the basic service.

Mr. Warner: Channel 2.

Mr. Lewis: Some loss!

Hon. Mr. Snow: If the new station is placed on the basic service, 28 of the 49 affected cable systems will be left with one clear American channel on the basic service.

I believe that the primary purpose of the basic service should be to deliver Canadian broadcasting signals. I think it is fair to say, however, that over the years most subscribers in Toronto have come to expect that they will receive some limited choice of American channels without having to buy a converter. This is particularly true of those with fixed and low incomes.

Mr. Warner: We want to make it more limited.

Mr. Cassidy: The minister was going to lose Wide World of Sports.

Mr. Warner: He wants to protect the Americans—the great defender of NBC.

Hon. Mr. Snow: If the CRTC continues with its present policies, I am concerned that the consumer in the Toronto area will be required to purchase a service which is radically different from the basic service available in Ottawa, Edmonton or Halifax, for example, where a selection of American stations is available.

In view of this situation, and since the multilingual TV station will be providing specialized service, I indicated to the CRTC that it should be placed on the augmented channel service, as should any new specialized service. The three applicants for the new station naturally indicated their preference for the basic cable service carriage, but

stated they would be willing to accept carriage on the converter service.

As far as general impact is concerned, we have estimated that a rather small percentage of Toronto area cable subscribers will be watching the multilingual station at any one time, even in prime time. My conclusion is that the overall economic cost to cable subscribers of all language groups will be much higher if the new station goes on the basic as opposed to the augmented channel service.

Mr. Cassidy: A slap in the face to people in the city.

Hon. Mr. Snow: Finally, Mr. Speaker, I would like to reiterate that at the time of the hearing on this issue, I recommended to the CRTC that it conduct a policy review of the nature of the basic cable service. I feel even more strongly now that such a review is necessary.

POINT OF PRIVILEGE

Ms. Gigantes: On a point of personal privilege: It appears that the Toronto Star, according to today's paper, has access to a report which has been commissioned by the Ministry of Education—the report of the Jackson commission on declining enrolment in Ontario schools—to which members of this Legislature do not have access. As a member of this Legislature, I would like to let this government, and particularly the Minister of Education (Mr. Wells), who is responsible both for the ministry and for the commission, know that I resent this access given to the media before it is given to the Legislature. I would ask, through you Mr. Speaker, if the minister would be kind enough to table that interim report of the Jackson commission in this House.

Mr. Speaker: In the absence of the hon. Minister of Education, I will bring it to his attention, and perhaps he will respond to it at the first opportunity.

TRUCKING LEGISLATION

Hon. Mr. Snow: In the Speech from the Throne, the Lieutenant Governor, the Hon. Pauline McGibbon, announced that all ministries will undertake a thorough examination of statutes, regulations and related policies with a view to selective deregulation.

In respect to the highway transportation of goods, the Throne Speech specifically mentioned amendments to the Public Commercial Vehicles Act, which regulates the for-hire trucking industry. We have devoted some considerable attention to reviewing government policy in this area as a result of the comprehensive series of recommendations

made to the government last year by the all-party select committee on the highway transportation of goods.

My purpose in reporting to you today, Mr. Speaker, is to outline in more detail the measures announced in the Speech from the Throne and at the same time to provide the House with a comprehensive government response to the final report of the select committee. I also want to outline the content of amendments to the Public Commercial Vehicles Act and the Public Vehicles Act which I am introducing later this afternoon.

When the interim report of the select committee was made public, I indicated it had endorsed the basic regulatory structure in Ontario. Today I want to stress that it is not the government's intention that the policy announced in the Speech from the Throne should jeopardize this structure. The reference to selective deregulation in the Speech from the Throne refers to certain specific areas of regulation, where a relaxation of the controls offers some very real benefits in terms of energy conservation, efficiency, services and user costs.

Specifically, the government proposes that this selective deregulation apply to for-hire transportation within the boundaries of an individual regional municipality and to certain specified commodities, many of which are of the sort which could conveniently be carried to fill empty backhauls.

Turning to the select committee report with its more than 300 recommendations, I am tabling with this statement a compendium which outlines the current status, and in most cases the government's response to each of the recommendations.

In reviewing the report, I have been guided by a number of the principles stated in the Speech from the Throne, including the need to stimulate the productivity of Ontario's economy, restrain government spending, simplify rules and regulations, and conserve energy.

The legislation I will introduce later today reflects the application of these principles to the report's recommendations, as well as the substantial advice and comments received since last summer. As suggested in the report, we are proposing amendments to both the PV and the PCV Acts to provide a means whereby government policy can be transmitted to the Ontario Highway Transport Board.

Those amendments will also contain substantially increased penalties for offences under the PCV Act, perhaps the most effective measure which can be taken where enforcement is concerned. Later in this session

I intend to introduce additional proposals relating specifically to the select committee's enforcement recommendation.

I have given serious consideration to the committee's recommendation that the ministry's licence issuing, investigation and enforcement functions should be transferred to the board. Here I have decided that these functions should remain with the ministry, which I believe will allow more efficient use of government forces and permit the board to concentrate on its judicial role.

Today's amendments will remove the north-of-North Bay restriction on existing licences and exempt the transportation of lumber and lumber products from the provisions of the PCV Act. The removal of the north-of-North Bay restriction, along with the deregulation of lumber and related products, will provide opportunities for new carriers to provide service to and from northern Ontario points. I am therefore asking the board to monitor the impact on the levels of competition and service in northern Ontario of these initiatives and to take them into consideration in reviewing any future applications by such "A" carriers for additional operating rights in this corridor.

My reference to selective deregulation applies to the exemption for lumber and related products. It will also apply to a proposed amendment which will extend the present exemption covering the direct transportation of farm and forest products to include all fresh fruit and vegetables. I hope this will improve export opportunities to the United States for Ontario growers and provide additional opportunities for backhaul as a means of combatting empty-truck movements.

An additional benefit will be the freer movement of US produce during those times of the year when the Ontario consumer has to rely on imported fruits and vegetables. The amendment will also simplify the task of PCV enforcement and assist in the success of reciprocal agreements with the American states.

The exemption from the Act of a list of farm and construction supplies is aimed at improving transportation efficiency and reducing energy consumption by decreasing the number of empty or partially empty backhauls returning to the rural and northern areas of Ontario.

In addition to the commodity exemptions outlined, the government's policy of selective deregulation includes the relaxation of controls over short-distance for-hire trucking which takes place in a single regional municipality. Regional boundaries have been selec-

ted to allow the operation over a reasonable geographic and economic area in those parts of the province where urban concentration and growth are conducive to increased competition.

This bill creates the authority for the ministry to issue a new class of operating licence for the transportation of goods within the boundaries of a specified regional municipality. Applicants will not be required to go before the OHTB to prove public necessity and convenience. An integral part of this system will be an authority for exempting from the PCV Act those specified regional municipalities which operate or propose to operate a licensing system for trucking services similar to those proposed in the bill.

Where a regional municipality opts to assume the licensing jurisdiction, complementary legislation will be required in the appropriate regional Act to create the necessary authority. I should note that the current situation in Metro Toronto will be unchanged by this proposal, which in fact is aimed at establishing a similar system in other regional municipalities.

Although this bill constitutes the first major legislation in response to the select committee's report, we have already taken steps to deal with other specific recommendations which are outlined in detail in the attached compendium. Two additional matters provided for in this legislation include the enfranchisement of certain unlicensed carriers and a uniform bill of lading, both recommendations of the select committee.

In conclusion, Mr. Speaker, I think today's presentation is a fair indication of the considerable amount of work that has gone into our review of the select committee's recommendations. It also clearly demonstrates the concerns about productivity and restraint in government intervention in the economy which were highlighted in the recent Speech from the Throne.

Hon. Mr. Davis: Aren't you going to support it, Margaret? There are a lot of truckers in St. George.

Mrs. Campbell: I know. They were all here yesterday.

ORAL QUESTIONS

HEALTH RECORDS

Mr. S. Smith: A question of the Minister of Health: Could the minister tell us whether he now has found out who it is in his ministry who gave out the information to the RCMP that we discussed in this Legislature, and exactly what punitive steps his ministry

has taken with regard to the individuals involved?

[2:30]

Hon. Mr. Timbrell: We believe we have, Mr. Speaker. A hearing will be held under the Public Service Act and, depending upon the outcome of that, further action may be possible. But, certainly, any and all information will be turned over to the commission under Mr. Justice Krever.

Mr. S. Smith: Does the minister agree that there has been an apparent breach of the law; and also even a breach of the manual of practice, which was used in this House to excuse the other breaches of the law with regard to the so-called bare bones information? Why will he not, in fact, immediately turn over this information that he has in his possession to the Attorney General (Mr. McMurtry) for his consideration?

Hon. Mr. Timbrell: I am advised that in the circumstances we are wise to hold a hearing under the Public Service Act; and as I said, depending on the outcome of that hearing such further action is possible. I think we should wait until we have that completed.

Mr. Lewis: Supplementary: Has the minister yet found out what happened to the two people who were investigated within the federal civil service? Does he intend to inquire what impact the OHIP information may have had on their job applications?

Hon. Mr. Timbrell: I haven't had an opportunity to do so. I intend to discuss it with my colleagues to determine what course we might follow.

Mr. S. Smith: Supplementary: Could the minister tell us at approximately what level in the hierarchy were the individuals who gave out this information; and which of the more supervisory personnel were consulted about this, who knew about it? Did anyone give approval of this? Can he also tell us exactly when the incident occurred?

Hon. Mr. Timbrell: Each and every detail that we have uncovered to date and that we will uncover will be turned over to the commission headed by Mr. Justice Krever. In fact, today I spent a better part of an hour with the counsel to that commission discussing events that led up to the creation of the commission and the material that has come to light since, and indicated to Mr. Strosberg that he can be absolutely certain that we would be co-operative in every possible respect.

Mrs. Campbell: Could the minister tell us who advised him of the facts which he gave

to this House, which apparently were in error? Has he examined that individual or those individuals as to how they came to give misleading information to the minister himself?

Hon. Mr. Timbrell: As the hon. member knows, to a great extent we have relied on, or have been guided by, the assistance and co-operation of the RCMP in providing information from their side. From my side, I can tell you that representatives of the commission of inquiry are speaking with staff at all levels of the organization within the ministry and within OHIP. And yes, I have talked to the individuals who advised us, based on their own surveys of our staff. Certainly, I have my own concerns about this, but the commission may very well recommend certain actions within the organization of the ministry itself, and I am prepared to consider such things.

HYDRO RATES

Mr. S. Smith: A question, Mr. Speaker, of the Minister of Energy: Is the minister aware, and does he agree with the comments of the former Minister of Energy—the member for Prince Edward-Lennox (Mr. J. A. Taylor) who we certainly miss on this side of the House?

Mr. Foulds: Never know your luck until you lose, Jim.

Mr. S. Smith: Can this minister comment on those remarks of the former minister as quoted in the February 23 edition of the *Intelligencer of Belleville*, concerning rural Hydro rates—which I believe are 36 per cent higher than urban rates—when the former minister said: “The rural consumer has no voice”; “Large corporate consumers can negotiate—they have clout”; “It is the energy minister’s responsibility to protect rural consumers?” Does this minister agree with those comments and what is he going to do about it?

Interjections.

Mr. Speaker: Order. Would you like an answer?

Mr. S. Smith: Yes.

Hon. Mr. Baetz: I am well aware, and also very much concerned, about the fact that rural Hydro rates are indeed larger than those of industrial users and other municipal users.

Mr. Bolan: What are you going to do about it?

Hon. Mr. Baetz: There is at the present time a study under way to see what can be done about this—

Mr. Kerrio: Not another study?

Mr. Peterson: We have enough studies in this government.

Hon. Mr. Baetz:—and to see what kind of equalization can be brought about. When that report comes in and we have had a chance to look at it, I will report in full detail to his House.

An hon. member: The same old game.

Mr. Stong: We call it paralysis by analysis.

Hon. Mr. Davis: You people should know about paralysis.

Mr. S. Smith: Supplementary. Does the minister not recognize that the gap between the rural and urban rates gets larger with every increase in Hydro rates and that this discrepancy has now been on the books for some considerable period of time? Can he not take some remedial action while he is waiting for yet another of his famous studies to come before him? Why must the people suffer while he and the other ministers go about doing studies in the province of Ontario?

Mr. Bolan: How about another study for northern Ontario?

Mr. Bounsall: Equalize the costs.

Hon. Mr. Baetz: First of all, this is not yet another study of mine, this is my first one.

Mr. S. Smith: We can expect more?

Mr. Foulds: I thought Darlington was your first study.

Hon. Mr. Baetz: Secondly, the Leader of the Opposition is not altogether correct when he says the gap is widening between the rates of all rural hydro users and the rates of other users.

Mr. Wildman: They are all going up.

Ms. Gigantes: It’s true.

Hon. Mr. Baetz: There is a whole variety of differences. When we get our report we will bring it in here. In the meantime, we would like to assure rural hydro users that we are very much concerned and aware of the differentiation.

Interjections.

Mr. Wildman: Supplementary: Could the minister indicate to us when he expects to have the results of this study; and will it affect consumers of electricity throughout the province, whether or not they are rural consumers of Hydro, that is of some of the private utilities which are supplying electricity in rural parts of Ontario?

Hon. Mr. Baetz: We are expecting a report this summer.

Mr. Eakins: Just in time for the cottagers. Interjections.

Hon. Mr. Baetz: At that time, as I said, I will be reporting back further. Also, in the meantime, as the members of this House know, through the restructuring of Hydro utilities more and more rural users are being included under the municipal rates. So there is some mitigation of the problem taking place right now.

Hon. Mr. Davis: All of Bramalea is in now.

Mr. S. Smith: Supplementary: Since the minister apparently doesn't agree entirely with the former minister about the urgent need for reform in that area, does he agree with the statement that the former minister was quoted as making that in the Prince Edward-Lennox area: "We have been paying for a probably insecure, not entirely reliable electric utility for many years. We may have paid for that system by now?" Does the minister think he is correct in that statement?

Mr. Nixon: It sounds correct to me.

Hon. Mr. Baetz: I do not know the answer to that question.

Mr. Foulds: That's the first admission of fallibility we have had from this minister.

An hon. member: It won't last that long.

Mr. Makarchuk: Supplementary: In view of the fact that the minister at this time has in his possession information indicating that the average spread between rural and urban municipalities is 34 per cent, doesn't he feel that this is a very disproportionate charge upon the rural people and therefore he should start doing something about it?

An hon. member: The Tories don't care about rural Ontario.

Hon. Mr. Baetz: Again, I would not accept the fact that there is a 34 per cent differential across the board. That is not correct.

Ms. Gigantes: On the average; has the minister heard of an average?

Hon. Mr. Baetz: I am as much concerned as the members opposite are about this. It is one thing to recognize the problem. We cannot solve it quite as quickly as we can recognize it, but we are working on it.

Ms. Gigantes: That's what the minister said three years ago.

Hon. Mr. Baetz: I wish the members opposite would exercise some patience and we'll come up with an answer.

Mr. Makarchuk: On a point of privilege, Mr. Speaker, I have a letter here from this ministry saying: "On the basis of this comparison, the spread between rural and municipal rates would therefore be about 34 per cent." What does he mean that he doesn't have the information?

Ms. Gigantes: He doesn't know what an average is.

Mr. Martel: Come on, Reuben.

Hon. Mr. Baetz: As the hon. member, I'm sure, knows or should know, the Hydro rates vary very substantially from municipality to municipality.

Ms. Gigantes: Have you ever heard of an average?

Hon. Mr. Baetz: Some are very high, and where they're very high, as for example in Nepean township—

Mr. Makarchuk: What are you doing sending out letters like this then?

Hon. Mr. Baetz: —the rate between Nepean township and the rural users there is not 34 per cent.

Mr. Wildman: What's he talking about, Nepean?

Mr. Reed: Mr. Speaker, I wonder if the minister would take the opportunity, when this study is completed, and use it to introduce a new pricing structure for electric power in Ontario, possibly an inverted rate structure or something related to that—

Hon. Mr. Davis: You don't even know what the word means.

Ms. Campbell: Don't sell him short on energy.

Mr. S. Smith: He knows more than you—

Mr. Reed: —which would improve our conservation efforts in the province of Ontario and make this whole business of pricing electric power more fair? The Premier will pardon my stuttering, but it's the best I could do this afternoon.

Hon. Mr. Baetz: Mr. Speaker, I will take the suggestion under advisement. In reply to the latter part of the question, if I heard it properly, I would like to remind the members opposite that the rates of Ontario Hydro are among the lowest in the whole western world.

Mr. Makarchuk: That's called socialist enterprise.

Mr. Breithaupt: They won't be for long.

An hon. member: A billion here and a billion there.

Mr. Bounsal: That's what comes from not having the right program.

Hon. Mr. Grossman: No supplementaries?

Mr. Speaker: Would you like five or 10 minutes to complete your little private conversation? If not, I'll hear from the hon. member for Ottawa Centre.

HOSPITAL CUTBACKS

Mr. Cassidy: Thank you, Mr. Speaker. I have a question for the Minister of Health. Can the Minister of Health assure this House that the proposed restraint program for hospitals announced this week will not affect the quality of health care available to the residents of the province; and what information does the Minister of Health have on which to base any such assurance?

Hon. B. Stephenson: What a dumb question.

Hon. Mr. Timbrell: Oh, I'm ready for this one.

An hon. member: When did you stop beating your wife?

Hon. Mr. Timbrell: Mr. Speaker, I think the experience of the last several years, during which time we have been living with restraint in the health care system—

Mrs. Campbell: Except your own ministry.

Hon. Mr. Timbrell: —that is to say lower rates of growth in spending than a number would otherwise have hoped for—and to answer the member for St. George, I should point out that over the last number of years the number of staff in the Ministry of Health itself has been reduced by 1,600—

Mrs. Campbell: I have your figures.

Hon. Mr. Timbrell: —so that the ministry itself has taken the lead—

Mr. Speaker: Order. That wasn't a part of the original question.

Hon. Mr. Timbrell: You're right, Mr. Speaker; I'm sorry, you're right.

There is no question that with a four and a half per cent average increase in most of the hospitals, and a six per cent in the very small hospitals in rural and northern Ontario and to the chronic hospitals and related facilities such as crippled children's centres and so forth, there are going to have to be adjustments made. In some areas, that will mean reductions in some services, amalgamations of services with adjacent hospitals, perhaps the phasing out of some beds or perhaps converting them from active treatment care to chronic.

In addition, the hospitals are going to have to continue the trend of the last four or five years of getting into more programs that are not the usual, traditional, institutional kinds of programs where you assume that every-

thing has to be done in a hospital bed in a ward—that is to say, to get more and more into such things as day surgery—

Mr. Deans: What will we use to fund that, pray tell?

Mr. Warner: Tell that to the Hospital for Sick Children.

Hon. Mr. Timbrell: —and the less expensive forms of care. I think it's fair to say that the quality of health care in this province has not suffered in the last few years and is not going to suffer in the future.

Mr. Deans: Another good answer considering he was waiting for the question.

Mr. Foulds: Why don't you ask those who have died?

Hon. Mr. Timbrell: We must all of us turn every possible stone to ensure we are finding and following every possible way to make the best use of the available funds. Mr. Speaker, when you consider that my budget in the coming fiscal year will be just shy of \$4,000 million, that surely is significant proof of the continuing commitment of my party and my government to quality health care.

(Applause)

Mr. Cassidy: That's somewhat feeble applause, Mr. Speaker. Since the minister is not prepared to put forward any specific information about the reduction in quality of care, or otherwise, can the minister indicate whether he's prepared to put his money where his mouth is and say what additional funds above the two per cent now available he is prepared to devote to the development of the community-based services which he indicates are the wave of the future?

[2:45]

Hon. Mr. Timbrell: Budgetary letters went out in the last week or so to the health units and to the administrators of home care programs indicating a six per cent increase in that area.

Mr. Foulds: That is a cutback.

Mr. McClellan: That was a three per cent cutback.

Hon. Mr. Timbrell: We are trying to also protect additional sums for expansion in such things as chronic home care and what has become the more traditional kind of home care, because that load, first of all, has been increasing and it is one that we want to see increase faster than perhaps other areas in the health care system.

Mr. McClellan: That doesn't even keep pace with inflation.

Hon. Mr. Timbrell: Members must recognize that they can't have it both ways.

An hon. member: Neither can you.

Mr. Warner: You can't have better health and cut back.

Hon. Mr. Timbrell: Members must recognize that in order to free sums of money to do these things, it means it has to come from areas of the budget that would otherwise go to the more traditional forms.

Mr. Swart: Like hospital and doctor care.

Hon. B. Stephenson: Most certainly this has nothing to do with how healthy you are. I suppose you have a yearly physical examination.

Hon. Mr. Timbrell: We are in a period in this province, and it is not peculiar to Ontario, where the health care system is very much in a state of transition as we change to meet differing needs of the future and as we live with the official realities of our time.

Mr. McClellan: From bad to worse.

Mr. Warner: You can't run this system and you know it. It's mismanagement.

Mrs. Campbell: Could the minister advise us, since he says that we can't have it both ways, is the government prepared to ensure that it doesn't get it both ways, by on the one hand cutting off meals-on-wheels programs and other support services while it cuts the hospital costs? Has the minister discussed the matter of these support services with Community and Social Services?

Hon. Mr. Timbrell: Mr. Speaker, let's, first of all, put this thing into its proper context. It is difficult to understand how an increase in spending on hospital programs, existing programs and additions and enrichments in the coming year, of \$109 million can be referred to as a cutback.

Mr. Breithaupt: It is called inflation.

Mr. S. Smith: The government never keeps its spending within the inflation rate. How will hospitals do with so much less?

Hon. Mr. Timbrell: Secondly, all of these matters are discussed thoroughly at the social development committee of cabinet at full cabinet, so that yes, the implications of our actions and of our programs on our sister ministry in ComSoc, are very much on the table.

Mr. Cassidy: Supplementary Mr. Speaker: Since the funding for community services is predicted to rise at six per cent, which is less than the rock bottom increase projected in costs, how many hospital workers or health workers will be laid off in community services as a result of this program of restraint? How many hospital workers in general will be laid off because of the minister's program

of restraint and what programs has the ministry got for retraining of those people who are laid off?

Hon. Mr. Timbrell: Mr. Speaker, I think it is very premature to be talking about possibility of layoffs.

Mr. Samis: That's what Inco said.

Hon. Mr. Timbrell: First of all, I would make an additional point, that for the first time ever we have given the hospitals two years' notice of financing—

Mr. Sweeney: It's completely irresponsible.

Hon. Mr. Timbrell: —the four and a half per cent average increase for 1978-79. I reiterate, for the first time ever we have indicated that for the following fiscal year they can expect a similar amount.

Members may argue with the amount, but the fact is that they do now, for the first time, have the ability to plan for two years. It is extremely premature. I think that the bulk of the transitions, the changes that will have to be brought in, can be accommodated through attrition.

Mr. Warner: Now tell us who's going to be sick for two years?

Hon. Mr. Timbrell: I hope that also can be kept to a minimum but I certainly don't discount the possibility of it. I think it is far too premature to be talking about specific numbers and throwing up scare headlines.

Mrs. Campbell: In view of the determination to deal with the matter on the basis of attrition, could the minister, since he has shown such equanimity for cutting of programs, advise what he is doing perhaps to deal with possible attrition in administrative staffs in hospitals?

Hon. Mr. Timbrell: I am not entirely sure of the point of the question. I hope that the hon. member is agreeing with the position I have taken, and that is that hospital boards and administrators, in looking at their organizations, once they have exhausted all the possibilities of amalgamations of services and the elimination of duplications perhaps with adjacent hospitals, will look at all aspects of their operations, administration on down, for any changes.

I have a note from the member for Huron-Bruce (Mr. Gaunt), I don't know what it says.

An hon. member: Is it suggesting suicide?

Hon. Mr. Timbrell: At this point, I would only repeat that it is far too premature to be talking about the numbers of layoffs. I think the bulk of this can be accommodated through attrition, but as I said I don't discount the possibility of some layoffs.

Mr. Speaker: Final supplementary. The hon. member for Ottawa Centre.

Mr. Cassidy: Will the minister agree that he has put his duties as hatchetman for the Treasurer (Mr. McKeough) ahead of his responsibility for the health of the people of the province of Ontario?

Interjections.

Hon. Mr. Timbrell: Having sat on that side of the House at one time with that hon. member he never had that much respect for me in the first place, but when he comes out with that kind of nonsense, surely he doesn't expect me to respond to it. That is the most ridiculous thing he has ever said; and he has said some stupid things.

Mr. Cassidy: It is not nonsense; purely accurate.

Hon. Mr. Grossman: But you'll do worse, Michael. Don't let that disturb you.

Mr. Speaker: The member for Ottawa Centre with his last question.

Mr. Cassidy: Thank you, Mr. Speaker. The Minister of Health is guilty of hyperbole, apart from everything else.

Mr. Peterson: The minister is wrong, that isn't the most stupid thing the member for Ottawa Centre has said.

Hon. Mr. Grossman: Let's have a vote.

Hon. Mr. Davis: There have been several. It is hard to assess which is the one.

Hon. Mr. Timbrell: On a point of order, the hon. member for London Centre is quite correct. That is not the most stupid thing the member—

Mr. Speaker: That is not a point of order.

HYDRO SALES TO U.S.

Mr. Cassidy: A question for the Minister of Energy: Can the minister confirm that Ontario Hydro contracted for approximately 1.5 millions tons of coal-equivalent in electrical power to be delivered to American utilities, and also diverted 25 carloads of coal a day from a non-union mine to a Cleveland utility; and can the minister explain why Hydro was profiting from the US coal miners' strike at the expense of striking workers down there?

Interjections.

Hon. Mr. Baetz: Rather than accept the fact that this was some sort of undue exploitation on Ontario Hydro's part of our American brethren when they were in trouble this winter with a shortage of electric power, I felt this was a gesture of hands across the border.

(Applause).

Interjections.

Mr. Bounsall: It's called strikebreaking.

Mr. Foulds: International strikebreakers.

Interjections.

Mr. Speaker: Order, order.

We are 125 member in this Legislature. We are supposed to be setting an example for everybody in the province of Ontario. We have many students as guests in our galleries today. I am sure you wouldn't want them to be going back making a report to their respective schools, saying what a bunch of oafs we were in this Legislature. You have given them plenty of ammunition here this afternoon. I would just like you to reflect upon that for a moment.

Now if we could have some order, I will hear from the hon. member for Ottawa Centre.

Mr. Lewis: You are not an oaf, Reuben, you are an unctuous fop.

Mr. Cassidy: A supplementary, Mr. Speaker: Can the minister then say whether this is a further step in the privatization of Ontario Hydro that this great public corporation could act only in the interests of private enterprise in the US and not in the interests of workers as well?

Interjections.

Hon. Mr. Baetz: First of all, I think Ontario Hydro by doing what they did—and I fully endorse it—helped the workers of Ontario to remain employed.

Interjections.

Some hon. members: How?

Hon. Mr. Baetz: How? By not cutting down on our hydro.

Interjections.

Hon. Mr. Baetz: They were exporting their hydro to the one state that required it, namely Michigan. If by circumstance those happened to be private companies, what was so dreadfully wrong about that? The people of Michigan got the hydro they needed. They weren't in the cold and dark this winter, thanks to Ontario Hydro.

Mr. Foulds: They might have been if they had got the coal from those suppliers.

Hon. Mr. Baetz: And they continued to work too.

Mr. Cassidy: Supplementary: Will the minister assure this House that Ontario Hydro will develop a policy in the future of refusing to participate in this kind of strike-breaking activity?

Some hon. members: No.

Hon. Mr. Baetz: No, I will not.

Mr. Cassidy: There are four million working people in this province. It's not good enough for the minister to turn his back on Ontario workers.

Mr. Martel: Why doesn't the Minister of Industry and Tourism (Mr. Rhodes) go up and talk to them like that in Sault Ste. Marie?

Mr. Cassidy: Let him not try to pretend he is the friend of the workers any more. He has the Minister of Energy on his back.

Mr. Speaker: The hon. member for Huron-Bruce.

Mr. Gaunt: I can't make myself heard.

Mr. Speaker: Order. I'm not going to warn the House again. I will recess if I hear any further outburst.

PAPER MILL CONTROL ORDERS

Mr. Gaunt: I have a question of the Minister of the Environment. Have the pulp and paper mills of Domtar at Red Lake and Great Lakes Paper at Thunder Bay complied with the March 1 control orders dealing with the completion of the construction of domestic sewage treatment facilities in the case of Domtar and the installation of the Rapson-Reeves system in the case of Great Lakes Paper?

Mr. Peterson: He has got you on that one.

Hon. Mr. McCague: Excuse me, did the hon. member say have they?

Mr. Gaunt: Yes, have they.

Hon. Mr. McCague: I don't know the answer to the hon. member's question at this point but I will get it for him.

Mr. Gaunt: When the minister is checking into the matter, could he determine what the ministry is going to do if the companies haven't complied? Does the ministry intend to lay charges under those circumstances?

Hon. Mr. McCague: I will be glad to find that out also.

BENDING LAKE DEVELOPMENT

Mr. Foulds: I have a question of the Minister of Natural Resources. Can he share with the House what initiatives his ministry and his government have taken with regard to the postponement of the development at Bending Lake near Atikokan?

Hon. F. S. Miller: That's not just within my ministry, I'm sure the hon. member knows.

Mr. Foulds: That's why I asked about the initiatives of the government.

Hon. F. S. Miller: It's a matter that has been discussed as recently as today, as a

matter of fact. I can assure him that this government would have been delighted to see a project of that importance in that particular area of Ontario go forward.

We had been quite willing to provide certain infrastructure to assist the project, but even so the world market for iron ore is such right now that, as I understand it, there were no willing buyers for the product from that proposed mine. That, plus a very marginal operation, was the reason the company decided it couldn't go forward at the present time. We would very much like to have found ways of carrying on production at the two existing operations in Atikokan, but I don't know if there is any economic way those can be carried on past the present completion times.

Mr. Foulds: Supplementary: First, on a point of clarification, did the minister indicate that the Bending Lake development itself was a marginal operation or the present existing mines? Given the fact that there are approximately 600 workers in Atikokan who eventually face permanent layoff by approximately the end of 1979 should no new form of work be found for them and could he tell the House whether his government has taken steps to find on its initiative, through the Ministry of Industry and Tourism, possible markets for ore mined at Bending Lake?

Hon. F. S. Miller: I'm not sure it is as simple as that. One of our problems is that currently there is a great slump in iron production in the world. It happens that Canadian sources, particularly Ontario sources of iron ore, have been amongst the higher-cost sources for a long time. There is a complex arrangement by which companies procure their reserves. They usually buy interests in mines in various parts of the world. Some of these are long-term commitments that couldn't easily be reneged upon and redirected, to a Canadian source in some cases or to an Ontario source in others.

[3:00]

We certainly are aware of the problem in that area. That's one of the reasons, I believe, the Ministry of Energy and Hydro are going ahead with the construction of an electric generating station in that area. I also understand the Minister of Northern Affairs (Mr. Bernier) felt that the cottage program I talked about should get some degree of support in that area in the hope that we could provide some employment.

But the fact remains that those mines sooner or later, I am optimistic, will be

needed. I am hoping there will be an increase in the demand for iron, steel and iron ore and therefore that we will have, maybe in another year or so I hope, some indication that the Bending Lake proposal and the Lake St. Joseph proposal will go forward.

Mr. Foulds: A final supplementary, if I might, because the minister referred in his original answer to infrastructure: Does this mean that the statement in the Speech from the Throne about the completion of the Ignace-Atikokan link will still go as proposed last December via Bending Lake in the hope that development will eventually take place? Can the minister see no possibility besides hope at this stage of speeding up that development?

Hon. F. S. Miller: I think that should really be redirected to my colleague on my right, the Minister of Transportation and Communications.

Mr. Speaker: If the minister wishes to answer, he may.

Hon. Mr. Snow: Mr. Speaker, as stated in the Speech from the Throne, it is the government's intention to proceed with the Atikokan-to-Ignace highway; we are working on the engineering on that project now. I doubt whether the project will proceed with as high a priority, as far as number of contracts per year, as if the mine project were going ahead. But we do expect to continue with the construction.

CROWN LAND SALES

Mr. Hennessy: Mr. Speaker, my question is directed to the Minister of Natural Resources. On the Crown land issue, would the minister clarify if there is any limit on the amount of land to be leased by a non-Canadian?

Hon. F. S. Miller: Mr. Speaker, I hope that the three-step sale or leasing system mentioned in my comments today would have been heard by the members of the House. If we create a subdivision, in the first year of its registration only Ontario residents will be eligible to purchase land. In the second year, residents from other provinces will be eligible to purchase land, and past the second year foreigners may lease land. So you have actually, on any given subdivision—

Ms. Gigantes: The answer is no.

An hon. member: Maybe.

Hon. F. S. Miller: —a full two years, as we have had in the past, before anybody other than a Canadian could have the option. To give you an example, out of about 2,200

lots created in the past five years, only 85 have been leased by non-Canadians.

Interjections.

Mr. Hennessy: Supplementary: I would like to ask the minister if it would be possible to get more clarification. It was just mentioned today in the House and it is very difficult for me, being a resident of north-western Ontario where this is going to take place, I would appreciate it if perhaps the members of this House could receive more information so we would know what direction we are going.

Ms. Gigantes: You didn't let him know, eh?

Mr. Bolan: Come on over.

Mr. Nixon: You should never have gone with the Tories, Mickey.

Mr. Stong: They won't tell you anything.

An hon. member: They just got a policy act together, Mickey. You can't expect them to have the details.

Hon. F. S. Miller: And it isn't even the ides of March.

Unless I misunderstood the quotation attributed to the hon. member in the paper in Thunder Bay this week, I have done exactly what he said. He said Ontario and Canadian residents should have a priority and should be protected before any non-residents could have a chance.

Ms. Gigantes: For one year—12 months—24 months.

Hon. F. S. Miller: I have done just that. I read the Thunder Bay paper.

Mr. Kerrio: Mr. Minister, I wonder if you might share with us what you are considering in terms of length of lease for the non-residents?

Hon. F. S. Miller: I will have to check this back but it strikes me that the terms of lease in the past have been 30 years, plus 10 plus 10.

Mr. Martel: Supplementary: Has it not been a problem of too few lots becoming available for lease that has reduced the amount of employment that the minister anticipates, and could he indicate to the House how many lots were offered for lease since the lease policy started and not taken up by the public?

Hon. F. S. Miller: Just by coincidence, 2,261 lots have been offered. I would agree it is not enough, but we still have an inventory of 195 lots not taken up by anybody in spite of the 2,261 being a relatively low figure.

Mr. Lewis: So why do you have to sell?

Hon. F. S. Miller: It would be one of our objectives to increase the number. In fact, my staff tell me they have had a number of subdivisions on the drawing board which for one reason or another have not been proceeded with. A number of these were because the Ministry of the Environment had certain qualifications on a lease basis. We will be reviewing these qualifications with the Ministry of the Environment and with other ministries in the next two or three weeks.

Mr. Martel: Then why do you have to sell?

Mr. Speaker: Order. The hon. member for Fort William with a further supplementary.

Mr. Hennessy: Mr. Speaker, the Minister of Natural Resources mentioned that he had to read the Thunder Bay paper to learn what I said. I would like to advise the minister I had to read the Globe and Mail to find out what he was going to do.

Interjections.

Mr. Speaker: Order. I think that if the hon. minister will check Hansard, that was not a question.

Hon. F. S. Miller: I know, Mr. Speaker; I'm up on a point of order or privilege. I say to my friend, does he necessarily believe that?

Mr. Foulds: The minister had to read the Globe and Mail to find out what he said himself.

Mr. Deans: A supplementary question, Mr. Speaker: I wonder if the minister could tell us two things: First of all, what becomes of existing leases with regard to the new purchase policy; and, secondly, what provisions will there be with regard to the resale of these lots to other than Canadians?

Hon. F. S. Miller: In my announcement today, I dealt with only one aspect—and I ask my friend to let me only answer that aspect today—that was the ownership—

Mr. Deans: Why does the minister dribble this out day by day? Why can't he give us the whole program?

Mr. Wildman: He still hasn't developed a policy.

Mr. McClellan: Drool it out all at once.

Mr. Speaker: The question has already been asked.

Hon. F. S. Miller: I thought the issue deserved a prompt answer, in terms of ownership, because of my comments to the press the other day. Therefore, I promptly—

Mr. Deans: You shouldn't have made the comments in the first place.

Hon. F. S. Miller: Mr. Speaker, can you not keep this gentleman in order?

Mr. Martel: The cabinet couldn't keep the minister in order.

Hon. F. S. Miller: There has been a concentration, in a nuclear sense, of a sound critical mass in the front row of the third party recently.

Mr. Speaker: That has nothing to do with the question.

Hon. F. S. Miller: It has a lot to do with the interference.

Those matters are being considered, Mr. Speaker. In my statement today, I said that within three to four weeks the full details of the administration of the program would be answered.

PSI MIND DEVELOPMENT INSTITUTE

Mr. Sweeney: Mr. Speaker, a question to the Minister of Health with respect to the Psi mind-benders, to use his words: Given the minister's statement of last Saturday that the province has no intention of outlawing the mind-benders, what action does he intend to take to protect the health of the people of Ontario, in view of his own statements of concern, those of George Matheson of the Clinical Hypnosis Society, and those of Dr. Powell of London Psychiatric Hospital?

Hon. Mr. Timbrell: Mr. Speaker, I appreciate very much the hon. member's raising this question. Having been the one who gave those remarks last Saturday and similar remarks a few weeks ago to the Psychology Association, and having in fact indicated to the Globe and Mail reporter present that copies were available—and presumably he picked up a copy—it is beyond my comprehension how someone sitting in the Globe and Mail office could write that headline.

In fact, I did not say—and the member's colleague from St. George was present—that a decision had been made not to try to bring them under control. Quite the opposite. What I have been saying in connection with the recent proposal of the Psychology Association, whatever one might think of that particular proposal—and there are many who have doubts and concerns about it—one of the goals which I support is to try to frame in legislation some means of bringing under control those quacks, those charlatans who for financial gain abuse the minds of innocent people.

Mr. Bolan: You mean the Tories.

Mr. Warner: Sounds like Steve Roman.

Mr. Sweeney: I am delighted to hear that.

Supplementary: Can the minister verify that the recent OPP report, although not being able to make the case with respect to fraud, did raise other issues of serious concern and ask for further investigation?

Hon. Mr. Timbrell: I can confirm for the hon. member that there are a number of concerns, some of which arose out of that particular investigation, others from other sources that are under active consideration by a number of ministries.

Mrs. Campbell: Supplementary: I would ask the minister, in view of the status of this matter at the moment, if he will now seriously consider looking at the current legislation with reference to the use of hypnosis as it may relate to Psi—something that he has not been prepared to do in the past. Would he do it now?

Hon. Mr. Timbrell: That has been done, Mr. Speaker, within our ministry. We've looked at the possibility of prosecution under the Hypnosis Act, which is a very old statute, as you know, and under which no prosecution has ever been carried out, to my knowledge. That forms part of the overall consideration involving a number of the ministries which I referred to a few minutes ago.

SPECIAL EDUCATION

Ms. Gigantes: My question is to the Minister of Education. Is the minister aware that the Metro school board is in the process of reallocating funds from the \$1 million he gave during the election for the protection of special education programs, and that the reallocation will mean the loss of special education teachers within the Metro system?

Hon. Mr. Wells: I haven't been informed of that by the Metro school board. I'm sure my friend agrees that school boards in this province have a high degree of autonomy and they know that they get, in effect, what is practically a block grant except for certain cases—French and special education—and must exercise that autonomy in the interest of the people who live in their jurisdiction. I certainly would regret it if the city of Toronto is again finding it difficult with its special education. We have allotted much more money for special education this year than we did last year, in the form of a weighting factor, and I would hope that—

Mrs. Campbell: In Toronto?

Hon. Mr. Wells: —Metro school board would accept this responsibility and would indeed improve their programs, as we expect all boards in this province to do.

Ms. Gigantes: Supplementary: Would the minister provide us with an accounting for

this \$1 million which would reveal what long-run benefits, if any, have been achieved for Metro children in need of special educational help? Will he, at the same time, indicate how his ministry intends to account for the money, the \$20 million that it looks like the new legislative grants will allocate for new special education programs in 1978?

Hon. Mr. Wells: Of course, we'll have a chance to talk about this at great length in our estimates which will be beginning soon.

Ms. Gigantes: You'd better look after the \$1 million now.

Hon. Mr. Wells: But, of course, we expect boards, in order to qualify for the extra money—as my friend knows—to have the program in place. They must have a certain number of teachers and a certain number of programs.

Ms. Gigantes: What's happening in Metro then?

Hon. Mr. Wells: If they have those programs in place they qualify and generate the extra money. We keep a constant monitoring on this information and, thus, we know what programs they have in effect.

Ms. Gigantes: What's happening in Metro right now?

GROUP HOMES

Mr. McCaffrey: My question is for the Minister of Community and Social Services and it deals with an article that appeared in the *Globe and Mail* recently. The heading of the article was, "Union will use fear campaign to stop change-over to group homes." In particular, the Ontario Public Service Employees Union and their spokesman, a Mr. Slee, were expressing concern that closing of institutions might jeopardize some of their jobs—I think, a legitimate concern. But what prompted my question is his reference to their tactics, and a specific quote of Mr. Slee's: "The union is clearly going to undertake—

Mr. Cassidy: Speech, speech.

Ms. Gigantes: Question?

Mr. McCaffrey: —to disrupt, within the community, any attempt to move"—

Mr. Speaker: Question.

Mr. McCaffrey: —"patients in need to a group home." Since this flies in the face of the government's program, would the minister comment on that?

[3:15]

Hon. Mr. Norton: Mr. Speaker, initially there I thought that perhaps it was the hon. member for Fort William (Mr. Hennessy) who was coming at me from the other side.

Mr. Kerrio: No, he has gone into hiding.

Mr. Eakins: He is under the shower.

Hon. Mr. Norton: I must say first of all that I am not certain of the accuracy of the statements that were attributed to the representative of OPSEU in that report. In have had no formal communication from OPSEU or from the individual quoted to support those kinds of statements.

However, if in fact that is an accurate rendition of the statement, I must say I am just shocked at the apparent lack of responsibility on the part of an individual who has a responsible role to play in our community.

I don't have an indication that his statements in fact reflect the views of the government employees for whom he purports to speak. If I recall correctly, I do know that in the one particular case he made reference to—namely Oakville—the views he expressed are not the views of the employees of this government working in the Oakville Centre. In fact there have been some efforts on the part of the employees there to dissociate themselves from the statements of this gentleman.

It has been my experience that the employees of this government involved in the programs with the mentally retarded and with the children of this province, see their responsibility in a much broader role than is reflected in the statements of Mr. Slee—if these are, as I say, accurate renditions of his statements. I just refuse to believe our employees would support that kind of irresponsibility.

Mr. McClellan: May I ask the minister, by way of a supplementary, since I share his views—and he knows it—whether he would think it wise to arrange a meeting with OPSEU officials to discuss this matter before it goes any further? Secondly, would he think the fear campaign in Oakville is being waged by OPSEU or by the Minister of Transportation and Communications (Mr. Snow)?

Hon. Mr. Rhodes: We know who is waging it all right.

Hon. Mr. Norton: That is the unkindest cut of all.

Mr. Foulds: Largely because it is true.

Hon. Mr. Norton: That is certainly not true.

Mr. Foulds: He has certainly aided and abetted it.

Hon. Mr. Norton: I would be prepared to meet with Mr. Slee and any other officials from OPSEU at any time. If one looks at the sequence of events relating to the Oakville Centre it would appear that the escala-

tion of concern, or fear if you wish, that was generated in that community—

Mr. McClellan: By the minister.

Hon. Mr. Norton:—began with a press conference that had been called by one, Mr. Slee. I would point out also that to the best of my information Mr. Slee has at no time set foot in the Oakville Reception and Assessment Centre either before or since these events. I don't know on what he bases his information.

He made, again, some very irresponsible statements there in reference to the clientele group who might be in the reception centre, totally ill-informed and erroneous statements that did create fear in the community. The Minister of Transportation and Communications I am sure is not associated with those kinds of views and would feel as I and repudiate them.

Mr. Nixon: Supplementary, Mr. Speaker: Since the matter under discussion is related at least in part to the cabinet decision to close certain institutions associated with the Ministry of Correctional Services, would the minister not join with Minister of Correctional Services (Mr. Drea) and have the matter referred to the standing committee on social development so that these matters may be brought before the members of the Legislature, and those people directly concerned, either as employees of the ministry or in the communities concerned, might express their views?

Hon. Mr. Norton: Mr. Speaker, the answer simply is no. I will at all times be open to input from members of this Legislature and members of the communities that might be affected.

I have taken steps to assure communities across this province that might at some point be affected by the policy, that we will make every effort to consult with them in advance and, in fact, also make arrangements for alternative uses of such facilities, as might be closed, to assist employees in either relocation or alternative training for continuation in the total program for children in this province. But I would be very reluctant at this point to consider any proposal that might either delay or impair what I think is an essential move that we should make in the interests of children in this province.

Mr. Nixon: Why not use it to inform the community?

Hon. Mr. Norton: And I could foresee the kinds of proposals that the members have made here as being something which could delay for many months our being able to

move ahead with what I think is a forward step.

URANIUM DRILLING

Hon. F. S. Miller: Mr. Speaker, last week the Premier (Mr. Davis) was asked a question by one or two members concerning the drilling for uranium in Lake Wanapitei and it was my understanding that I was to answer that question.

The Ministry of Natural Resources had in the beginning stated that it would permit drilling on Lake Wanapitei and it discussed the matter with cabinet. We are still of that opinion. However, up to this point we have not issued a work permit for the drilling on Lake Wanapitei because of the fact that there was a good deal of discussion going on.

I believe the hon. member for Sudbury East (Mr. Martel)—who was one of the people posing the question—and I had agreed that the drilling per se was not the risk but the development of any potential mine which could possibly affect the quality of the drinking water supply for the city of Sudbury. This is one thing which our ministry and he shares in common; we want to protect that water supply.

As few as five or six holes were planned by the one company intending to do the exploration activity. An injunction was obtained, as I am sure the member knows, against the drilling, in any event. The proceedings related to the injunction were heard in Osgoode Hall, I believe, on February 24. The judge hearing the matter decided that in fact a trial should be held and he continued the injunction until such time as that hearing was held. This will be in the early part of the spring and precludes any drilling taking place in the balance of this winter.

Mr. Martel: Supplementary: Given the fact that the Sudbury region has responsibility for drinking water under your legislation and the fact that over 10,000 people, without any type of real advertising program undertaken, petitioned the government to alter its position with respect to drinking water being tampered with by drilling, would the government not reconsider now—particularly in view of the fact that it has backed off in Elliot Lake—the drilling for uranium in the source of our only drinking water supply, that being Lake Wanapitei?

Hon. F. S. Miller: Mr. Speaker, I don't think the statement that we have backed off in Elliot Lake is correct, either. I don't think a work permit has been issued there. But on the other hand, there has been no statement by our ministry to any people in that area that we would or would not permit the drill-

ing. I can only assure you that if drilling in that lake was carried out, under the 12 or 13 requirements of the Ministry of the Environment and their monitoring, it would not do what apparently some of the members of the public have been led to believe it would do, and that is to release large quantities of radioactive matter into the lake.

There are some people who have apparently been led to believe that radon gas is something like a natural gas, or that there would be large quantities of radioactive material freed up in the process. That, I am sure the members know, is not so. There are radioactive sediments in the lake now; there have been for many years, simply because the rock in that area contains a small amount of uranium.

There have been many people who say that drilling would be fruitless; that may be the case. The fact remains that the people who were exploring for uranium were willing to take that gamble and, in our opinion, would not in any way through the drilling process be risking the quality of the water. Based upon their assays they would require some kind of environmental impact study or assessment if they found any viable amounts of ore. That's the point at which the protection acts would be taken to ensure that the water supply would be protected. If adequate protection could not be guaranteed, no mine would be permitted.

Mr. Germa: To what purpose would the drilling be allowed when there is evidence already recorded that, even if an ore body is found, it is technically impossible to develop that ore body outside of the watershed and consequently the ore body could not go ahead at any point, even if it is found?

Hon. F. S. Miller: I think the hon. member has jumped to a couple of conclusions. I think people who say they—

Mr. Martel: Not according to the engineers we've talked to.

Hon. F. S. Miller: Right. The fact is that exploration in any part of this country is very much like a poker game.

Mr. Martel: Yes, but don't play poker with our drinking water.

Hon. F. S. Miller: One drills in the belief one might find an ore. If it were a definite science, then in fact this type of exploration would not be needed.

Mr. Wildman: What happens if you want to protect the water supply?

Hon. F. S. Miller: However, I'm sure those people willing to risk their money have assumed that—

Mr. Martel: We're not willing to risk our drinking water.

Hon. F. S. Miller: —if ores were found, they would have to comply with our requirements.

TEACHERS' SUPERANNUATION FUND

Mr. Van Horne: I have a question for the Minister of Education: In view of his answers on Tuesday of this week concerning the government makeup of payments for the teachers' superannuation fund, would the minister agree that he and the members of the standing committee on social development should meet, along with the members of the superannuation commission, to consider the operation and administration of this fund as soon as possible?

Hon. Mr. Wells: Yes, Mr. Speaker. I think I indicated in this House that I'm willing to do it any time and in fact I have been attempting to facilitate this meeting. I wrote a letter to the former chairman of the committee. Of course, he may not be chairman this year; there may be a new chairman for this sitting. But certainly any time that the members wish, the superannuation commission would be very pleased to appear and discuss the whole thing fully with the members of the committee.

Mr. Van Horne: Supplementary: Would the minister agree that this should happen before the new estimates are discussed for the fiscal year 1978-79?

Hon. Mr. Wells: I certainly would have no objection to that, but I think the hon. member should discuss that with his House leader and it should then be discussed by the House leaders—

Mr. Foulds: It already has.

Hon. Mr. Wells: —because as I understand it, the matter of scheduling estimates is a very delicate and organized matter. If this is going to be done, it's fine with me.

The only thing I draw the member's attention to is that the members of the superannuation commission come in from all over the province and we have to give them adequate notice and time to get down here for the meeting.

ASSESSMENT APPEAL SERVICES

Mr. Swart: My question is to the Minister of Revenue, if I may have his attention.

An hon. member: Lorne. Are you awake?

Mr. Makarchuk: Pie in the sky.

Mr. Cassidy: This is your debut.

Mr. Swart: Is the Minister of Revenue aware that private property assessment com-

panies have been formed—I. I. Nash Associates Limited, A. B. Gray, and Vercan Associates Limited, to name three—which are promoting assessment appeal services to major industrial and commercial corporations on the basis of splitting the taxes saved in the first year if they are successful, and that the same people are acting as both agents and witnesses in the same appeal hearing?

Does the minister not consider this practice somewhat improper, in view of the fact that accountants, lawyers and appraisers prevent similar practices in their professions and when, in fact, it means that large corporations are being successful in getting reductions where the ordinary property owner cannot?

Hon. Mr. Maeck: Yes, Mr. Speaker, I am aware of that situation. We have looked into it. Obviously there's nothing really illegal about it. It's done by other—

Mr. Wildman: It's unethical, though.

Hon. Mr. Maeck: Yes, it is unethical as far as I'm concerned, but it isn't illegal.

Mr. McClellan: That makes it all right then.

Hon. Mr. Maeck: The only time it would be illegal would be if the legal profession, who are representing these people, were taking a percentage, but they are not. It's my understanding that the legal people who go through the claims situation are being paid on a per diem basis, which is quite within the legal profession's code of ethics. We have investigated it but while I don't really approve of it, I can't find anything that's illegal about it.

[3:30]

RE TABLING OF REPORTS

Mr. Speaker: It is my understanding the hon. Minister of Education has a response to the point of privilege raised by the member for Carleton East.

Hon. Mr. Wells: Yes, Mr. Speaker. I understand the member for Carleton East was claiming that the report of the Jackson commission on declining enrolments had been made public in some way and in some other place than in this Legislature.

I would like to point out to members of this House that the interim report of the Jackson commission which was to be ready February 28 has not been received by me at this point in time. Therefore, the allusion in the Toronto Star that I had received it on Tuesday is incorrect. As far as I know there are no copies of the Jackson report

ready yet at all, so it is probably very unlikely that the Star or any other newspaper has any copies of it either.

INTRODUCTION OF BILLS

MENTAL HEALTH AMENDMENT ACT

Hon. Mr. Timbrell moved first reading of Bill 13, An Act to amend the Mental Health Act.

Motion agreed to.

PUBLIC VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 14, An Act to amend the Public Vehicles Act.

Motion agreed to.

PUBLIC COMMERCIAL VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 15, An Act to amend the Public Commercial Vehicles Act.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Mr. Speaker, before calling the orders of the day, may I take this opportunity in keeping with the provisional rules to indicate the order of business for next week.

On Monday afternoon next, we will complete the Throne Speech debate with a vote on the various motions to be held at 5:50 p.m.

On Tuesday afternoon, we will take into consideration second reading of Bill 10 and then go into committee, if there is any committee work to be done on Bill 10. This would be followed by the commencement of the consideration of Bill 59 in committee of the whole House. Tuesday evening, of course, is the budget. Wednesday is committee day and there is no meeting in the House.

Thursday afternoon, we will take into consideration private members' bills 2 and 3, standing on the order paper in the names as indicated there. Thursday evening, we will go back to legislation and I assume carry on with consideration of Bill 59 in committee of the whole, as will be the case on Friday morning.

ORDERS OF THE DAY

NOTICE OF MOTION No. 1

Hon. Mr. Welch moved resolution No. 1:

Resolution: That in accordance with the agreement announced on Thursday, December 15, 1977, the ballot taken for private members' business at that session will extend to the present session subject to the following: A supplementary ballot will be taken for those who did not or could not take advantage of that first ballot. The order determined by that additional ballot will be added to the order indicated by the previous ballot.

Mr. Handleman: Mr. Speaker, I am speaking on the Speech from the Throne later on today and therefore would not speak to the motion now, but I want to reserve the right to talk about it.

Resolution concurred in.

NOTICE OF MOTION No. 2

Hon. Mr. Welch moved resolution No. 2.

(Reading dispensed with)

(See Votes and Proceedings)

Resolution concurred in.

NOTICE OF MOTION No. 3

Hon. Mr. Welch moved resolution No. 3.

(Reading dispensed with)

(See Votes and Proceedings)

Resolution concurred in.

THRONE SPEECH DEBATE

(continued)

Resumption of the adjourned debate on the amendment to the motion for an address in reply to the speech of the Honourable the Lieutenant Governor at the opening of the session.

Mr. Cooke: On Tuesday evening when the debate was adjourned I was just beginning to talk about some of the problems in my city in the auto industry. Since it is a very important topic for the Windsor area I would like to continue on that.

I should point out that since January of this year, there have been 7,000 employees laid off at Chrysler Canada in Windsor for a total of four weeks—temporary layoffs, but nonetheless they are layoffs and the prospects for further temporary layoffs are very likely. As I pointed out on Tuesday evening, the rate of unemployment in Windsor is 11.4 per cent, and therefore I think it is very incumbent upon this government to take a look at Windsor and cities like it which

are based on one industry and try to diversify.

If I may offer a suggestion for my particular area, I should point out that Windsor is surrounded by two lakes and the Detroit River. We should have a very thriving tourism industry, but at present the tourism industry is not what it should be in Windsor.

In the middle of my riding there is a provincial park called Peach Island, which the provincial government bought, I think back in 1973, for approximately half a million dollars. They then developed a plan for that provincial park at a cost of about \$50,000. The plan that was developed has never been approved by the Minister of Natural Resources (Mr. F. S. Miller) and there has been absolutely no development to this park at all. At present the only access to this park is for those people who live in Windsor and those Americans who have boats. Therefore, the great majority of the people in Ontario who have paid for this island and paid for the plan to be developed can't use that island. I think that is a very unfair situation.

I have written to the Minister of Natural Resources on several occasions and his response is that due to the restraint program they just can't do anything about it. I would like to point out that the plan is there. All it requires is some amendments and at least we could get a plan for Peach Island to have a provincial park in my area developed and we could start to develop it. The cost would not be a tremendous amount.

I would like to talk briefly about the auto pact as that also affects jobs in my area to a great extent. In the Throne Speech the government said it was going to continue to pressure the federal government for changes in the auto pact and a renegotiation of the auto pact. I really don't have too much faith in that promise because I have been hearing about it for quite a few years now. The fact is that there is a \$3 billion deficit in the production of auto parts and an overall deficit of \$1.1 billion. That represents approximately 15,000 to 20,000 jobs that we should have here in Canada.

If the Treasurer (Mr. McKeough) used some of the energy he uses in this House occasionally in yelling at the opposition—he gets quite upset at times—and directed it at the federal government, I would think the federal government possibly would understand Ontario's position and that we in this Legislature demand immediately the renegotiation of that auto pact to make sure that the 15,000 jobs we have owing to us are developed here in Ontario. I hope the government will take a

much more aggressive stand on the renegotiation of the auto pact.

With regard to youth unemployment, the fact is that youth unemployment in Ontario remains extremely high even though the provincial government brought in a program last year which really amounted to summer jobs. That was their answer to youth unemployment last year. The fact is that youth unemployment is still extremely high. And now all they plan on doing is throwing some more money into the same type of program. It is still going to be an extremely dangerous issue for this government and I would suggest that unless the government takes very concrete steps to attack the youth unemployment problem, this province and this country are going to see some very serious things happen over the next few years.

Just as important as youth unemployment is youth underemployment. Of course, that refers to the many teachers, nurses and so forth that we have trained in this province for whom there are absolutely no jobs. I don't see the government, and in particular the Minister of Colleges and Universities (Mr. Parrott), taking any concrete action to make sure that we are not overproducing more teachers and more nurses and having to export some of the nurses to the United States. We in Ontario pay for the cost of educating these professionals, and what's the result? We have to export them to Texas and other places in the United States that are demanding nurses. I think that's the wrong approach.

What we can look for, if the government doesn't attack youth unemployment very seriously, is increased crime and, maybe in the future, civil disobedience, because I just don't think our youth are going to stand for this.

The government is going to be bringing in a package addressing the problem of alcohol abuse. If they were serious about addressing this problem, they would look at some of the social problems that cause alcohol abuse among our youth; and one of them is the unemployment problem. Unless they're willing to really look at the source of the problem, raising the drinking age by one year or eliminating lifestyle advertising is not going to have any dramatic effect.

In the Throne Speech the government also addressed itself to developing an education system that would encourage skilled trades. I want to make one suggestion in that area: With declining enrolment at the secondary school level, we have the facilities and the teachers available in this province. I hope the government won't build new facilities. I also hope they won't completely restrict this type of program to the college level because

we have the facilities at the secondary school level. If we could somehow convince this government and boards of education across this province to be a little bit more flexible and to look at alternative forms of education rather than the regular classroom structure that we have now, these types of programs could be offered in the regular classroom setting. I hope the government will consider that type of thing.

One area of the Throne Speech that quite pleased me was that at least the speech addressed itself to and mentioned the problem of job satisfaction. Now that we are looking at occupational health—a bill will be brought in and I hope there will be amendments made to make it very satisfactory to the workers of this province—the next problem that the Legislature has to address is job satisfaction and stress in the work place. There are more days lost in the work place as a result of stress and psychological problems than there are because of strikes or even injuries in the work place. I was pleased the government recognized that as a problem, and I certainly will be looking forward to seeing a committee report back to this Legislature with some concrete recommendation.

[3:45]

I did want to mention one other thing. The Throne Speech also mentioned that there will be increased money for school boards for children with learning disabilities. I don't think we know the full extent of what the Minister of Education (Mr. Wells) is proposing, but from what I have been able to gather so far from boards of education in my area the grant regulations as announced really do not encourage boards of education to provide this type of education.

What it amounts to is that the minister is putting the responsibility for educating these children on the boards of education, as he probably should, but he's not providing the amount of money that is necessary. If the minister is really serious about providing education for these students, what he should be doing is offering 100 per cent funding for programs for these students. That's the only way that boards of education are going to be able to provide those programs.

Mill rates have increased to such an extent—in my area in Windsor over the last three years the mill rate has gone up 30 per cent—that boards of education are just not going to be willing to raise the mill rate any further to create new programs. They just can't because ratepayers are paying too much already of that regressive tax, property tax. I encourage the Minister of Education and I

encourage the government to look at this problem much more actively and much more sincerely and come up with a realistic solution to the problem.

My colleague from Bellwoods (Mr. McClellan) mentioned the other night about the hypocrisy in the Throne Speech when it talks about strengthening the family. I had to mention it because I read that and I laughed because it sounds very good in the Throne Speech. I understand one of the Conservative members has introduced a private member's bill to create a new holiday called family day. That too is a joke.

If this government was serious about strengthening the family, it would be looking at expanding day care. In my city we don't even have infant day care while here they are with a green paper from the children's division talking about expanding day care to cover up to, I believe, age 13. To heck with expanding it. Let's talk about providing for and about the freeze that they have put on new daycare centres. Just 215 new places in the province amounts to a freeze.

The home care program the government announced back when the election was on is another area where, if they were really serious about strengthening the family and in particular the extended family, they would have provided a very adequate home care program. In the long run, it would save this government money because we wouldn't have to expand nursing homes and we wouldn't have to expand chronic care hospitals to the extent that we are going to have to in the future. The government has to address itself to the problems that will be facing the people of Ontario as more and more of our people retire and grow old because that time is coming when a larger percentage of our population will fall into the retirement age bracket. We have to start providing adequate programs and services for those people.

On single parent families, I would suspect that other members of the Legislature are facing the same problem that I am. The increased number of complaints I have had in my constituency office of people being refused welfare is just unbelievable. In Windsor last year, in 1977, there was something like a 300 per cent increase in the number of appeals in front of the social assistance review board. I won't get into the social assistance review board because, as far as I am concerned, it's a very unfair system that is used and needs to be improved very very much. People need to have either lawyers with them to protect their rights—

Mr. B. Newman: Kangaroo courts.

Mr. Cooke: —or we shouldn't have to have members of the Legislature going with them. There should be a provision built into that system to protect the people who go in front of that social assistance review board because the odds on winning a case right now—

Mr. Wildman: Every third family in Blind River is on welfare.

Mr. Cooke: —are stacked against them right from the beginning. If this government was serious about strengthening single-parent families, they would be looking at an adequate guaranteed annual income. They wouldn't be just increasing it when they feel it's politically advantageous for them to increase welfare payments.

In any case, I would expect that we will get into those types of things in great depth when the recommendations from the green paper from the children's services division come before this Legislature. I look forward to that because my initial impression of the green paper is that I am not overly impressed with it at all. There are some very good recommendations, but I really don't think that the government is willing to do what is necessary, that is, exert its authority over Children's Aid Societies and some of the other agencies in this province that the Minister of Community and Social Services (Mr. Norton) is responsible for.

He takes that authority when he wants to. A good example of that is when the anti-inflation program came in. All of a sudden, Children's Aid Societies were public agencies and they came under the anti-inflation program. But when it comes to putting into effect other policies on their group homes, all of a sudden, when I talked to the minister about that, the Children's Aid Societies are private agencies and there is nothing we can do about it. So when it is politically popular the government calls them public agencies, and when it doesn't want to exert the control then all of a sudden they are private agencies.

There are two other items that I would like to touch upon, and I will be very brief. In my area, in Essex county, when the French-language secondary school was being discussed it was quite an issue. I would just like to point out to this Legislature that since my election I have discussed with many people in Essex county as well as in Windsor, my riding, the French language and the French-language secondary school.

First of all, I am very pleased to inform any members of the Legislature who don't know, that the tenders for that particular school are going to be let very soon and it

would appear that that school will be built. Construction will start this spring.

Secondly, I would like to point out that the biggest complaint that the people have in my area, and I think all across Ontario, isn't that they want to stop French-language secondary schools, they want equal access to French language for their students. Even if they are English families they want equal opportunity for their kids to learn a second language, and I don't think the government is moving quickly enough in that area at all.

In our area recently an English family, a Protestant family, went before the Windsor Board of Education and wanted permission to send a child to a separate school in order for the child to get a French immersion course at the elementary level. The Windsor board refused them that; it would not pay the tuition on their behalf. Therefore, there is not equal opportunity in this province for English children to learn French as a second language, and I think we have to move in that direction. If the government would move more quickly a lot of the hostility that has been expressed across this province would be lessened. I hope the Minister of Education and the government will move much more quickly in that area than they have in the past.

The final thing I want to talk about is the resource equalization rights from the Treasurer to cities. As I think most members of the Legislature know, that is a very important issue in Windsor, in Sarnia, and in other ridings across this province. We in Windsor are presently being penalized because our assessments are up to date and we are not getting our share of the resource equalization grants. In 1978, we are losing \$8.5 million; that amounts to 10 per cent extra for the ordinary ratepayer on the property tax.

Just as important, we must consider the effects it is having on new industry coming into Windsor. Any corporation, any industry that is looking at us is going to look at the property taxes that it is going to pay. We know that in Windsor we are paying higher taxes than most other cities in the province because the provincial Treasurer refuses to make the system fair. With an unemployment rate of 11.4 per cent in Windsor, it is about time that the provincial Treasurer did something to make the system fair.

I understand that there are problems with bringing in the tax reforms and bringing in market value assessment, but I would suggest that if he doesn't want to do that, if he honestly believes in a fair tax system and making grants fair, then we should get a transitional grant. That transitional grant

should be made immediately and should be part of the 1978-79 estimates. I know the provincial Treasurer has refused that up to this point, but in the interests of fairness I hope he will reconsider. I hope that his colleagues in caucus will persuade him that it is in their best interests and in this province's best interests.

As I said the other night, although the Minister of Labour (B. Stephenson) has suggested at one point that we shut down Windsor, and I believe the Minister of Education at one point suggested, probably jokingly, that we could raise the American flag over Essex county—

Mr. B. Newman: But you didn't say that, did you?

Mr. Cooke: I would suggest that Essex county is part of this province and we intend to stay part of this province. We don't elect any Tories and I think that—

Mr. Cunningham: That's to your credit.

Mr. Cooke: —demonstrates the intelligence of our voters. But I would suggest that if they want to treat all parts of Ontario fairly they should extend a grant to Windsor, to Sarnia and other cities that are not getting these resource equalization grants. This would lower our property tax and encourage industry to move into cities like Windsor where unemployment is much higher than the provincial average.

Mr. Speaker, I have appreciated being able to express some of my views and express some of the concerns of the people in my riding, and I thank the Legislature for listening.

Mr. Handleman: It's remarkable—here we are in the second session of the 31st Parliament, and I have my first opportunity to congratulate Mr. Speaker on the assumption of his office. While he is represented in the chair by his alter ego, the Deputy Speaker, whom I also congratulate on the assumption of his office, I know that somewhere in these hallowed halls he is listening to my words with great eagerness and interest.

Mr. Wildman: Don't be too sure.

Mr. Handleman: Somewhere the message will get through, because I do want to comment on some of the remarks that were made here today. We had an example, I think, of the kind of atmosphere in this chamber that we sometimes pride ourselves in. We say this is the most unruly Legislature in the Commonwealth—or even of the western world when we're really being magnanimous.

Mr. Nixon: Some people say it with pride.

Mr. Handleman: Quite frankly, it is sometimes with pride that we say this. I sympathize with you, Mr. Speaker, in your efforts to try to achieve that balance between decorum, which you would like to see the school children of the province observe, and the parliamentary tradition of interjection, heckling and barracking. I hope that we will never cease to have the latter. The type of interjections which come from one side of the House are not always as bright as they might be, pertinent, or intelligent. But Hansard seems to miss the brilliant interjections that come from this side of the House on occasion and I really do wish—

Mr. Cunningham: Always nice to know you are here.

Mr. Handleman: —that we could get those on the record and not be stopped from making them. I noticed today, sir, after you stood on your feet and warned us, that this place became a pallid imitation of a parliament. It was so quiet you could hear a pin drop. Even the Minister of Natural Resources commented on the artificially quiet atmosphere which resulted.

I just want to say that I think some of the types of behaviour that we indulge in are really in order and that they should not be too severely curtailed. At the same time, I recognize the need to maintain some kind of order. I recall when I was in another capacity—I don't know that I was being provocative—but because of a certain amount of interjection that was coming from members of the House you did recess for 10 minutes. When we resumed I stood on my feet and said, "In conclusion, Mr. Speaker." I felt the recess was somewhat premature because I was ready to wind up.

You have another role besides presiding over this chamber and that is as the guardian of the members' rights. In that capacity I have appealed to you on a couple of occasions for some assistance. In the last session of this parliament, I believe it was, I raised a point of order and it stemmed from certain actions of a committee of which I was a member, and since the committees have not been restructured, I don't know whether I will be a member of it again.

But I want to refer to that point of order, because I do feel that when the committees are struck it should be pointed out to them quite clearly that they are creatures of this Legislature. Their terms of reference restrict their activities. Committees are not free to determine their own courses of action, except within their terms of reference as granted by this Legislature. When they ex-

ceed those terms of reference they infringe on the rights of the individual members.

Today a resolution was brought before the House—a government motion. It was passed and carried. That makes it the rule of the House, and I accept that. I do feel, however, that the agreement that was made by the House leaders without the sanction of the members of this Legislature was not in order. It did require this kind of a motion today to carry on the ballot order as determined in the last session. Because the rule is quite clear: "There shall be a ballot in each session." When that session ended without there being a resolution of this Legislature to extend the ballot, it ceased to exist. We have carried on as though it continued, without any order. The motion today, which was carried, does validate it; and I don't argue with it.

[4:00]

Mr. Nixon: It tacks former cabinet ministers on at the end of the line.

Mr. Handleman: I just want to question that rationale, which I understood was agreed to by the caucuses, because there were some members of this Legislature who chose not to participate in the ballot in the last session, for whatever reason; they may have had very good reasons. There were five members of this Legislature who were not able to participate in the ballot. I must say that I do object to being put in the same category—because I was unable to participate—as those who failed to participate.

Mr. Nixon: Yes, but there were certain compensations.

Mr. Handleman: The compensations, of course, are long gone—

Mr. Nixon: Well, if you are a spend-thrift!

Mr. Handleman: The compensation exchange, I suggest—and I did put this to our House leader—should have been that those five members should precede in the ballot order those who did not take advantage of their opportunity to participate in the last session.

Mr. Nixon: A new type of precedent.

Mr. Handleman: The member for Scarborough West (Mr. Lewis) categorizes this kind of argument as nitpicking. I wonder if he has ever talked to his friend Stanley Knowles, who does this kind of thing on almost a daily basis in Ottawa—and I think rightly so, Mr. Speaker, because you are the protector of the lowest of us all; that is, the private member.

Mr. Wildman: Don't say Stanley Knowles is the lowest of us all.

Mr. Handleman: I am saying we—the backbenchers, the private members—have to have the protection of the Speaker. Our privileges are quite precious to us and should not be infringed.

You also have another capacity, Mr. Speaker, and that is chairman of the Board of Internal Economy. I want to appeal to you in that capacity to help continue the intern program which has been introduced in this Legislature. I understand that some members of the private sector may be withdrawing their support, and there will be a request put to the board to continue the program.

For the first time in my new capacity I have had the advantage of using the services of one of the interns, and I think these bright young people should be encouraged to learn something about the operation of this Legislature. I think it is important for us to know there are people of that intelligence going out of the Legislature to tell people that we do do a good job once in a while and that we do work hard, because we need all of that kind of help that we can get.

Mr. Breithaupt: You're sure that's what they are saying?

Mr. Cunningham: Sounds like we need more interns.

Mr. Handleman: Mr. Speaker, it has been customary in speeches during the Throne Speech debate to comment on one's riding. I recall my maiden speech—which seems so long ago that it is back in the dark ages—

Mr. Nixon: Tell us about Andy Haydon.

Mr. Handleman: —in which I did go over the hills and valleys of Carleton and mentioned the great attractions of my riding; and I received a congratulatory note from the then Leader of the Opposition after he had heckled me through half my speech. I want to review briefly the history of Carleton again because it is one of the seven ridings in this province which have an unbroken history since Confederation.

In the glow of Confederation in 1867 the people of Carleton, for some reason which has never been understood by anyone, elected a Liberal for four years. They then started to elect members of my party—and since 1871 they have continuously returned a member of this party to the Legislature. There was one slight aberration in 1919: A member of the UFO was elected and immediately appointed to cabinet; therefore, he became the first Carleton

cabinet minister, and he was promptly defeated in the next election.

Mr. Breithaupt: Your riding is so Tory they even voted for George Drew.

Mr. Foulds: That should have been a lesson to you, Sid.

Mr. Handleman: Since then we had an unbroken string of distinguished representatives, starting with the legendary Holly Acres—and I know some of the members of this House remember him. One of my predecessors with whom I had the privilege of sitting in the House was the recently retired Don Morrow. I met Mr. Morrow yesterday in the hall and told him I would be going through this review again. I wished him well as he left for Florida. He is in very good health, I want members of the House to know.

Mr. Nixon: His pension cheques are arriving regularly?

Mr. Handleman: My immediate predecessor, who is known to some of the members opposite and to some of the members here, was Erskine Johnston. He has not been well recently, but I want hon. members to know that he is holding his own. I see him from time to time, and I know that all hon. members would ask me to bring him their best wishes.

Mr. Nixon: One of the finest members ever to come from eastern Ontario—and a good farmer.

Mr. Handleman: Absolutely.

Since 1971, Mr. Speaker, I have been through three elections against six different opponents. In the sports world they generally give you permanent possession after you have gone through that kind of exercise. I don't expect that kind of privilege here.

Mr. Foulds: I should hope not.

Mr. Handleman: I would like, at this time, to pay tribute to my most recent Liberal opponent, Eileen Consiglion, who passed away a couple of weeks ago. She was a woman who had a very difficult task in trying to win a riding such as mine, and I think she carried off her task with wit, great humour, great fortitude and patience. She was a very worthy opponent indeed and the people of Carleton mourn her loss at this particular time.

It is also customary to touch on a couple of local problems. I want to speak about the school accommodation problem in the Ottawa-Carleton area, because at the present time it's probably the most urgent situation facing the people of my constituency.

Mr. Nixon: The matter of French-language schools?

Mr. Handleman: We have a classic situation. Carleton, for a variety of reasons, is not losing school population. It's one of the few areas in this province where the school population is rising and rising rapidly. At the same time the city of Ottawa with a separate school board—I mean separate and distinct school board—has a declining school population and a number of schools which are only partially occupied. The answer would seem simple; the solution is, of course, for the city of Ottawa to take its excess school space and allow the board of education in Carleton to use it for the growing population in Carleton.

It makes so much sense that this was proposed when I was a school trustee back in 1968; even before that, when we were forming the Carleton board, and the Ottawa Board of Education was in existence at that time. The chairman, a Mr. Ken Boucher, agreed entirely with the rationale of that solution. And it seemed so easy. His board overturned his recommendation, and here we are in 1978, still facing the same problem, except that it is becoming more critical every day. At the present time the Carleton Board of Education has 2,200 students—2,200 students—attending the schools of other boards. The parents of those students have absolutely no democratic rights in determining the course of their children's education. The trustees they vote for—

Ms. Gigantes: That has been going on for years.

Mr. Handleman: —have no say in the administration of the schools they attend.

Ms. Gigantes: What has your government done about it?

Mr. Handleman: The Minister of Education, who came to Ottawa, met with the trustees—

Ms. Gigantes: Nothing. Absolutely nothing.

Mr. Handleman: —and the most surprising thing is that here is a problem of 10 years standing and the member for Carleton East (Ms. Gigantes) says: "What has your government done about it?"

Ms. Gigantes: Yes, for 10 years.

Mr. Handleman. There are two boards of education, locally elected, presumably made up of intelligent people. They are not little rural school boards with primitive, unsophisticated systems. They know what the problems are.

Ms. Gigantes: Financing is such that you can't work it out.

Mr. Handleman: You would think that boards of that nature would be able to come

to a decision on the basis of sound common sense. And I think the minister was quite right to go to Ottawa and say to them, "For goodness sakes, you have this problem. Solve it."

Ms. Gigantes: You also have to give them some money.

Mr. Handleman: What the member for Carleton East would like us to do of course, is to pass legislation in this Legislature compelling a board to do something that they should be doing on their own. I don't believe that that has to be done.

Ms. Gigantes: You have to give them some money to build. They have had \$300,000 since 1975; that's it.

Mr. Handleman: The province can go ahead and give Carleton \$25 million to build schools when there are empty school spaces in the city of Ottawa? That doesn't make sense. It can't make sense.

Ms. Gigantes: Your solution doesn't either.

Mr. Handleman: And I don't suggest for one minute that the minister do that. There are a number of immediate problems and the minister—

Ms. Gigantes: Are you going to give them the money or not?

Mr. Handleman: —granted them the money to meet the most urgent need, and that is for the junior vocational school.

Ms. Gigantes: Aha, finally.

Mr. Handleman: There are a number of other schools that are required. However, I would not propose that this government encourage the overbuilding of schools when there are empty school spaces.

Ms. Gigantes: Who said that?

Mr. Handleman: There are a number of solutions. He has asked the board to consider the possibility of those solutions. I myself have asked my constituents to comment on them. They are four-fold. But at the moment the boards are deliberating on the solutions which the minister proposed; and they are not all as hysterical as some of the press reports would indicate.

I have before me a letter from the chairman of the Carleton Board of Education, addressed to the Minister of Education and referring to that meeting. I would just like to read one short paragraph: "Monday's meeting provided a forum for a very frank and open exchange of views. Indeed, the honesty was almost overpowering at times. I think we all need to reflect on just what transpired and bring it all into focus in the interests of the students and the communities affected."

Now, that in my view, Mr. Speaker, is a reasonable response to the minister's proposals.

Ms. Gigantes: It's been reasonable for years. That board has been reasonable for years.

An hon. member: That's right.

Mr. Deputy Speaker: Order.

Mr. Handleman: No question about it. The Carleton board has been reasonable for years.

Ms. Gigantes: Just what has the minister done in response?

Mr. Handleman: But there is no point in the Minister of Education taking over the administration of the Ottawa Board of Education.

Ms. Gigantes: Nobody suggested that. There are a number of solutions.

Mr. Deputy Speaker: Order.

Mr. Handleman: Well, there are a number of solutions which can be adopted.

Mr. Ruston: Name them.

Mr. Handleman: I would say that the options are well known to both boards, and I feel that as intelligent people they will come to a decision.

Ms. Gigantes: It involves money from the ministry, and you know it.

Mr. Handleman: I don't understand why it is that money seems to be the solution to all problems in that party. "Spend lots of money and all your problems will go." All problems eventually resolve themselves in terms of money.

Ms. Gigantes: Are you going to have to build new schools or not?

Mr. Deputy Speaker: Order. The member for Carleton has the floor, not the member for Carleton East.

Mr. Ruston: Name her.

Mr. Handleman: We don't have to build two secondary schools below the green belt. There are schools outside the green belt that will have to be built, and the minister agreed to that. There was no question about it. The priorities have to be established by the Carleton Board of Education and nobody else. Those priorities have been established. The requests are in. The capital funding will be made very shortly. However, long-term solutions still have to be found and, in many cases, it may require changes in school boundaries, changes in attendance boundaries, which can be done in this Legislature. The minister is fully aware of the various options which are open to him.

There is one other point I'd like to dwell on of a local nature before I go on to some of the other things that have happened here. It is something which may be a completely local matter, that is, the debenture on the Queensway, which is a matter of some concern to those of us who are outside the city of Ottawa. When the Queensway was first constructed in the city of Ottawa, the then mayor, Charlotte Whitton—

Mr. Wildman: A good Tory.

Mr. Handleman:—floated a debenture—no problem there—which paid for the Queensway. Then the province, as it usually does with progressive moves, took over the complete maintenance of the Queensway, the policing of the Queensway and the ownership of the Queensway. However, that debenture was transferred from the city of Ottawa to the regional municipality of Ottawa-Carleton, which meant that instead of the people of Ottawa paying for the debenture on the Queensway within the city limits, all of the people in the regional municipality are paying for it. I think that's fair enough because we all use it.

However, in other parts of the province, the government has taken over the debt on what they consider to be provincial highways. There's no question at all that the Queensway forms part of Highway 417, part of the provincial network. I understand the Minister of Transportation and Communications (Mr. Snow) is looking with some sympathy on taking over that debenture which will relieve the people of the entire region of a fair financial burden. I look forward to an announcement on it as quickly as possible. I have no inside knowledge as to when that may be or if it will be.

I sat here on February 22 to listen to the Leader of the Opposition (Mr. S. Smith) respond to the Speech from the Throne. I didn't sit here, I must say, as I don't want to mislead the House. I went out into the lounge and listened to it on the loudspeaker. I felt something like Mark Twain when he first heard the music of Stravinsky. His comment was "It can't be as bad as it sounds." So I came back in to listen to it. I waited here for a motion to be made by the Leader of the Opposition because he really was passionately angry with the government. There was no question about it, the indignation was so obvious. He rejected the government's proposals and programs.

Normally, since I have been here, that has been followed by a motion of some kind moving an amendment to the Speech from the Throne. I went back and looked through Hansard from 1971, since I've been here, and

I found that is in fact the case. Only on one occasion, November, 1975, the then leader of the New Democratic Party, who was Leader of the Opposition, did not move an amendment but gave notice of the fact that he would do so at a later opportunity. In this case, the Leader of the Opposition did not move an amendment to the Speech from the Throne.

I listened to him again in the emergency debate on February 28, in which he said that the people of the province would some day have an opportunity to review these measures of the government. I said, "How soon?" I don't know whether Hansard caught the interjection. The member for Renfrew North (Mr. Conway) said: "Sh! Don't challenge him."

It seems to me that when he is talking in terms of important decisions of this government and is criticizing them with passion, anger and indignation, that he should use the opportunity he has as Leader of the Opposition to move an amendment and put his future where his mouth is. There are worse things than an election. Nobody wants one, everybody agrees to that.

Mr. Nixon: Then what are you talking about? We had one less than a year ago. Surely this is a place where we can put forth alternatives.

Mr. Handleman: Exactly. All I'm saying is that a motion would have made this House vote.

Mr. Nixon: Talk about an irresponsible comment. It is shocking to all of the members of the House who are here.

Mr. Ruston: All the other two Conservatives who are here.

Mr. Deputy Speaker: Order.

Mr. Nixon: There is no more than a quorum.

Mr. Ruston: It should be noted that there are three Conservatives in the House.

Mr. Handleman: I didn't think I was being provocative. If the former member for High Park were here he might draw your attention, Mr. Speaker, to a certain problem we are facing at this moment, which I am not doing.

Mr. Nixon: We have our share of the quorum.

[4:15]

Mr. Handleman: If I may, Mr. Speaker, I would like to borrow a favourite phrase of the Leader of the Opposition.

Mr. Gaunt: Oh, oh, one more story.

Mr. Handleman: He uses it quite frequently in his speeches. He says, "If I were Premier"; and of course the chances of my doing it are

just as great as his chances, maybe even better.

Mr. Gaunt: I don't think so.

Mr. Handleman: He keeps saying, "If I were Premier, this is what I would do."

Mr. Cunningham: You can say, "When I was a minister."

Mr. Nixon: It is all downhill from now on.

Mr. Handleman: If I were Premier, I would ask this House for a vote of confidence on the uranium contracts.

Mr. Cunningham: You wouldn't get it.

Mr. Handleman: I might not get it. The member is absolutely right, I might not get it, but I would ask for it because I do feel, unlike C. D. Howe, \$6 billion or \$7 billion is a significant amount of money, and I think the Leader of the Opposition makes Howe look like a piker when he doesn't think the \$6 billion to \$7 billion expenditure is worth bringing in a motion for an amendment or some kind of motion to challenge the government on it.

Mr. Nixon: Why didn't you bring forward a no-confidence motion? It's clear a majority of the House thinks you are making a mistake.

Mr. Handleman: All I am suggesting is that if I were Premier, I would do that. I am not and that will be up to the Premier to do.

Mr. Ruston: He never will do it.

Mr. Handleman: That's right. As I say, I borrowed the phrase from somebody else who never will either.

Mr. Gaunt: Obviously your pocketbook is affecting your judgement.

Mr. Handleman: There was another part of the speech which I listened to very carefully and that was the comments that the Leader of the Opposition had on minority language rights, because—

Mr. Nixon: We know your views.

Mr. Handleman: Yes, you do, and I'm going to give them to you. I'm going to give you my views.

Mr. Nixon: You're an embarrassment to your party.

Mr. Handleman: I am going to give you my views because this has been a major issue in Ottawa-Carleton ever since Lester Pearson introduced the Official Languages Act. I want to say that if the Official Languages Act was introduced in the House of Commons today it would again receive the unanimous support of all parties, as it did when it was first presented.

There are no problems whatsoever with the principles in the Act. What happened was, when you pass legislation you suddenly find yourself in that very difficult position of having to implement it, and it was the regulations and the administration of the Act that gave rise to an ugly backlash, the kind of backlash that nobody in this House wants to see.

Ms. Gigantes: It was the public service language training program, nothing else.

Mr. Handleman: Having seen the ugliness of the reaction of some of the people—there was a backlash and there has been one—I would like to again put on the record the position that I put to the Alliance for Bilingualism in Ottawa on December 2, 1976; and I would like to make sure that this appears on the record exactly as I put it to that organization, which is a very admirable organization designed to promote the acceptance of the bilingual program of the federal government.

What I said to it then was this, and I quote: "As an elected representative from this area, I receive my share of complaints about shoving French down people's throats. As a school trustee and school board chairman I was often attacked as one of the people doing the shoving. The fears are often irrational and sometimes they are downright silly, but they are real fears nonetheless. We must try to eliminate the fears but we will ignore them at our peril.

"What I have learned in my political life is that confrontation does not resolve these fears. It magnifies them and makes justice harder to achieve. It creates backlash. For those who believe in the principles reflected in the Official Languages Act, as do all recognized political parties, there are two courses of action we must pursue simultaneously.

"First, we must implement practical measures to provide more services to French-speaking people in their own language where it is necessary, where it is practical and where it is affordable; and secondly, we must work to create a new majority in Ontario which actively supports the principles of the Official Languages Act."

That is only part of the problem, of course, and that is services to francophones in their own language. The government's policy is to provide services in French where needed, where practical and where affordable without reference to any minimum percentage of the population, and that was part of the problem in the implementation of the Official Languages Act. As soon as you set up a formula, you immediately create problems.

Ms. Gigantes: It was the language training program that was the problem.

Mr. Handleman: We in Ontario are limited only by the cost and our concern that progress must give the community time to adjust. This is a policy of patience rather than sudden successes. We do not have to dramatize the steps that we take. I hope the great majority of Ontarians are willing to accept this policy, provided steady progress continues. The only thing we have to fear is extremism from either side of the problem.

Services to Franco-Ontarians is only part of the question. I was pleased the member for Windsor-Riverside (Mr. Cooke) referred to French instruction to English-speaking people—the teaching of French as a second language—because he related a situation where there was a problem in Windsor. I want you to know, Mr. Speaker, that in my part of Carleton in any case we have been teaching French from kindergarten for the past 15 years. We have had French immersion for the past eight years. It is a matter of a board of education being willing to do that kind of thing.

Mr. Cooke: It's a matter of funding.

Ms. Gigantes: Why doesn't the province provide that kind of funding?

Mr. Handleman: I don't believe the provincial government should come in and mandate that to any board.

Ms. Gigantes: What about the funding from the federal government?

Mr. Handleman: It was done long before the federal government program ever came into effect. When I was a trustee the federal government didn't even know we existed. We implemented French immediately in a three-room school in a rural area in old Orange Carleton, and we did it willingly. There was no problem whatsoever. That is the way it should be done, Mr. Speaker.

Mr. Cooke: There has to be adequate funding.

Mr. Handleman: Again, when I was speaking to the Alliance for Bilingualism, I put that point to them too. I want to read that portion of the speech that I gave that day:

"I continue to believe that most parents would rather have bilingual than unilingual children. I continue to believe that most citizens would prefer a province which is fair and just to its French-speaking members. We must reach out to these people, the people that support the program, for support and understanding. In the end our success will be determined, not by the boldness of our plans or the justice of our cause, but rather by

the number of the ordinary people of Ontario who are willing to follow the program."

There has been a great deal of talk about my position and other members' positions on the French-language program. I wanted to be sure that that was on the record because I feel that my position has been distorted from time to time, probably without full knowledge of the position that I have taken.

I also read the speech of the new leader of the New Democratic Party. It is too bad he is not here because I would like to have congratulated him on achieving his ambition. I would like to congratulate his party too, but I don't think I can do that. I feel sorry for them but that's it.

Interjections.

Mr. Davidson: Don't worry about us We can look after ourselves.

Mr. Handleman: He achieved his ambition. I would congratulate the Liberals and the Conservatives on his having achieved his ambition.

I said two days after the convention to a member of the NDP that I felt the convention had reflected the almost unconscious acceptance of the NDP that they will never form a government in this province, and that they felt that they should have somebody—

Ms. Gigantes: So little you understand, Sydney; so little you understand.

Mr. Handleman:—who could use his fair share of the debating time in the Legislature as their leader, rather than one who would give the kind of what I thought was impassioned leadership that I heard from the member for Wentworth (Mr. Deans) the other day in the special debate, which I thought was one of the best presentations of any member who spoke on that matter.

For six and a half years now I have had the privilege of being on a sort of three-way program—with the member for Ottawa Centre (Mr. Cassidy), the member for Ottawa East (Mr. Roy), and myself—commonly known as the Mike, Sid and Albert show. We have done the tour of the media. The night of the election in 1977 we appeared on a local program agreeing to disagree about the great benefits of minority government.

Mr. Breithaupt: These aren't the Marx brothers or anything?

Mr. Handleman: No. The member for Ottawa Centre talked about sharing responsibility. I have seen little evidence of that in this Legislature. There has been a great deal of criticism of decisions taken here, but no sharing of the responsibility for them.

Mr. Mackenzie: Who is the government? We are not going to do your job.

Mr. Handleman: I quite agree with you. I don't think there should be a sharing of responsibility.

Ms. Gigantes: We tried to tell you what to do on uranium. You won't listen. Don't ask a question you don't want an answer to.

Mr. Handleman: Because if you want to have a share of responsibility, it is quite easy to achieve. It is quite easy to achieve a majority government. All you need is a coalition and you'll have a majority.

Mr. Mackenzie: You have already got that with the Liberals and Tories.

Mr. Handleman: There is no reason for the opposition to share it. What I'm saying, Mr. Speaker, is that the member for Ottawa Centre talked about how it would be great to share in the responsibility of government and that that would make this type of government work.

Some of the things I heard during the convention and read in his speech reminded me of a crib sheet that is being sold to political science freshmen on a campus not far from here. I would like to just tell you what this crib sheet says. It reads thus: "When answering any question on NDP policy, one of the following is always the correct answer: (a) expropriation; (b) confiscation; (c) legislation; (d) nationalization." There is an asterisk after (d) and it says, "If you're stuck for an answer, nationalization will be correct 75 per cent of the time."

Most of those students who follow that crib sheet are going to pass, because that is obviously the correct answer every time the NDP comes up against a problem—

Ms. Gigantes: You live on blather.

Mr. Handleman: —it's: "We're going to buy Inco. We're going to buy Falconbridge. We're going to buy Steve Roman. We're going to buy everything." Every time we have a problem it's: "Let's take it over."

Mr. Davison: We'll buy anything; but what are you selling, Sydney?

Mr. Mackenzie: You have got an even simpler approach; government freebies for the corporate sector.

Mr. Handleman: The hon. member who was with me on that committee may remember a line from a document which was presented to us in evidence and on which he relied greatly. It said something like this: "Passing a law cannot make economic sense out of economic nonsense." It was a very good line. It was one which the members of that party ignored because there were

other lines in it that they preferred. Unfortunately, there seems to be, at all levels of government, a philosophy of "when in doubt legislate."

I must say that the Speech from the Throne was pleasant to me because it does de-emphasize government action in favour of allowing individuals to make more of their own decisions. We need more and more individual decision-making in our society and less and less of this collective government imposition of rules and regulations.

Mr. Mackenzie: Like the decision Inco would make, Sydney?

Mr. Handleman: If we could keep on that kind of a path for a few years—

Ms. Gigantes: Floating along, floating down the drain.

Mr. Handleman: —Orwell's dire prediction for 1984 might remain only entertaining fiction. I hope, of course, that will happen.

Mr. Davison: You are not going to be anything until 1984?

Mr. Handleman: Mr. Speaker, if I may be somewhat personal for a moment, because my position in this Legislature has changed. One of the most amazing things about resigning from cabinet is the rumour and speculation that seems to abound—not only here but everywhere, particularly in the Ottawa area—about my plans for the future and what my reasons were. The former House leader of the Liberals came up with an amazing concoction on a moment's notice.

Mr. Davidson: Why don't you run federally and lose?

Mr. Breithaupt: I hear you are going to the Senate.

Mr. Handleman: It never entered my mind. But I've collected some of these rumours and I'd like to put some of them forward and comment very briefly on them.

Mr. Ruston: But you're interested.

Mr. Mackenzie: They haven't told you what you are going to get, Sydney. Maybe somebody else wants the job that you want.

Mr. Handleman: The first rumour—and unfortunately the member for Renfrew North (Mr. Conway) is not here—was from a member who was very adamant that this was absolutely true. The rumour was that I would seek the federal Conservative nomination of Ottawa West. That's not true, Mr. Speaker. It's not true. I'm sorry that the member's not here.

Mr. B. Newman: Ottawa East instead.

Mr. Handleman: Then Ottawa Centre came up.

Mr. Davidson: They don't want you.

Mr. Handleman: All I can say is that it's not true. In fact, it's not true of any federal constituency. I will not be participating in the federal election.

Mr. Makarchuk: This is not a good year for them.

Mr. Handleman: However, those rumours came to the ears of some people in the federal government and they started some other rumours about my being offered a major federal appointment. I'm still trying to trace that one down, to find out if there's any validity to that at all because I haven't been offered anything.

A rumour was started a few weeks ago because the reeve of Nepean township, with whom I've been on the very best of terms over the past few years, is running for the Progressive Conservative nomination of Ottawa West. The rumour immediately started that I would run for reeve of Nepean township.

Mr. Davidson: Doesn't that say something to you?

Mr. Handleman: I have totalled up the salary attached to that position, counting regional government, executive committee, Hydro commission, police commission.

Mr. Breithaupt: What's holding you back?

Mr. Handleman: I tell you, Mr. Speaker, it's a very attractive option and I'm keeping my option open on that one.

Mr. B. Newman: Press, please note.

Mr. Handleman: Absolutely. There is also a rumour, because of a statement which was made, that I would be a shoo-in for the chairman of regional council for Ottawa Carleton. I'll have to wait and see what happens in the municipal election, because the flavour of that regional council at the present time—

Mr. Mackenzie: Heaven help Ottawa-Carleton.

Mr. Handleman: —I'm afraid, does not represent my philosophy. However, I may have enough friends to do it. Again, we'll wait and see what happens about that one.

There is also a rumour that I will be running again in Carleton, Mr. Speaker.

Mr. Mackenzie: Sounds more like you are bargaining, Syd.

Mr. Handleman: I want to say to you that at the moment that is probably the most likely of all. I hope to run again, I hope to win again; I hope to be back in this Legislature to talk to you all again. And maybe I'll be seeing you two or three years from now. Thank you, Mr. Speaker.

Mr. Cunningham: Thank you, Mr. Speaker. Normally it is the custom to involve one's self in discussions of one's local riding in the Throne Speech debate; I would like to make a departure in that regard, and possibly a radical departure, insofar as I'm going to talk about the Throne Speech itself.

The Throne Speech last week came as somewhat of a surprise to me. I see it moves for selective de-regulation in the trucking industry and the rationale that such a selective de-regulation would go a long way in removing the inequities that exist within regulated transportation in the province of Ontario itself.

[4:30]

I am sure you are no doubt aware, although you weren't here as a member at the time, that the Ontario Legislature, at the direction of course of the government, directed that a select committee be struck to examine the entire nature of highway transportation of goods within the province of Ontario, recognizing the number of difficulties that have gone on since regulation was implemented in the year 1934. At that time it was recognized that there was a great deal of excess competition. There were a number of bankruptcies; certainly a great deal of instability in the transportation industry, largely due to the economic dislocation that was going on in the 1930s and to a tremendous amount of over-competition.

In 1934, the transportation system was regulated through the Ontario Municipal Board. It remained within the jurisdiction of the Ontario Municipal Board until the Transport Board was established.

The rationale for the establishment of the select committee that I refer to, came I suppose during debate on a rather infamous piece of legislation, Bill 4, which unfortunately carried in the House but was never proclaimed and has since become obsolete. It carried with the blessing, I suppose, of the NDP at the time, who I guess very sincerely hoped that it would add some regularity and some rationale to regulated transportation.

Fortunately, our party voted against it with the view that it was a somewhat arbitrary piece of legislation that would have put a tremendous number of small business people out of business overnight, and at the same time would have caused a great deal of dislocation to the manufacturing sector that they served, the sector that relied on them.

It was a rather extensive and heated debate at the time and I recall I suggested

we establish a select committee to look at, not only that particular issue, the issue of leasing and gypsy truckers and unregulated transportation, but also all facets of transportation. The select committee in fact was formed and announced on May 25, 1976.

My House leader at the time, the member for Kitchener (Mr. Breithaupt), called me at my constituency office and indicated to me that the government had seen the wisdom in the suggestion we had put and felt that it was time to take a look at this whole issue in a rather non-partisan sense. To that end I can suggest, Mr. Speaker, that the select committee did just that. We set aside our partisan feelings and directed ourselves to the rather arduous and complicated task of examining regulated transportation.

As directed, we tabled an interim report, which I believe was tabled in November or December of 1976; and in that interim report we indicated some of the basic principles to which we adhered. On no occasion were there any dissents to the reports. They were on time and they were unanimous. They were unanimous, Mr. Speaker, in the adoption of the principle of regulated transportation.

Most specifically, I think in our final report, which was ironically tabled just several hours before the call of the last election on April 29, 1977, we indicated the necessity to retain the principles of regulation. With your permission, Mr. Speaker, just for the benefit of the House, because I don't believe we have debated this particular report, and it is not my intent to do so today, but I would like to record the fact that we said the following:

"Fundamental to the recommendations of the committee is the assumption of continued provincial control over commercial vehicles on provincial highways; that transportation as a development tool has the ability to assist in the bringing of equity to people, communities, to producers and to our society in general; that it is in the public interest to ensure that Ontario has: (a) The ability to move goods; (b) the flexibility to expand, contract or shift that ability in recognition of changing market conditions; (c) the flexibility to move goods to assist in the achievement of objectives outside the transport system; and (d) the ability to control the movement of goods so it will be: (1) safe, (2) energy efficient, (3) equitable in its availability, (4) regular and stable, and (5) affordable. It is the desire of this committee to establish objectives together with policies designed to achieve these objectives."

Of course to accomplish those particular and rather worthy goals can only be done in

the context of a regulated system of transportation. In fact, appreciating the importance of that, the Minister of Transportation and Communication (Mr. Snow) said on the occasion of April 6, the second reading of Bill 4 which I previously referred to: "I think that this is one of those industries—" the trucking industry—"which would be in complete chaos without regulation." That I think, in a nutshell, indicates probably the concern the minister at least had at the time for the principle of regulation.

It is with, I suppose, some concern that I view some of the suggestions in the Speech from the Throne. As of today, with regard to some of the suggestions made and the legislation tabled, although I haven't had a chance to go over the legislation in detail at this time, I must say I am concerned about what appears to be some radical departure within the government, and by that same minister himself who has been a great adherent in the past of regulated transportation and who is now moving in a selective way to deregulate transportation in this province.

It has been some time since we had the tabling of both the interim and the final reports, and both members of the New Democratic Party and members of our party have been concerned about the delay in the implementation of the report. I think inherent in our concern was the fact that we hoped the report itself would be accepted and implemented. It was widely acclaimed by the industry and the consumer public alike, who felt it was an appropriate report and one that was worthy of implementation.

On the occasion of the last convention—I think it was the 51st annual convention—of the Ontario Trucking Association, the Premier (Mr. Davis), on the front page of their book—and with your permission, Mr. Speaker, I read this into the record, because I know you would like to have the Premier's words of wisdom on the record as it relates to his comments in this letter. He said: "Your association has long demonstrated a regard for maintaining the highest of standards in safety and courtesy on our highways, and the initiation of your campaign to promote greater safety awareness by both public and commercial drivers deserves our highest commendation.

"I would also like to express my deepest appreciation for the Ontario Trucking Association for their efforts on behalf of energy conservation, a concern which is of paramount importance to us all, and for their continuing contribution to the economic growth of our great province.

"On behalf of the government and the people of Ontario, may I express to all my very best wishes for a stimulating and productive convention in 1977 and for every success in your future endeavours."

I am just wondering now why he has suggested through the Speech from the Throne that we are going to have some selective deregulation, and I will get into the minutiae of that in a moment. I wonder what he will write if he is asked to write a letter on the occasion of the 52nd annual convention, if in fact he is the Premier at that time.

On the occasion of the 51st convention, both myself and the critic for the New Democratic Party indicated our concerns as they related to the very serious importance of implementing this report and getting on with the business of regulated transportation with regard to hauling of freight by for-hire carriers.

On that occasion, I said to the association—and again, with your indulgence, I would quote: "I am referring now to the problems identified by the select committee, which will not go away." And, Mr. Speaker, they will not. Many will remain like cancerous sores unless some immediate attention is given. To that end, I sincerely hope that the minister will be able to convince, not only his cabinet colleagues but more significantly the bureaucrats in his ministry that effective legislation is needed now.

I am sorry he is not in his seat here today, because on behalf of his party I know he does share my concern, the member for Etobicoke (Mr. Philip), the NDP critic, who said: "The select committee tabled its report on April 24, 1977, yet we have seen little evidence of legislation being brought forth as a result of it."

The minister himself did on that occasion acknowledge that in fact they had been dragging their feet. I think the reason they have been dragging their feet is that the bureaucrats, the very bureaucrats who have caused this problem in the first place, have been ignoring the report, ignoring the suggestions of the Ontario Progressive Conservative Party caucus, of which there were a number of members who signed that report—again a unanimous report—and most important ignoring the excellent advice they'd been getting by the Ontario Highway Transport Board itself, and of course the Ontario Trucking Association.

The minister went on to say that though there were some obvious problems he didn't want to get into Band-Aids or confusing, ad hoc regulations. He indicated that some legislation would be forwarded to us for debate

in December. I want to say that is definitely not the case. We have not seen the legislation. It is only today that we have seen some legislation, and I believe we are long overdue for that.

What did he do after the tabling of the report of the select committee? He set up a task force of these very bureaucrats who have thumbed their noses at the Ontario Legislature and at the thesis inherent in the report that we have made. While there have been some suggestions in the compendium today that indicate that some of our suggestions will be adhered to, for the most part a number of them are going to be ignored.

Mr. Breithaupt: It's not a Band-Aid, it's a total amputation.

Mr. Cunningham: In the Speech from the Throne they said: "The government has concluded that the adoption of a policy for selective deregulation of the trucking industry will go a long way to removing the inequities that remain." It almost sounds as if Professor Norman Bonsor and the Ontario Economic Council have somehow found the ear of the great laissez-faire economist, the Hon. Darcy McKeough, and that somehow he has now taken on, in addition to his municipal responsibilities and that of Treasury, the responsibilities of Minister of Transportation and Communications. There are times when I could say that might be an improvement, but this is not one of them.

Mr. Foulds: Quote more from Norman Bonsor.

Mr. Cunningham: We just may. I just happen to have his report right here. The member for Port Arthur, I know, is probably a great adherent of Professor Bonsor.

Mr. Foulds: No, no; he's a great adherent of mine but doesn't know it.

Mr. Cunningham: The Bonsor report, of course, is in the latest report by the Ontario Economic Council. If I could digress on the Ontario Economic Council—was never attracted to the feelings that the former member for Hamilton Mountain had with regard to that organization, that they were in any way subversive. Not too bright sometimes, but I never thought they were subversive.

The rather strange adoption or embracing of Bonsor's report, which I must say is not exactly a scholarly piece of literature in any way—were I a university professor grading Economics 20, I'm afraid I'd have to flunk Professor Bonsor. I am not, so I guess he can pass for the time being.

What really bothers me, if I could digress again, is that he is teaching our children

somewhere. People are going through universities and are actually being taught by guys like this. They have tenure and they're compensated at a level probably in excess of the level that we compensate the hon. member for Port Arthur, notwithstanding the fact that—

Mr. Foulds: Higher, much higher.

Mr. Cunningham: Much higher.

Mr. Bounsall: About the same again.

Mr. Cunningham: He probably has a pension too.

Mr. Foulds: He'd probably flunk you too.

Mr. Bounsall: You'll never draw yours.

Mr. Cunningham: I'm not looking forward to having to draw a pension.

I'd like to indicate the concern of a couple of people in the industry. I know from time to time certain members of the Legislature brook no favour with the private sector. But in our select committee report, certainly the members of the committee were unanimous in their appreciation for the job done by the private carriers in Ontario. Many of them have been in business for 30 or 40 years, and day after day attempted to do business in a very fair and ethical way—sometimes making profits of one or two per cent, sometimes making no profit at all, hoping that the next year will be better. Year after year some of them live almost on a shoestring to do business.

Here's a letter that I got. It was directed to the hon. Premier (Mr. Davis), and I would like to share at least parts of it with you. It's from R. J. Franks Transport Limited, Alliston, Ontario. I guess that would be the constituency of the hon. Minister of the Environment (Mr. McCague), who unfortunately can't be in his seat today. It says:

[4:45]

"Dear Sir: It is a great shock to read the extract from the Throne Speech, February 21, 1978. I have been in the trucking business for the past 20 years, having come out of the air force as a leading aircraftsman after six years of service, borrowed money from the local parish credit union and bought a truck with limited D and F PCV operating authority.

"I have struggled and worked hard since that time, acquiring operating authority in both Canada and the USA bit by bit and at great expense to operate"—and I want to stress this—"within the laws, laws which this government put upon us and enforced whenever it suited them. I have spent time and money trying to do what the government said we must do in the trucking industry.

"I have now built a fleet of 43 tractors and 45 trailers, obtained a two-acre parcel of land and made an offer for two more acres. We employ"—I want to stress this part—"52 people and are in the midst of opening a branch in Timmins, Ontario, as well as an office now operating in Farmington, Michigan. We are constantly purchasing new equipment so we can run as safely and economically as possible, and this becomes a great financial responsibility.

"We have appeared before the select committee. We have appeared before the PCV board. We have appeared before the ICC in the United States. We have appeared before the Quebec licensing board. We have tried to operate a successful business which I can pass on to my two sons, and I am becoming more frustrated by the government themselves, by the slipshod way that things are done.

"I am enclosing letters from myself to Mr. Gregory of the enforcement branch about some carriers that operate outside the law. If you note the dates on my letters and Mr. Gregory's letter, and the dates on the reinstatement of the so-called offenders, you will see why I shake my head in disbelief. I use this only as one example.

"Then I look at the extract from the Throne Speech which says that the high costs are a concern and that selective deregulation will go a long way to removing the inequities that remain. I wonder, will the government cut the cost of fuel going up north so that the price will be the same in Hearst as Toronto to help the so-called situation? Will they help the Toronto Star deliver its papers as economically to Thunder Bay as to Alliston and so on? Will they deregulate all the freight that Ontario Northland carries, as it is a government-owned trucking company and we can use the freight for an uphaul and probably do it cheaper?"

"The select committee recommended that truckers who operate legally from October 1974 to 1976 be allowed to obtain licences under the PCV Act. If this is true, then the only smart trucker is a crooked one. Maybe the operators that stayed within the authority were damn fools. Maybe we can rob banks for two years and that will be okay."

There is a further point farther down here. He talks about a further amendment in the Act to exempt transportation of lumber and lumber products—and the word "byproducts" should be of great concern to these people in this industry.

He says: "Even as this goes on here, there are hearings concerning lumber and lumber byproducts being held at the Ontario High-

way Transport Board at great expense to the trucking industry and at great expense to the Ontario taxpayer because we pay for the operation of that board and last year the cost was in excess of \$600,000 or \$700,000. I can't help but think why in hell I am paying approximately \$20,000 a year for PCV plates, never mind all the other taxes and fines imposed upon us."

Then last, but not least, he says: "When a governing body then can say exempt lumber and lumber byproducts entirely, why not exempt everything, because you see, sir, I have built a business on trucking lumber and lumber byproducts and have outlived the gypsies that you wish to license so easily? If the government is prepared to do away with licensing in total so we can all operate on the service basis or price war, it will not work. Why license someone just because they broke the law? Why deregulate a product to accommodate a few?"

I think the people of northern Ontario and the smaller communities in the province of Ontario should be very concerned about the possibility of selective deregulation, I can tell you, Mr. Speaker, if such a thing occurs it will be the lucrative areas, the highly populated areas, that will become the areas that the trucking industry is inclined to serve for basic reasons of economics, and the smaller communities will receive very little service whatsoever.

I would further suggest that the large "A" carriers, many of whom are owned and dominated by foreign interests, especially in the United States, will be able to get involved in monopolistic practices through predatory pricing and the small operations—and this operation that I refer to here is really a small operation in the context of regulated transportation—will go under. The Ontario consumer will be at the peril of these large international interests and will go under.

I suggest that after that has happened, we would be then at the mercy of these large international concerns and that we would pay through the nose. The areas that are going to get it even worse, and they are being subjected to a great deal of difficulties at this time, are those outlying areas and the areas of northern Ontario. They, in fact, will face much higher freight rates than they already have now and it will become even more expensive to live in those particular communities.

Those in a nutshell are some of the ramifications of deregulating. Certainly we can look at people who have operated in the past on a rather legitimate leasing or buy/sell arrangement, and pursuant to our select com-

mittee report consider that they may be able to make applications to the Highway Transport Board and if they meet the requirements, as we have suggested within the report, and generally the suggestions we made in our report were accepted by the industry, then in fact that particular group should be admitted and thereafter operate under law.

I am concerned about the legislation that we had tabled today, and quoting from some of the explanatory notes, these are areas that in fact may receive, if the House so desires, some consideration for deregulation: fresh fruit or fresh vegetables; logs; timber; rough or dressed lumber; wooden ties; poles; plywood; particleboard; waferboard; fibreboard; veneer; wood chips; shavings; sawdust; wood; flour; farm or forest produce other than livestock or milk; ready-mixed concrete; waste, including ashes, garbage, refuse, domestic waste, industrial waste, municipal refuse; hay; straw; livestock; feed; grain; seed; turf; sod; et cetera; blocks of clay, concrete or cinder; bricks; cement; masonry cement or lime; tile or pipe. These are all things that effectively could be deregulated if the legislation were to receive approval and be passed into law.

A very serious number of companies would go down the drain. Communities and people that they serve would be put in a serious position of disadvantage and a number of people who have gone out of their way to invest their own money in the private sector, recognizing that we live in a regulated system and that they would operate within the law, those very people who lived up to the obligations of Ontario law and regulation would be put in a position of disadvantage.

This is another letter that was sent to me from Keith Faritz, of Faritz Brothers Limited. This is an individual, I want to say to you, Mr. Speaker, who accepted very maturely I believe the recommendation by the select committee and subsequently the regulation by the government that we involve ourselves in a program of reciprocity with the United States. We are the only major province in North America that has not effected intelligent reciprocal legislation with the United States. We have been dragging our rears for a long time.

Finally, after the report of the committee, the government saw the necessity to do this. Of course, the implementation of this cost this gentleman some money, but he realizes this idea had a time that had come and that it was important that we have some freer movement of goods across the border, and

this cost him some money. He accepted that but what he doesn't accept—and it becomes clear in his letter when he says:

"Gentlemen, over the 25 years Zavitz Brothers has become a specialist in the movement of bananas. Our 80 trucks and 110 families depend on Zavitz Brothers Limited trucking bananas. If some sort of deregulation is inevitable in order to retain reciprocity with Georgia, South Carolina and Florida we are very concerned that bananas not be included in a blanket clause definition of fruits and vegetables.

"Our case is as follows: By nature bananas are different from other fruits and vegetables because they do not grow in the continental USA or Canada. Our extraprovincial operating licence—which he attached here—states that we can move bananas provided the moment is made in conjunction with the complementary authority of the ICC in the United States." They made application for that and it was granted. "Bananas are not an exempt commodity in the United States. In the composite commodity list of the ICC they are specifically mentioned as not exempt. Bananas are not classified as a fruit or vegetable in Quebec. They receive special status.

"In summary, we would like to submit that in any legislation to be tabled in Ontario, bananas should be treated as a separate commodity and not included as fruit and vegetables."

I see here that they will be, and if such legislation were passed that would be the end of Zavitz Brothers Limited and tough luck to the 110 families that rely on Mr. Zavitz to sign pay cheques.

It must be difficult sometimes to be a member of the government party and not have the pleasure, I suppose—and maybe the fiscal gain—of sitting on the executive council. I really can't tell you how frustrating it would be to go to a government caucus meeting, having signed this report. And here are some of the members who signed: the chief government whip signed the report, the member for Mississauga East (Mr. Gregory); the member for Algoma-Manitoulin (Mr. Lane) signed the report, and worked very hard to see that we had an intelligent report. A hard-working member of the committee was the member for Durham—

Mr. Foulds: East.

Mr. Cunningham: —East, who is no longer here. Mr. Moffatt worked very hard. In fact, probably one of the reasons—if he'd just taken a week off of the committee and spent a little more time back home, we'd be tied—

An hon. member: To win Durham East.

Mr. Cunningham: —we'd be tied, and the present member for Durham East (Mr. Cureatz) wouldn't be here. He is not in his seat. He shouldn't heckle when he's not in his seat.

Mr. Foulds: You're seldom here anyway, Sam.

Mr. Cunningham: The former member may be back anyway and inject a little common sense into his party.

An hon. member: I don't think so. He has got such a good job at OTS.

Mr. Mackenzie: His contribution doesn't compare either, in the House.

Mr. Cunningham: The member for Oriole (Mr. Williams), whom I never see here, signed the report. The member for Prescott and Russell (Mr. Belanger) signed the report.

Mr. Foulds: Certainly no homeowners' grants with the former member.

Mr. Cunningham: And the hon.—I want to stress this—the hon. member for Scarborough Centre (Mr. Drea)—he too signed the report. It was, in short, a unanimous report. And in this report—all 11 pounds of it—we have, I think, an effective and intelligent start, at least, for a transportation policy—finally, after 30 years in the province.

But what do the hon. Treasurer and the hon. member for Oakville, the Minister of Transportation and Communications, tell these people who worked so hard and spent so much of their time? What do they tell these people who signed this report? What do they tell Mr. Franks of Franks Transport, and Zavitz Brothers? I guess he tells them that in some laissez-faire approach to free-enterprise and the open competition aspect of things in this province that we're going to deregulate things and it's going to be tough for them.

It just is a fundamental disappointment to me. I would like to have seen that caucus in operation. I would have liked to see the concerns put by these members. I know they're concerned because they attended these meetings day after day and experienced—I left out the distinguished member for Glengarry-Prescott-Russell—

Mr. Villeneuve: Stormont-Dundas-Glen-garry.

Mr. Cunningham: I'm sorry. Stormont-Dundas-Glen-garry—who worked so very hard on it. He indicated concerns about some inequities as they relate to the Ministry of Revenue and some of the problems that milk producers were having, and the problems of collecting gas tax. I rather doubt that the

Ministry of Revenue has still addressed itself to the difficulties that the hon. member for Stormont-Dundas-Glengarry expressed on behalf of his constituents.

I can only say it is a tremendous disappointment to see a report that was as costly as this, but accepted unanimously by members of the committee. We set aside all of our partisan feelings and we have come up with two intelligent reports embracing not only the idea of reciprocity but the maintenance and the continuation of an intelligent regulatory system in this province.

To come in here today, as the Minister of Transportation did—largely, I would suggest, at the direction of the hon. Treasurer who seems to be the guy who runs things around here—and suggest that overnight we're going to put these people who truck these commodities that I've mentioned, Mr. Zavitz or Mr. Franks or many of the other companies who rely on this freight and have for a number of years—to put them out of business overnight, I can only say I'm repulsed.

Mr. Davidson: Unlike some who have risen in their places to speak to the Throne Speech and claim to have done so with pleasure, I can find very little to stand here and feel pleased about after having read the Throne Speech a little more closely. I thought it lacked substance when I heard it read from the throne, but once having read it and having had the opportunity to fine-screen it, I found that like grains of sand everything disappeared through the screen and there was very little left for anyone to take out and put into operation.

[5:00]

I did find, however, a couple of things in it that I thought I'd like to discuss with members today. One of them appears on page eight, and it says: "While we recognize that certain sectors of our economy will benefit from freer and fairer trade, we remain concerned about the likelihood of real reciprocity being achieved."

I would like to know how much that concerns is. I say so because I go back to October 1977 when the Treasurer (Mr. McKeough) went to a federal-provincial conference in Quebec, and he, along with Jacques Parizeau told reporters that reduced protection is necessary to enable Canada to argue for lower tariffs on other products on which it can compete during current world trade.

That statement as it appeared in the papers created a great deal of concern among many industries in the province of Ontario. I say "industries" because in most

cases we get accused of protecting only the workers in the province. Let me assure the members that while I am far more in favour of protecting the worker, I can assure them also that I am in favour of protecting a company that must hire workers, particularly at a time when here in the province of Ontario we have over 300,000 seeking employment and very few jobs available for them.

What really would have happened had Mr. McKeough's and Mr. Parizeau's statement been implemented immediately? The Canadian Textile Institute points out that had that taken place, some 200,000 jobs would have been lost in Canada in the textile industry alone, a large number of those being here in the province of Ontario, where between Ontario and Quebec, the greatest textile business takes place. Two hundred thousand jobs in one industry—because of Mr. McKeough's proposal to reduce tariffs.

Let's see what some of these people have had to say on this. "Reduced or phased-out tariffs in the textile and clothing industry could cost 200,000 jobs nationally because the industry cannot compete with cheap imports." That's not my statement—that's the statement of William Barry of Montreal, who is the director of the Canadian Textile Institute.

Let's take a look at some local people. W. H. Cline, who owns W. H. Cline Company Limited in Kitchener, said: "It's bloody earth-shaking. It should cause us great concern as Canadians." He goes on to say, "The politicians are threatening the viability of the industry."

Again, here we have a situation where in the province of Ontario we have in excess of 300,000 unemployed. We have no job creation programs being implemented by the government of the province and yet we have the Treasurer of this province advocating a policy that would throw people out of work and put more people on the lists of unemployed in the province.

That just doesn't make sense to me. It doesn't make sense at all. So when the Throne Speech came out, I thought perhaps somewhere in this document it would say what this government is going to do to create jobs, to put the people who are displaced because of this kind of a proposal back to work.

Maybe they're right. Maybe eventually we do have to approach a freer trade policy. Maybe we can't always offer the protectionism that is being offered at the present time, but let's not do anything of the kind that Mr. McKeough is proposing until jobs

are available for the people who will be displaced.

If we don't have jobs available for them, we would have headlines such as this one from the Kitchener-Waterloo area: "Proposed textile tariff cut threatens 5,000 area jobs." That headline would spread right across the province of Ontario into each little community where textile mills exist; and that is in one industry. One could also include shoes, plastics, small appliances. Lord knows how many people would be thrown out of work by the kind of a policy that the Treasurer of this province is advocating.

So I picked up this document and I thought there must be something in there to tell me what they are going to do; there has to be something there to show me where they are going to create jobs. And lo and behold, what do I find? I find that this government, in the richest province in the country, is going to create 36,000 jobs at a cost of \$26 million, most of that being short-term summer work for students. Even at that, there are to be thousands of students unemployed during the summer months, because that comes nowhere near meeting the requirement that is needed for student employment.

I thought that disappointed me. So I thought maybe they are right. Maybe we shouldn't protect these places anymore. Then I found out something very interesting, that the textile industry alone paid out in wages in 1976 some \$850 million. I said to myself this money is going to be taken out of our economy. These people aren't going to make \$850 million. That money is not going to be spent. Once again, our economy is going to be driven to the back wall.

I became a little more concerned when I read further on in the report of the Canadian Textile Institute. I read there is a growing market for textiles based on increased consumption in Canada. The share of the market served by domestic producers has dropped from 64 per cent in 1964 to 39 per cent in 1976. That is rather funny, because the United States, which is a large producer of textiles but is also a country into which imports are allowed, has set a policy whereby it is producing and using domestically 85 per cent of its requirements. Here we are at 39 per cent and we have a Treasurer (Mr. McKeough) in this province telling us that he is going to reduce tariffs even further.

Let me tell you something, Mr. Speaker, I worked in the textile industry for 25 years. Outside of the large conglomerates that exist,

most of the textile industries in the province of Ontario are owner-operated by small businessmen employing in many cases anywhere from 20 to 100 people. They exist in the smaller communities throughout the province; and in many small towns and communities throughout Ontario they are the only industry in those towns and the only industry that provides employment for the people living in those towns.

Mr. Kerrio: You finally found some common ground.

Mr. Davidson: If this proposal is implemented, we are not only going to have 200,000 people out of work but we are going to have plant closures throughout the province of Ontario; we are going to have small communities in which there are no employment opportunities because the plants aren't there anymore. We're going to have all kinds of disruption taking place throughout this province, based on one policy that really should not be looked at or even considered until the government has taken care of the job problem in this province at this time. It hasn't done so. It is nowhere close to doing so. It doesn't even have a job-creation program.

Here we are looking at a program that really is not going to be beneficial to anyone, except the large conglomerates. I said in the estimates of Industry and Tourism that the policy of the Conservative government of this province would destroy the initiative of the small businessman in the textile industry in this province and that the government would be selling out to the multi-national corporations at the expense of the Ontario investor.

As a matter of fact—and this is again a quote from Mr. Cline, a small businessman with a plant in Kitchener; I don't know how many people he employs, but it's not a large plant: "It's an abrupt about-face on everything the government has said in the past." The Canadian Textile Institute said almost exactly the same thing. They said: "It is essential that the announced federal and provincial government goals of restoring employment in these industries be achieved."

Somewhere along the line, both the federal and provincial governments have led these people to believe they would have the protection that was necessary for them to continue their business, to try to build it up and to make it once again a viable industry. Instead, we have a Treasurer (Mr. McKeough) over there, who is prepared to throw everything like that down the drain, to throw people out on the street or whatever.

I looked again, because I thought I might be wrong on that one—nine times out of 10 I'm not always right. Then I read an announcement by the Minister of Labour (B. Stephenson) about the minimum wage. After months and months of both opposition parties asking when the minister was going to bring in a new minimum wage, and after hearing for months that she was waiting for some study or some report, when that report finally did come down we found that she has increased the minimum wage to \$2.85 an hour and then, as of January 1, 1979, to \$3.

When one looks at what is happening in this province today, people yell and scream about \$2.85. Employers are saying, "That's too much. How are you going to make it \$3?" What is \$2.85 an hour? Based on the normal 40-hour week, that's \$114; by the time you take deductions off it, it comes to about \$90 take-home pay. I ask any one of the government members, "Would you be prepared to live on \$90 a week?" Better yet, I should ask, "Could you live on \$90 a week?" I doubt very much if they could.

Mr. Mackenzie: Some of them have enough stored-up fat.

Mr. Davidson: Even when it goes to \$3 an hour, that is \$120 a week; with deductions, it's still less than \$100 take-home pay. To squeeze even that amount out of this government has taken months of opposition pressure to get some kind of movement in that direction. Even at that, we're still fourth or fifth in the country in terms of minimum wage.

What have we done in the minimum wage? They've used the same old rigmarole about people working in restaurants and places where alcohol is consumed and are still relying on tips to pay those people. They rely on tips to say: "We keep their wages down to \$2.50 an hour because they get tips and that shouldn't be looked at in terms of wages."

Hon. Mr. Baetz: There's nothing wrong with tips. I worked my way through college on them.

Mr. Hodgson: What do you recommend for a minimum wage?

Mr. Mackenzie: A lot more than you're willing to pay.

Mr. Davidson: The hon. member knows our policy on the minimum wage. We fought it in the last election campaign. If he can't remember the figure, I would suggest he go back and read some of the statements that have been made.

Mr. Hodgson: I can remember very well. It was \$4 an hour.

Mr. Mackenzie: You're darn right. We've never backed off it either.

Mr. Davidson: Here again, in terms of the minimum wage, the government can't do anything without discriminating against somebody. Here they're discriminating mainly against women who work as waitresses and in many cases single-parent women who require that income in order to maintain their families. But the government takes the attitude that they all get tips. It may be true in some of the high-class joints the government members go to, where high tips are paid, but there are a heck of a lot of women working in small, side street restaurants somewhere who perhaps pick up nickels and dimes but they sure aren't getting any high wages. Yet the government can't seem to take that into consideration.

[5:15]

Even worse, the government maintains the student level at \$2.15 an hour. Most student employment takes place in the summer months. Most of the students go to work because they are trying to accumulate some money so that they can go back and attend their school in the next semester, pay their tuition fees, do whatever it is that is necessary to find accommodation, et cetera, but the government says, "No, no, they are only worth \$2.15 an hour."

I find it a little tough to think that in most plants that I have had the opportunity to go into—textile plants and steel plants—there's a job to be done and if they get a student in there to do that job it may very well be that there's a full-time employee doing that same work for \$3 or \$4 or \$5 an hour, but what the government is saying is that the company has the right to hire some kid to do exactly the same work for \$2.15 an hour, and at the same time it raises tuition fees and cuts back on grants to students. Boy, oh boy, the government has it all under control and I only wish it knew what it was doing with it. Here we have a minimum wage program that really isn't the best to begin with and it discriminates against various people in our society.

I was going to talk a little bit about the lack of mention of property tax in here. Most members have heard the story about the problems that have existed in Cambridge, problems that were first recognized in 1976, in terms of tax inequities, where many people are paying anywhere from 40 to 50 per cent above what their normal taxes should be. The ratepayers association, the city council and myself have been trying

since 1976 to bring a permanent solution to that problem.

Last year we were able to get a Band-Aid solution and some of them got rebates which really didn't amount to much, but this year we thought we had the solution to the problems. They met with the former Minister of Revenue. The city did. The ratepayers did. I held discussions with some of her staff. We got the entire region of Waterloo to request that they implement market value assessment, put it in as a trial program so that these inequities would be solved, at least within the Waterloo region, and at the same time the government would have had the opportunity to see how market value assessment was going to work, or whether it was going to work. Every municipality in the Waterloo region sent letters to the government requesting that this be done.

I find today from the new Minister of Revenue (Mr. Maeck) that they are not going to do that. They are once more going to get out the first-aid box and apply another Band-Aid. The answer to that is this, I am afraid: We don't need any more Band-Aids, the amputation is too big. The people can't afford to pay any longer and the government had better start now coming up with a permanent solution to the problem or the municipality may find itself in very serious difficulty, because those people have threatened to withhold their taxes. It affects over some 1,000 households, so one can put that in terms of dollars.

I think I have probably taken almost all of the time I should have, other than to say there is a bit of a discussion taking place in our area now between the Minister of Transportation and Communications (Mr. Snow) and our city regarding a highway bypass. The city of Kitchener also wants a highway bypass. There is a little bit of argument at the regional level as to which one should be built first, the argument being that this government doesn't provide sufficient funds to the region to build both.

I would suggest that perhaps in terms of producing some jobs in that area, perhaps in accommodating both municipalities, that the government invest a little money into capital projects that allow municipalities to carry out the work that has to be done. That will put some of our people back to work, particularly those in the construction industry, and they will once again have money in their pockets. They will be able to go out and buy the new refrigerator or television set that they had been hoping to get before they were laid off. That, in turn, will create work in other areas

and in other industries. And, who knows, if that kind of thing happens, maybe the prophecy of the charter for Ontario will come true. Maybe the government will create 100,000 jobs; but as a government, it has to invest first. And unless it invests, it won't happen.

In closing, I would like to say one thing about the Glendale ATC—the adult training centre. Three colleagues of mine, the member for Hamilton Mountain (Mr. Charlton), the member for High Park-Swansea (Mr. Ziembra), the member for Brantford (Mr. Makarchuk) and myself, toured the Glendale ATC. It is our opinion that it is a mistake to be closing that facility, because we feel it does the job it was set up to do. We received many letters from people within the community, and what impressed me more than anything else were letters from the inmates themselves, who were pointing out the benefits that the program had given them during their time there. We feel it is a mistake for it to be shut down.

Along with some of the Liberal members, we attended on Monday morning a meeting with the Minister of Correctional Services (Mr. Drea), and we left that meeting with an understanding that an effort would be made to have the ATC closing brought before the committee on justice. I am given to understand today that that meeting is not going to take place; for some reason the government doesn't want to bring in people before a committee of this Legislature to question the closing of Glendale—people who perhaps have more information than we have available. So that meeting will not take place, and it is most unfortunate. I can only suggest that if the government was so sure that the closing of Glendale was in the best public interest, they wouldn't hesitate to allow the public to come in and sit before that committee to state their reasons.

I want to thank you for giving me the opportunity to sound off, Mr. Speaker. As I said earlier when I began, I didn't find too much in the Throne Speech to be pleased about. But I guess I should be pleased that you have allowed me the opportunity to stand in my place and say what I felt. Thank you very much.

Mr. MacBeth: Thank you very much, Mr. Speaker, for recognizing me at this great distance; I am now sitting further from you than in the past. I want to extend my felicitations to you, as you again occupy the Speaker's chair. Last time I was speaking—I think it was in the budget debate—I complimented you on your sonorous voice and the way it

echoed through this chamber. I think I compared it to the whistle of one of our great northern steam engines in days gone by, as it used to whistle across the pre-Cambrian shield. And in view of the fact that you have recognized me today at this distance, I am now going to compliment you on your eyesight, sir, and say that you have the eyesight of one of our great Canadian eagles. I wish your stay in the chair to be a long one.

I also extend my best wishes to your Deputy Speaker for keeping this House in order and to all those who make the work of this House tick. That includes, of course, those at the clerk's chair at the table, the Deputy Speaker and the chairman of the committee of the whole. To all of you, I extend my best wishes.

I also want to say a word to one or two who have recently been appointed to the cabinet, the government of this province. They take on a very onerous responsibility. Sometimes I think that the press and others are too critical of them and don't necessarily give them a chance to function. But in any event, that's the way our democratic system works. Having had some experience with the weight of cabinet responsibility, I extend to those four new members of cabinet my very best wishes as they in turn take up this responsibility. I know they'll do it to the best of their ability.

Likewise, to the new parliamentary assistants. The post of parliamentary assistant is proving a very worthwhile training ground for members of cabinet, and I wish them well.

I have agreed with the member for Nipissing (Mr. Bolan), who cannot be here this evening—as I cannot be—that we would split the time remaining before 6 o'clock, so I'll only deal with one subject and I'll move along quickly. I wish to speak on a theme that I have spoken on in this House before. That is the subject of the British North America Act.

The Throne Speech, of course, is concerned with the immediate problem of Canadian unity and of the economic conditions in which we find ourselves at the present time. I have faith in this country. I have faith that Canada will remain together and I have great faith that we will come out of our economic plight.

However, I am concerned with a longer problem that I see in connection with the British North America Act. I think that this government and the federal government, and perhaps the governments of all the provinces are not paying the attention that should be paid to getting on with the work of looking at our constitution in a spirit of co-operation and a spirit of trying to remedy the problems

that exist today in Canada. There are problems and we all know that.

I think that a review of the constitution is needed. I know attempts have been made at a review before, but I am afraid those attempts have been made too much on a partisan basis, too much on a local basis—either provincial or regional—and not sufficiently on the basis on which the Fathers of Confederation originally looked at the problem: What can we do to have the best country for all of us and still have the best economic facility and the best cultural facility and all that goes with it? If we approach it too much from a regional basis, of course, that won't happen.

The original Fathers of Confederation, I think, built better than they realized and better than some of us have given them credit for in the interval. It concerns me today that there is such overlapping in the responsibilities that Ottawa assumes and the responsibilities that we at the provincial level assume and the responsibilities that the municipal people assume. Co-operation is a good thing; it's good for all of us to co-operate. Yet sometimes there should be no need for co-operation.

In other words, if we were all masters in those fields that we are purported to be in control of, then we wouldn't need to co-operate with the municipalities and we wouldn't need to co-operate with the federal government. We could each bear the proper responsibility that we should if our individual responsibilities were set out.

In other words, if we want to do some housing now, it's not only the municipality that's involved, it's the province, and there may be some federal grants as well. That means that you've got to co-operate. But if for any reason you don't, or can't, co-operate the project comes to a standstill.

[5:30]

It seems to me when the Fathers of Confederation drafted the BNA Act, sure there were some places where they talked about joint responsibility, such as in agriculture and transportation, but they did try to set out fairly clearly those matters that should be a provincial responsibility and those that should be federal. I think we have to return to a clearer picture in that regard. I think we have to sit down and decide, "All right, what should the provinces be looking after, what should the federal government be looking after, and what should the municipalities look after?"

In addition to redrafting those responsibilities and trying to make clearer lines—and

I know you can't make them absolutely clear—we should also give to those governments the power to support those responsibilities that we may eventually saddle them with.

In other words, it is a poor kind of business to say that the municipalities shall have the responsibility of collecting the garbage and the many other close-to-the-citizen jobs that municipalities do, and not give them adequate means to look after those things.

Similarly, we in the province have to go to the federal government for handouts when we want to do certain things. The medical field, I suppose, is a prime example. We are saddled with the necessity of fitting ourselves into what the federal government wants us to do if we in turn want to carry out our responsibilities in the field of health. That means the federal government is trying to fit us all into the same mould across this country, whether there is a need for us to fit into that mould or not.

I am suggesting that this country of ours is sufficiently diverse—and the Fathers of Confederation recognized that diversity—that what is good for Nova Scotia is not necessarily good for Quebec, and what is good for Quebec is not necessarily good for Ontario. Originally, in setting out the division of powers, the Fathers of Confederation when it came to education said: "Yes, let Quebec run its own education system; let Ontario run its." But now, because of the taxation system, if we want certain things, if we want to obtain certain grants from the federal government, then the federal government says: "Yes, if you do it this way, the same way as it is done in British Columbia or Quebec, we will give you those funds." That to me is one of the flaws in the way our constitution has developed.

It wasn't always this way. I think it has happened for a variety of reasons. First of all, I think the First World War, when the federal government got into the income tax, was the first move in that direction. For the sake of Canadian unity, and for the sake of the war effort at that time, the federal government got into income tax and, as we all know, it never got out of that field. But it proved, in the way the economy of the world developed, to be one of the most fertile fields to obtain money from the citizens, and I suppose, one of the fairest means.

Following the First World War, we got into the Depression—and we remember the problems we had in those days—and we decided that if only we had some cross-

country unemployment insurance scheme managed by Ottawa, in that way we would be able to solve some of the problems that we had. So changes were made in the constitution to allow Ottawa to manage unemployment insurance, which under the original Act was a matter for the provinces to handle; so that became Ottawa's.

Then, of course, there were a variety of court decisions that seemed to centralize the authority in Ottawa as opposed to provincial rights. Those court decisions have continued over the years, even though there was the suggestion recently by the present Chief Justice that he is certainly not a centralist when it comes to his decisions. I think the record of the Supreme Court of Canada in recent years—certainly since the First World War—has been towards centralizing power in Ottawa rather than on the basis of provincial rights.

Then came the Second World War, when the federal government doubled its taxation through the income tax and, of course, has kept that up.

The provinces have lost a great deal of their independence by reason of their becoming dependent on the handouts from the federal government for income tax. I think one of the faults we are currently suffering from in our constitution relates to the power to tax for the necessities that we have. In other words, the spending power should be the taxing power and the taxing power the spending power. We should have the authority to tax for those things that we have responsibility for administering. As I say, at the present time if we want to get certain grants from Ottawa, such as we do in health, then we have to fit ourselves into the common mould. The original BNA Act didn't see it that way. It tried to set out very clear responsibilities and, as we all know, most of the monetary responsibilities set out under section 92 of the BNA Act, those things such as education, such as health, such as highways and transportation, those things that take the majority of the public expense, were given to the province. Yet those things that were given to the federal people to administer, such as the post office, should be self-supporting, self-sustaining; there are things given to the federal level that really call for very little expenditure, apart from national defence. Look at section 91, the big expenditure there would be national defence. Apart from that, those things that the federal government is financially responsible for by the constitution are a very small proportion of our public expenditures.

To bring my short talk on the constitution to a close, I am suggesting that we as legislators are remiss in not sitting down to look at the long-term future of this country and its constitutional problems. So many of us support Quebec in its theories. In other words, Quebec, through all of this, has been the one province that has stood up for provincial rights. So many of us have taken the attitude that we are Canadians first and provincial people second. That is good to a point, but in doing so, becoming centralists as so many of us have, we have tended to overlook the rights of the minority. We have tended to overlook some of the rights of the people of the province of Quebec, and Quebec has really been the one province that has shown us the way on this matter.

I am not speaking in any way against this great country of Canada, but I think Canada's future would be better assured if we were looking at the division of the responsibilities more from a provincial way. I am sure it would keep Quebec happier. I am sure it would keep Alberta happier. I am sure it would keep Manitoba and British Columbia and some of the other provinces happier. The problem is some of the smaller provinces have had to go along with centralism in order to get the handouts that they have needed from the federal government to run this country.

I am not speaking in any way against the necessity for equalized payments. We must have equalized payments to the less fortunate provinces, but they should not be conditional payments. They should be the same kind of payments that the municipalities want us to make to them. They should be payments based on their various needs, based on a revamped formula, but it should be at their discretion how they expend them. Ottawa should not be in a position to dictate to those other provinces, "If you want this money you spend it this way." There should be no strings attached to that.

What I am saying to this House is it is time that we as a nation, not to deal with the immediate problems but I think with the long-term problems, should be sitting down and in some constructive, non-partisan way looking at how we could bring our constitution up to date with a view to returning to the provinces those things that I think properly belong to them, and at the same time assuring both the provinces and the municipalities the taxation resources to look after those responsibilities that go with them. Thank you, Mr. Speaker, and I think I have taken about half the time.

Mr. Bolan: Before proceeding with the remarks which I have to make this afternoon I would like to thank the hon. member for Humber (Mr. MacBeth) for allowing me the opportunity of sharing his time. I have to be in North Bay at a meeting this evening; this was conveyed to the hon. member for Humber and he kindly relinquished his remaining time to me. I might say, through you, Mr. Speaker, to the hon. member for Humber, that having been involved over the past few years in the courts and having dealt with the various agencies of the office of the Solicitor General, I can say to him that the people with whom I have dealt thought highly of him as a minister.

Mr. Speaker, before I get on with the few remaining moments that I have I would like to pay congratulations to you for the manner in which you have handled this House. I might say that your stentorian voice has reverberated through these halls. It certainly has brought to this House and to all parties a definite feeling of impartiality. Again, I congratulate you on that.

Mr. Foulds: He had good early training.

Mr. Nixon: At least he keeps the NDP in order.

Mr. Foulds: Name him. He shouldn't insult the Speaker like that.

Mr. Bolan: Unfortunately, I have run out of platitudes. In dealing with the Speech from the Throne, this rather pallid document which was read to us by the Lieutenant-Governor of this province last Tuesday—

Mr. Foulds: It's full of platitudes.

Mr. Nixon: She's doing a good job too.

Mr. Bolan: —I did feel in a sense that she must have kept wondering to herself, "My goodness, what am I reading? What is this?" I did feel somewhat sorry for this honourable lady as she tried to—

Hon. Mr. Norton: Are you suggesting that she didn't write it?

Mr. Bolan: —groped through this document, which I really considered to be not a Speech from the Throne but rather an act of resignation by the ruling party.

Mr. Mancini: That was well put.

Hon. Mr. Norton: That is an insult to Her Honour.

Mr. Bolan: In fact, it goes beyond that. It is an act of abdication because when the government of the day cannot come up with more than is in this document, then it has forfeited the right to govern.

I would like to restrict my comments to those remarks in the speech which affect

my area. I would like to deal, first of all, with the question of Crown land. Through some form of mysticism, the Minister of Natural Resources somehow was able to read into my mind and to put in this statement which he read in the House today a press release which I actually made yesterday morning to the North Bay Nugget. It's amazing the similarity of the policy which he came out with and the policy which I said the Liberal Party should take.

Without breaking it down into the three stages which are set out in the statement by the minister, what I did say was that yes, Ontarians should have the right of ownership of Crown land; yes, other Canadians should have the right of ownership of Crown land; and no, non-residents should not have the right of ownership, but rather should be given an opportunity to lease Crown land in certain areas and in certain percentages after it has gone through a process whereby Canadians are first given entitlement to it. This is precisely what the minister has related to us in his statement.

However, as I say, I had said practically the same things yesterday morning in a release to the North Bay Nugget. The question was asked of the minister what he would do with those properties which are presently under lease. It would be my suggestion to the minister that those lots which are presently under lease to Canadians be transferred to them outright so they do have complete ownership of these lots. Those lots which are presently owned by non-Canadians should remain under lease, with the end result being that non-Canadians would not have the right to acquire permanent ownership of Crown lands.

[5:45]

One must remember that if a non-Canadian is interested in acquiring title to land, there are vast quantities owned privately by individuals right across the province. So if they are interested in acquiring title to land, it can be done.

Dealing with another subject which is very close to my heart—the situation which exists in northeastern Ontario—I would like to refer to page 11 in the Speech from the Throne. This is where the government proposes measures to alleviate the problems which exist in northeastern Ontario. The second paragraph reads as follows:

“New measures relative to regional and resource developments are proposed to provide direct assistance to northern and eastern Ontario as priority areas and the over-

all economic thrust of Ontario's growth and development.”

And that's it. This is the proposal of this government for an area which it very well knows is already suffering from economic disparity. This is the proposal of a government which has failed to even try to implement the six studies which have come from this government since 1958. There have been some six studies made as to how to deal with northern Ontario—some specifically with northeastern Ontario—and all of these have resulted in complete failure. I am not aware that any significant aspects of any of those particular reports were implemented. I understand there is another one coming out as well some time this month, and it must be very questionable just what that document will contain.

I look at northeastern Ontario just as you, Mr. Speaker, have looked at northwestern Ontario. I look at the resource industry town, a town which grows up based on a certain resource being available. I am speaking particularly about a non-renewable resource.

As the town grows the taxpayers of Ontario, of Canada, and of the municipality, invest millions of dollars to set up the infrastructure to support that community. They build schools, they put in sewage, they put in water, they put in treatment plants. They set up what is known as the infrastructure. They build roads for it. Then when the day comes that the non-renewable resource runs out, the town fails and the very expensive capital investment in that community all goes for naught.

This is one thing I have noticed in my short time here, there does not appear to be any type of plan by this government to try to protect its investment. Basically that's what it is. When you put millions of dollars into the infrastructure about which I have spoken, you are investing in that community, and a responsible government should certainly try to protect it's investment by having alternate plans when the day comes when the non-renewable resource is no longer there.

I would like to address myself also to another point which is very close to me, the question of French education in the province of Ontario. Fortunately, I am bilingual. I am so because I was raised in a small community in northern Ontario—Cobalt.

Mr. Nixon: You're true blue.

Mr. Bolan: This was done in the days when the French-speaking person in a com-

munity really didn't have much going for him. You have to remember that this is the aftermath of what I call the dehumanization of the French culture in the province through the introduction of the famous regulation 17 in the year 1915. From that date until 1930 that was the rule of law in the province of Ontario. Everything possible was done to, as I say dehumanize the French-speaking people in this province; but they stuck with it because they believed in their culture and they believed in their language.

Then in 1930 there were some relaxations with respect to that regulation and it stayed that way until about 1960.

But I remember as a child going to an elementary school called Ecole de Ste. Therese; it was run by the very kind and very charitable Sisters of the Assumption. As we went along we noticed varied differences between that school and the other separate school which was called the Irish school and the public school. One difference was this: Aside from those fine nuns who were there to teach us, there was nothing; there were no facilities for sports, there were hardly any facilities for education in terms of supplies and what have you. I remember when we used to play hockey against the teams of the two other schools, they had sweaters, nice fine school sweaters. We had nothing. We had to buy our own hockey sticks; theirs were given to them by the school board. The one item which we received to play with in the schoolyard once the snow went was a softball, one softball for one year; and when somebody had knocked the hide off the ball, we couldn't play for about a week while the dear sisters sewed it up.

So you go along this way and you start asking yourself some questions: "What gives here? Why is it?"

Mr. Nixon: What year was that?

Mr. Bolan: It was 1946, 1947.

Mr. Nixon: Those were tough Tory years.

Mr. Bolan: Yes.

At that age, when you are 12 or 13, you more or less take it for granted that that is the way it is in life, that there are differences. And then you start to ask yourself more questions. You start to ask your parents questions: "Why is it this way?"

Well let me tell you that is the way it was in those days. Fortunately, it has changed, and it has changed because of the foresight of people like John Robarts; and I must also say that the present Premier of Ontario (Mr. Davis) has taken it upon himself to

try to rectify what I consider to be a system which still needs great improvement.

I remember I was on a school board in 1967-68 in North Bay; there was a big fight going on at that time about acquiring a French high school. Do you know we got a French high school before Bill 141 was even passed? How we did it, mind you, is very questionable, but we did it and we did it because the people wanted it. Then, of course, this was an example to the rest of the province that there was a demand for secondary education in the French language.

Mr. Martel: It didn't work in Sturgeon Falls.

Mr. Bolan: It worked in Sturgeon Falls. Unfortunately, I was not on the school board at that time. Had I been there, it would have worked much better.

My reason for mentioning this is because I read with interest what the Speech from the Throne contained about the French services, and I have been following with great interest what the Premier of Ontario has been saying about it. I think it is sincere; but by the same token I am suggesting to this House that what I consider to be a formula laid down by the leader of the Liberal Party of Ontario is appropriate, is reasonable and is the policy and the procedure to follow to see to it that there is an improvement and a raising in the standard of the French language in this community.

In the last few moments which I have, I am going to quote from yesterday's Globe and Mail which had an editorial and which was headed, "Ontario and French." I'll read it in case there are some of you who have not. I'll read it because I want it to appear, not only in an editorial, but I want it to appear in a historical document; I want it to appear in Hansard. It reads like this:

"To the sometimes confused, sometimes misleading and often awkward discussion at Queen's Park of the provision of government services in French to French-speaking residents of Ontario, Liberal leader Stuart Smith has contributed a voice of consistent principle, reason and leadership."

Mr. Reed: Listen to that. Listen to the truth.

Mr. Bolan: "And now that the debate seems in danger of deteriorating into a destructive, or at best futile, argument over the meaning of words like 'bilingualism,' it is again Dr. Smith who offers a useful proposal to help get it back on a more productive course."

Mr. Martel: Signed by Bob Nixon.

Mr. Bolan: "He suggests, simply and sanely, that Ontario should first find out exactly where it stands now in this important area, and then go on to decide in an orderly manner where it should go from there."

Mr. Lewis: It's called retreat, skillful retreat.

Mr. Bolan: "The vehicle for this exploration, Dr. Smith argues, should be an all-party committee of the Legislature. Its mandate should be to review such programs as now exist, assemble the information gathered into a clear statement of the services now available in French, decide what further services should be provided, and propose a timetable for getting them in motion."

"What Dr. Smith proposes, in short, is nothing elaborate or esoteric, but one of those suggestions that, once made, seems so obviously reasonable that we are left wondering why they did not fall into place long ago without having to be specifically spelled out."

"As things now stand there is a great deal of misunderstanding about the nature of the need, the demand, the availability and the cost of French-language services in Ontario."

"Former Premier John Robarts, in his time, committed his government firmly in principle to recognition of the needs and rights of Franco-Ontarians. Premier William Davis has, with some fumbling and foot-shuffling, done the same thing."

Mr. Nixon: Right.

Mr. Bolan: "But progress has been slow and bumpy."

Mr. Reed: Held up by the Minister of the Environment.

Mr. Bolan: "A sober and balanced study on the subject, commissioned by the Ontario Arts Council, came to this conclusion: 'In summary, the Franco-Ontarian community has had to acknowledge the limitations of the provincial government's action on its behalf. Outside the realm of education where there is still much to be done, and the realm of cultural and artistic matters where government agencies have taken some positive measures, the government of Ontario hesitates to commit itself towards the Franco-Ontarian minority.'

"We need to do better. And Dr. Smith has given us good advice on the place to start and the way to go about it."

Mr. Nixon: Great editorial.

Mr. Bolan: I say to the Premier of Ontario, if he is serious about trying to improve the services of the French language in the province of Ontario, if he is serious about doing it in such a way so as not to show partisanship or aggravate old wounds, what he should do is select a committee consisting of all parties. Let all of those parties look into it. Let all of those parties report back to this House and, then Mr. Speaker, perhaps we will be on the right way.

On motion by Mr. Bounsall, the debate was adjourned.

The House recessed at 6 p.m.

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SPEAKERS IN THIS ISSUE

Baetz, Hon. R. C.; Minister of Energy (Ottawa West PC)
 Bolan, M. (Nipissing L)
 Bounsall, E. J. (Windsor-Sandwich NDP)
 Breithaupt, J. R. (Kitchener L)
 Campbell, M. (St. George L)
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Welch, Hon. R.; Minister of Culture and Recreation, Deputy Premier (Brock PC)

Wells, Hon. T. L.; Minister of Education (Scarborough North PC)

Wildman, B. (Algoma NDP)



Legislature of Ontario Debates

Official Report (Hansard)
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Second Session, 31st Parliament
Thursday, March 2, 1978
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, MARCH 2, 1978

The House resumed at 8 p.m.

THRONE SPEECH DEBATE

(continued)

Mr. Bounsall: Mr. Speaker, this is the traditional time in the debate in the Throne Speech where one pays some sort of a compliment, if that is possible, to the Speaker of the House. In this case, I can most certainly say that any accolades which the members would make about this present Speaker certainly are not just so much traditional hot air or platitudes, as the previous speaker mentioned this afternoon, but they are well earned and well deserved.

I might say to this House that the thing I appreciate most about this Speaker is the way in which at the drop of a hat or at a moment's notice he can whip up the most tremendous outdoor meal of barbecued chicken.

Mr. Nixon: I guess that's not available to all the members.

Mr. Foulds: That was in one of his former lives.

Mr. Nixon: Eating with socialists, eh?

Mr. Bounsall: He has threatened to set this up in the Speaker's apartment here, and I would wish he would carry through that threat. It is superbly barbecued chicken, much better and much tastier than I have had the opportunity to eat at some other establishments very nearby, I might say

Mr. Speaker: Just to clarify matters, I think the hon. member should mention he got that kind of hospitality in Schreiber, and not in Toronto.

Mr. Bounsall: It was in Schreiber, indeed.

Mr. Nixon: I have been in Schreiber, and I didn't get any chicken dinner.

Mr. Foulds: Anybody who wants to go to Schreiber is welcome.

Mr. Bounsall: This was before I had become a member. I had met the hon. Speaker on several occasions and found myself passing through Schreiber mid-afternoon one day. I said, "There can't be that many Jack Stokeses resident in Schreiber," and sure enough, there was only one. He and his lovely wife produced a very delicious meal

on short notice. The Speaker said to me that night: "Would you like to go out on a couple of constituency cases with me to see what the life is like?" And I said yes. We got in his car; it was 6:30. We got back at 11:30. We had put 270 miles on his car, visiting three constituents briefly. I think the Speaker has maybe forgotten that. I was thankful for his sake that there was no provincial policeman on the highway at the speed we had to travel to visit his three constituents.

Mr. Lewis: Shall I tell him about that ride we took down Highway 17 in the middle of winter?

Mr. Bounsall: No, it was in the middle of summer. We were sweltering.

The remarks I would like for a few moments to address myself to tonight concern the youth employment programs of this government; or, by and large, the lack thereof. The Experience '78 program is a disgrace—not in the programs, but at the rate of pay this government now proposes to pay these highly-educated students to work on our behalf in the summertime. We have increased the funding by \$1.1 million over the Experience '77 program. That is fine; but the job proposals have increased from 11,492 to 13,500.

That large increase in jobs for that small amount of total increase in moneys to the program comes about by taking every one of those post-secondary job positions and placing them at the minimum wage rate. They were low enough at \$3 last year; they should have been increased this year, and a reduction now takes place to \$2.65—a minimum wage which, even when the increase comes in on August 1, still keeps the province of Ontario in the fourth lowest position in terms of the minimum wage in this province. That is a disgraceful position to put the summer students from our colleges and universities through this coming summer. We are ripping off their talent, and paying them only the minimum wage.

They have increased the funding in this program by 7.3 per cent, but the number of positions has gone up 17 per cent. This amounts to nothing more than a spreading

of the poverty in this province, and does not in any way meet the financial needs of the students in the province of Ontario to return to their studies the following year. This year is a year in which we have a revised grant loan scheme coming into effect which, in terms of the reports from the Ministry of Colleges and Universities on the grant portion thereof, is going to apply stricter controls and tighter criteria. If there is any wonder why the University of Toronto has some concern about the number of students who are going to enrol this coming year, it is because of what is happening to the students' summer wages and what for most of them will be a drop in the student grant. It's a deliberate attack by this government on the students in the province of Ontario; you discourage them from further attending the university by means of the grant loan schemes you have devised, and by ensuring that they are paid less for the summer jobs. It is a total and utter disgrace.

I won't take the time tonight to talk in any great detail about the other two youth employment programs which this government has devised for the unemployed youth of this province. But let me tell you, if I was picking a way to increase employment for the youth of this province, I would think very seriously before I would put in the OCAP program an increase of 49 per cent in moneys to go to the OCAP and the OYEP programs—that is the \$1 per hour subsidy for new jobs, to private employers—with a predicted increase of jobs at 56 per cent. Even in these programs, funding goes up 49 per cent, the job expectations 56 per cent. Again, the recipients of these jobs will be in a worse position than were people in these jobs a year ago. Again, another sharing of poverty in your employment programs this summer for the youth of the province of Ontario.

I might say that some of that OCAP money should certainly go into ensuring two things, something which this government has not done in the past to any great effect. One is to ensure that the training of people on OCAP programs is in fact, taking place. I have heard, not from my own community in Windsor but from across Ontario in my capacity as Colleges and Universities critic, about people getting OCAP jobs in which they have received little training and little supervision. That is supposed to be one of the goals of this program, and the government had better start taking it seriously.

It is going to pay them less than it paid them last year—the least it can do is ensure

that in those jobs they get some training and that they get some supervision. In some of those jobs they do. It's clear in some, if not many, they do not.

Secondly, in those jobs taken by those OCAP students or OCAP youth, they are not replacing, as has become common practice at some institutions in our province, notably Niagara College, full-time employees who would ordinarily have to be employed full-time at those institutions. There are many examples of the OCAP program where that person supplied, particularly to a United Way agency, has in fact been a person they wouldn't otherwise have got. But in far too many instances, it's been the replacing of what would be a full-time person if they hadn't been approved under the OCAP program, and that practice should stop.

I want to turn to some remarks about the appalling pollution situation and concerns which are prevalent in Windsor, particularly the west side. As a start to my remarks, I'd just like to remind the House of a fact which I have told it before, that in late 1966 a federal health study reported that living in the west side of Windsor and across from the heavy pollutant factories in Michigan—and 85 per cent of the wind direction is towards Windsor from that particular industrial area—living in the west side of Windsor was equivalent to smoking 46 cigarettes a day. That's in excess of two packs of cigarettes a day.

Commensurate with that study was the very careful statistical analysis done some years previously by Professor Linus Pauling, of which I'm sure we are all aware, who indicated, taking the United States as his sample, that smoking two packs of cigarettes a day for 20 years, on the average, knocks six years off one's life expectancy. So we have in the city of Windsor on cross-boundary pollution a situation where if one is born, exists, grows up and lives in the west side of the city—which is the majority of my riding—for 20 years, one will have, on the average, six years knocked off his life expectancy. That's an appalling situation.

Some improvement has taken place since the late 1960s, but this week the local office of the International Joint Commission issued a report to this effect, that the air pollution monitored in Sarnia and in Windsor over a five-year period showed improvement. However, in 1976 there were some increases in maximum levels of certain pollutants in Windsor, as well as increases in the number of incidents of pollution that exceeded the IJC objectives. The study was not able to say definitely whether the 1976 figures rep-

resent another trend, the beginning of a trend for the worse in the Windsor area, which is certainly bad enough as it is, but the authors warn both levels of government to be aware of sources of this increased pollution and to monitor changes more carefully, with more sites of monitoring to implement specific remedial programs where necessary.

The study concludes that unless there are some significant efforts on the part of the Ministry of the Environment here in Ontario the overall IJC objectives that were set to be met by the end of this year, 1978, will not be met, and the government can in no way relax its surveillance nor should it be allowed to relax its objectives.

[8:15]

As one of the authors of the IJC report said: "We feel government"—meaning the Ontario government—"should make sure that stringent enforcement is in place to meet the IJC objectives." Something of great concern to the authors of this report are the figures and the incidences and the locations of increased pollution in the Windsor area, which is already sufficient to knock six years off your life expectancy if you live there for one 20 year stretch.

With respect to further pollution in the area, of continuing concern all last fall was the chance that Peerless Cement, situated on the Detroit River, again in the very centre of the prevailing wind from the west that blows this heavy industrial pollutant on to the west side of Windsor, would have approved by the Wayne county board of health, with support from the Ministry of the Environment of Ontario, the burning of PCBs in that cement kiln. We had to depend, finally, on the Wayne county board of health—not on Ontario's Ministry of the Environment—to protect the west side of Windsor; the ministry were giving their go-ahead and approval of it. We had to depend on the Wayne county board of health and the city council of Detroit, Michigan, to prevent the Peerless Cement company going ahead with the burning of those PCBs.

I would just like to indicate what has been determined by Environment Canada and the city of Windsor in some of these regards. The Environment Canada report of two years ago did indicate that the burning of PCBs and other chlorinated hydrocarbons can be accomplished in a cement type kiln if the kiln can be operated under steady state conditions. But that is the big "if." As a chemical engineer and knowing plant processes and plant production, I can tell

the members of this House that you cannot ever assure continuous steady state conditions to operate in any industrial plant.

Do we have to depend upon that to ensure that no PCBs get into our atmosphere on the west side of Windsor? No way. We couldn't count on our Ministry of the Environment here to protect the residents in the west side of Windsor. What are appropriate facilities if cement kilns aren't?

It is very interesting that there has come to light a company called Rollins Environmental Services, operating in the eastern and southern United States in areas where there is very little population. They have incinerators that are specifically designed to burn PCBs and other chlorinated hydrocarbons that are steady state in their operation and have extensive backup systems to make sure that the operation is as fail-safe as possible.

If we want to dispose of that very thorny problem—how to dispose of PCBs that are accumulating mainly in our transformer oils in the province—this is the sort of system which we should be encouraging to be built somewhere. It should not be near any metropolitan area, such as Peerless Cement opposite Windsor, or the St. Lawrence Cement Company in Mississauga, but should be built in a non-builtup area that has a steady state operation and this extensive backup system. Any second-best technology for disposal of this dangerous chemical is simply not good enough for the residents of this province. I suggest they could best be built in either Brant, Oxford or Norfolk counties.

Mr. Kerrio: Or all three.

Mr. Bounsall: Or all three—one in each county. In deference to the member who comes from that area, who has been rather quiet here tonight.

Mr. Nixon: You leave it on Peche Island or Peach Island.

Mr. Bounsall: Maybe in Sarnia where the prevailing wind is the other way. However, I wouldn't wish that on our friends in the United States.

I could go on at great length upon my concerns about PCBs but I will go no further tonight.

I just want to end up with one other further point about the pollution in Windsor. There has been a proposal placed before Governor Milliken of the state of Michigan that due to the problem with coal supply for electrical generating facilities they do what the governor of Ohio has done—

Mr. Nixon: Is that Dusty Rhodes?

Mr. Bounsall: —and that is to suspend, possibly to relax or even totally suspend

temporarily, the pollution control and standards for electrical generating facilities.

Let me tell you, Mr. Speaker, one of the major sources of pollution on the west side of Windsor is the Detroit-Edison coal-fired generating station directly across the river and in the centre of that industrial complex. This proposal would pour even more pollution on the west side of Windsor; and the Ministry of the Environment had better be in there this time saying to Governor Milliken, "you don't do it," and defend the residents of the west side of Windsor, two-thirds of whom live in my riding. "You don't do it just for the simple health reasons." But the second reason is, "You don't even conserve coal, of which there is a shortage, by relaxing the controls. In fact, it's the reverse. You put back into the system what you take out by your stack-cleaners. So it's the wrong way to go." The Minister of the Environment (Mr. McCague) had better be saying to Governor Milliken today or tomorrow, "You dare not as a means of conserving coal, pour more pollution on the west side of the city of Windsor."

Mr. Kerrio: Now we're going to get it.

Mr. Elgie: Mr. Speaker, it's a great pleasure to see the member for Brant-Oxford-Norfolk paying so much attention here.

Mr. Nixon: Well, let's get this straight. Is this your maiden speech or not? If it is we won't even interrupt.

Mr. Foulds: No, he's spoken before.

Hon. Mr. Snow: Whoever heard of a maiden?

Mr. Nixon: Well, with the hon. member it's appropriate.

Mr. Elgie: Manners I have never come to expect from you.

Mr. Speaker, I am very pleased to have this opportunity to make some remarks in reply to the Throne Speech. I would like on this occasion to congratulate you and your Deputy Speaker, incidentally an old friend of mine, the hon. member for Perth (Mr. Edighoffer), for the very capable way you handle the affairs of the Legislature and the fair way in which you allow all of us to express our opinions, sometimes parochial, often partisan, but nevertheless you treat us all fairly.

Mr. Foulds: You said "parochial." Who is parochial and partisan, us or him?

Mr. Elgie: Hang on, it's a new word; the member will learn it soon.

In addition, I would like to join the other hon. members of this House in extending my congratulations to the new leader of the

New Democratic Party (Mr. Cassidy). The hon. member for Renfrew North (Mr. Conway) was sitting there a moment ago and I hardly noticed the difference.

An hon. member: Quite a compliment.

Mr. Foulds: You should get up on a point of privilege.

Mr. Elgie: Although in some respect I must say I enjoyed his contribution to the debate, I do wish he had spent less time reiterating the many challenges he sees facing Ontario and more time in putting forward realistic, practical and workable solutions. I would like to let him know that the problems we all appreciate; responsible answers are what we require. There are no easy solutions to the problems facing us, only intelligent choices, and this government is endeavouring to make those choices.

As for the leader of the official opposition (Mr. S. Smith), one can only express a certain degree of sympathy inasmuch as he must, almost on a daily basis, carry the albatross of his federal counterpart heavily on his shoulders while at the same time pretending they are the enemy.

Mr. Kerrio: Well, you can't be proud of Joe Whoever. What's his name anyway?

Mr. Elgie: At this juncture I am reminded of that famous Pogo cartoon when he said, "We have met the enemy and he is us." That's your enemy, my friends.

One must, however, give the official opposition full marks for the effort they put into attempting to disavow their federal brothers and sisters. But in all sincerity, Mr. Speaker, I must say that after blowing out the candles on the cake and after cutting through the icing, there was a certain sensitive underlying substance to his remarks and I appreciated them.

Mr. Foulds: What?

Mr. Elgie: At this time, Mr. Speaker, I would be remiss if I also failed to congratulate the members of the Liberal Party on Mr. Trudeau's most recent definition of a Liberal as someone in the radical centre. Surely they must feel they are crowding what Jonathan Manthorpe has called the socialist Tories in that area.

Mr. Nixon: The extreme moderates.

Mr. Elgie: In any event, the Speech from the Throne, as on other occasions, got a mixed but in my view generally favourable reaction. As usual, editorials thundered, clamouring for more details about the government's programs, this in spite of the fact that for more than 100 years in this country, and even longer in the mother of parliaments

in London, the Throne Speech was historically never designed to outline specifics but rather to indicate in very general terms the government's legislative program. This is as true here in Ontario with the Progressive Conservative government as it is in Saskatchewan with the NDP government as it is in Ottawa, where the Liberal Party temporarily reigns supreme.

Still, this Speech from the Throne was in my view an important one, as much for the absence of large new spending programs as it was for the presence of some very sensitive, much-needed programs recognizing the needs of special education and of the need to recognize the rights of children in this society.

In many ways, the Speech from the Throne in my view captured the mood of Ontario today. It reflected the public demand to control public spending, to lessen the impact of government in the daily lives of people, to strengthen private sector activity while still restraining the growth of government bureaucracy.

There will, of course, be some who will say that the government is doing nothing or not doing enough.

Mr. Nixon: Any sensible person would say that.

Mr. Elgie: But I suggest, Mr. Speaker, that there are a lot more people who believe that governments are already attempting to do too much and that this government is in the forefront—

Mr. Foulds: Doing yourselves out of a job.

Mr. Elgie: —of the effort to reduce extravagant government spending and inappropriate involvement in the lives of citizens in this province.

On the whole, the Speech from the Throne proposes several imaginative programs, programs that are affordable and that should not further jeopardize the economic situation of this province.

There are a couple of areas mentioned in the Throne Speech upon which I would like to comment. I particularly want to commend the government for its intention to increase support for and its emphasis on special education.

There are few families in this country or in this province which are not in some way touched with the problem of learning difficulties of one sort or another. If we consider ours to be a humanitarian society, a society which prides itself in helping the disadvantaged, then I can think of few other ways to express our compassion than to make it possible for those who have a disability also

to have an opportunity for an appropriate education—an education which although it may not promise an equal outcome and although it may not promise to enable all children to learn at the same rate or even to attain the same level of learning, does safeguard the quality and the appropriateness of that education.

The Throne Speech has promised to set aside additional funds for this purpose, to place more emphasis on the early identification of children with learning disabilities and to ensure that all boards provide appropriate levels of service for students within their jurisdiction and, as the speech declared, regardless of their disabilities and handicaps.

The government has also indicated that it will establish a demonstration school for a limited number of children with severe learning disabilities who require services which can only be provided in a residential facility. There is a need for this sort of project, both to fill the educational needs of some children with learning disabilities who require this type of care and to provide a teacher training centre to prepare teachers for the task of providing and/or upgrading their own local school board programs.

All of this is exceptionally noteworthy and commendable, as far as it goes. Yet I look upon it as only a beginning, albeit an important one, and I would be greatly disappointed if we were not able over the next few years to assure more in the way of individualized educational programs which are appropriate to the needs of individual children, including the gifted children.

[8:30]

At this point I would like once again to stress the fact that in my view, as more local school boards develop or upgrade their own learning disability programs over the years ahead, it is anticipated that the number of children requiring this special residential facility will diminish and in time only the most severely learning disabled students or perhaps some from the smaller population areas of the province would require such a special program. I again commend the government and the Minister of Education (Mr. Wells) for this substantial step forward in placing greater attention on the areas of special education in this province.

There is another area relating to the special needs of children that I would like to comment on briefly, and this is the subject of child abuse. Again we find mentioned in the Throne Speech new government action respecting the rights of children. The government has pledged to bring forward the

recommendations of a consultation paper on children's services and particularly to take firmer steps in protecting children against the increasing problem of violence and physical abuse. I know I speak for the entire Legislature when I commend the government and the minister sincerely for proposing these strong positions on this important problem. Even then, I wonder if we have gone as far as we should in this respect.

It seems to me that perhaps we should be taking a further step, a step that could effectively give children the right of access to civil action against the abuser whether that be a parent or be it someone else. In the final analysis, we as legislators and this Legislature, which is responsible for determining the law, must take every measure possible to curtail the abuse and make extremely severe the penalty for all who would indulge consciously or unconsciously in the deplorable habit of abusing and violating children. Towards this end, I will be introducing later in the session a private member's bill regarding the civil consequences arising from child abuse. I look forward to an earnest and concerned discussion of this problem by this House at that time.

I realize that politics by its very nature is a very partisan business. One cannot be here day after day without realizing that. Yet there are occasions—maybe not all that often—when partisanship and party loyalties ought to give way to a general recognition of the efforts of a government to represent this province in a forceful and decisive manner. Such an occasion, I submit, was the Premier's (Mr. Davis) activity at the recent first ministers' conference in Ottawa because, let's face it, without Ontario's program for economic recovery, very little else was put forward at the meeting that was worthwhile and meaningful.

The Premier's plan as outlined in the document, *An Economic Development Policy for Canada*, was a major discussion paper. The fact that nine of the major proposals were contained in the communique released at the conclusion of the conference speaks for itself. I believe that what helped to focus the main attention on the Ontario contribution was not only the imaginative and sensible suggestions put forward by the Premier, but the fact that Ontario's concern about the economy was not limited to this province alone but rather showed a remarkable knowledge about, recognition of and concern for the difficulties of other parts of the country as they faced them.

Surely no one in this Legislature would oppose the recommendation of establishing a national council on the economy or that governments should hold the growth of public spending below the growth of the economy or that the federal government should give priority to the improvement of manpower training programs. These are only some of the more specific suggestions the Premier brought up at that conference.

Mr. Kerrio: You're experts on the big spender's side, I'll tell you.

Mr. Elgie: As long as you're not the big buyer.

Mr. Kerrio: Tell us about balancing the budget.

Mr. Elgie: The member for Niagara Falls should meet one of my children. They have a lovely saying for things like this: Stifle it. That's their lovely phrase.

Mr. Kerrio: Oh, that's right. I buy that. That's all you people over there can talk about.

Mr. Elgie: I believe the Premier deserves the applause of all members of this House. Hopefully, the federal government will respond in a positive fashion to his recommendation. As he told the conference: "Let us shed the old competitive unproductive ways. Let us commit ourselves to genuine consultation on economic issues. In this way, Canadians can be confident that our efforts will ensure that all will share in Canada's potential for prosperity."

Mr. Gaunt: Mr. Speaker, I want to say to you, as others have done on numerous occasions during this debate, that your presence in the chair is certainly a welcome one. I congratulate both the Speaker (Mr. Stokes) and the Deputy Speaker (Mr. Edighoffer) for their adroitness in the chair in trying to handle what is obviously, at times at least, a rather unruly crowd in here. I know that is difficult from time to time, but certainly both gentlemen do an admirable job in that respect and I pay tribute to you and wish you well in the office.

Mr. Conway: One room-mate to another.

An hon. member: Not all of them applauded.

Mr. Nixon: What is going on here?

Mr. Gaunt: I just wanted to take a few moments to put some views on the record with respect to some parochial problems and then perhaps with respect to the Throne Speech, such as it was.

First of all, as far as the Throne Speech is concerned, I think one would have to say

that it really boiled down to a hymn of hope for a senile government. There weren't really many new ideas. Any of the new ideas in it came from the Liberal side of the House.

Mr. Nixon: Right.

Interjections.

Mr. Gaunt: We don't mind the government stealing our platform—

Mr. Lewis: Or for that matter, your senility.

Mr. Gaunt: Actually they are more inclined to steal the latter, than the former.

Hon. Mr. Snow: Mr. Speaker, on a point of order. I never stole an idea in my life.

Mr. Nixon: You never had an idea—even your own.

Mr. Kerrio: Bob Elgie did.

Mr. Lewis: The way you were rattling on, mumbling to yourself and someone else, while Bob was speaking, one began to think of senility.

Mr. Gaunt: In any event, I can't help but feel the Premier (Mr. Davis) is having a little difficulty getting his act together over there. I am sure that come evening he gets down on one knee and gives thanks for his enemies and asks for protection against his friends—

Mr. Lewis: What is he going to do with the other knee?

Mr. Gaunt: He saves that for another day—because I'm reminded that during the swearing-in ceremony of the new cabinet ministers, no sooner had the swearing-in been completed than the new Minister of the Environment, the member for Dufferin-Simcoe (Mr. McCague), rushed out to tell the press that as far as he was concerned, the pollution laws in this province were just too stiff—

Mr. Nixon: Oh, he's a bear for publicity.

Mr. Gaunt: —I think his words were "plenty stiff"—and that the whole pollution laws in this province were of such a nature that we had over-regulation in the environment.

Mr. Samis: Take him to Hawkesbury some day.

Mr. Gaunt: Really it seems to me that hardly is government policy established before one of the ministers over there renounces it. In terms of the environment I want to say to the minister that in my view when one has to read, as we did last summer, that 160 lakes and rivers in the province of Ontario have been shown to show contamination to the point that we are advised not to

eat the fish, then I say I don't think we're over-regulated in terms of the environment at all.

Further, I just quote again from my opening remarks to the former minister on November 28, 1977, during his estimates when I said—and I'm talking about the pulp and paper industry here and the fact that the government has been so slow in cleaning it up: "For example, your ministry allowed Great Lakes Paper in Thunder Bay to discharge 68,775 kilograms of organic substances each day during 1976. This represents a concentration of 500 parts per million, twice as concentrated as raw human sewage."

Mr. Kerrio: Shame. Shame.

Mr. Gaunt: "Abitibi Paper Company in Thunder Bay was allowed to discharge 39,220 kilograms of organic substances a day, an equivalent of 250 parts per million. In this case, reported data showed that the plant was not able to meet even these generous effluent allowances from the ministry. In fact, it discharged 64,500 kilograms a day, or an equivalent of 410 parts per million, of organic substances during that year. That is almost twice the concentration of raw human sewage." I don't think that sounds like a province that's over-regulated or a province where pollution laws are "plenty stiff," to quote the minister.

Then, on the same occasion, the same day, the new Minister of Energy (Mr. Baetz), had barely finished swearing his oath before he proclaimed that Ontario was going to have to rely on nuclear energy to a greater and greater extent; unless we are prepared, I think he said, to accept a declining standard of living. I found that curious, because I thought that was what the Porter commission was all about and I thought that was what the select committee of this Legislature was all about, to determine whether the emphasis of Ontario Hydro and the Ministry of Energy was correct with respect to nuclear power and nuclear development over the next 15 or 20 years.

I presume from the hon. minister's comments that he wants to pre-empt the committee and the Porter commission and bring in his own views and place them on the public record to indicate that he's in favour of relying more and more on the nuclear energy generating system in this province. I don't personally agree with that and I think that the Porter commission findings, without really knowing what they'll be, will find some deficiencies in that particular approach. I hope the select committee will also have a different view from that expressed by the minister in that respect.

Then, of course, there was the latest one. It was the Minister of Natural Resources (Mr. F. S. Miller), my good friend, who said that he was in favour of selling off cottage lots to foreigners. Then he backpedalled on that one and said: "The cabinet hasn't really arrived at a decision."

Mr. Warner: He got lost in the woods.

Mr. Gaunt: Then he came in today and indicated that these lots would be leased to foreigners. I say to the government that somewhere along the line I think the Premier (Mr. Davis) is going to have to pull a collection of the ministers over there together and give them a little talking to and get things straightened out, because that's not the kind of policy emphasis—

Mr. Foulds: Away in the forest.

Mr. Gaunt: —that we should be getting in this province. It's not the kind of leadership that we should be getting at this particular time in our history.

Mr. Ruston: There's no leadership over there.

Mr. Gaunt: I think that the government, while it is an aged government and while it's been in power for a long time, can certainly do better than it has been doing in the three instances I've cited.

Mr. Nixon: Too long in power.

Hon. Mr. Snow: There's more to come.

Mr. Gaunt: I want to talk about two local issues, although they do have provincial ramifications. The first one with which I want to deal has to do with the proposal of the Colleges of Nurses wherein the college is advancing a proposal whereby nurses in this province are going to have to work for a period of 50 days during one year over a period of five years in order to maintain their certificates, otherwise they'll be deemed to be incompetent.

I think that proposal has many deficiencies. Certainly, the nurses with whom I have spoken and the organization with which I'm dealing in our part of the country is very adamantly opposed to that proposal and I know that they are making representation to the college on that matter.

[8:45]

It seems to me that it's most unreasonable and completely unrealistic to advance a proposal like this at a time when we have a surplus of nurses in the province and when it's very difficult, particularly in rural areas of this province, to get a job at a local hospital or in a nursing home. Because of the health cutbacks, the hospitals are curtailing their staffs.

One hospital alone in my area, the Kincardine General Hospital, has on file a list of 200 nurses who have applied for part- or full-time positions at that hospital but who are unable to get any positions. There is just no movement of staff; if there is movement, it is usually attritional, whereby if someone retires or quits, the position isn't filled because the hospital has to live within certain budgetary constraints now that the ministry is cutting back.

Under those conditions, what does one do? What does a nurse in the province of Ontario do in those circumstances? If the nurse happens to be a young graduate nurse and is unattached, in all likelihood she will go to another province or to another country, as many of them have done in recent months. With this proposal, if they came back in two or three years, they wouldn't be allowed to nurse in this province. Their certificate would be of no value to them in this province unless they went back and took a refresher course at a community college. I believe the refresher course proposed is something in the neighbourhood of 18 months. I remind you, Mr. Speaker, that the total course is only 24 months and the college is talking about a refresher course of 18 months, which seems quite unrealistic to me.

Mr. Nixon: Right.

Mr. Gaunt: I hope the college in this province will review that. When they get all the ideas from the nurses across the province, with all the objections and alternative proposals, I hope they will reject the proposal and come in with a new one that would be more workable, particularly if it includes a provision to give nurses who have gone out of nursing for various reasons—maybe they couldn't get a job here or they wanted to quit for a period of time and raise a family, both legitimate reasons—a refresher course right in their own setting, in the hospital setting. The length of time of the refresher course could vary, but I would suspect that perhaps a four- or five-week refresher course would be more in keeping with maintaining a nurse's knowledge of new techniques and new technologies constantly coming in and being developed from time to time.

In any event, I do hope that when the college votes on March 15 it will take into account these various points, because they have been made very strongly in discussions with myself and, I am sure, with other members from rural areas particularly.

The other matter that is somewhat local is the fact that our police are rather unhappy with Bills 113 and 114. I understand the

genesis of these bills and the fact that we did have problems in Metropolitan Toronto. We had two commission reports which dealt with these problems and with the fact that citizens basically don't have a clear-cut channel through which they can voice their complaints in relation to how police treat them in the course of their duties.

I suggest to you that Bills 113 and 114 overcompensate in that respect. I think they go too far the other way and really take away from the police most of their rights as citizens. After all, policemen are citizens too, and they are charged with the protection of all the rest of us as citizens.

I suggest that there is a very fine line between a free, democratic state and a police state. It is a question of maintaining a balance, somewhere in the middle. I suggest that Bill 114 has gone too far the other way.

Back a few years ago we had Bill 99 that resulted in the resignation of the then Attorney General, Mr. Cass, because the legislation which he advanced was too pro-police; it was too much of a police state. I suggest that perhaps this legislation is too much the other way and that there has to be a middle ground.

I think there are some sections in this bill that really violate the rights of the police. I can think of the sections dealing with suspension without pay prior to final appeal and so on; and the fact that a citizen or a police chief can bring a proceeding against a police officer up to 18 months after the alleged act has taken place. I think that's just a little unfair, and I would hope that the now Solicitor General (Mr. Kerr) would certainly step up the consultation process with the police associations, with the police chiefs across the province, to come in with a better piece of legislation, which is more acceptable to the police and at the same time will accomplish the purpose for which the original was intended.

Just a brief word about the economy and the fact that it appears to me to be the most pressing issue facing us at the moment, both provincially and federally. I think the Throne Speech shows a lack of imagination in dealing with the economy. I am not an economist but the people with whom I speak who are knowledgeable in this area tell me that the cycles are intensifying. The upturns aren't as pronounced and the downturns are coming closer and closer together and are intensifying in nature, which is rather disturbing. It seems to point up the fact that instability is growing and the recoveries are becoming less pronounced and shorter in duration.

I suppose that as far as governments are concerned, the traditional approaches these last two or three years haven't been working because there are so many new ingredients in the mix now which weren't there a number of years ago. The theories that government should pump more money into the system when things start to slow down and that this automatically helps unemployment, automatically assists inflation, apparently are not valid now. The traditional methods of remedy are not working anymore.

I guess there comes a point when the burden of debt becomes unsustainable, and that's really the problem facing governments at all levels, municipal, provincial and federal. There is only so far one can go as a government in mortgaging the future.

The fact of the matter is that interest has to be paid on that debt. It's got to come out of the taxpayers in one form or another. I suppose unless the matter is cured by policy—which hopefully it will be; and that policy will have to be different, now, from the traditional policy approaches when this has happened, that is to say high unemployment and rising inflation—then the only other remedy, heaven help us, is the natural remedy of a currency collapse, and we all hope that that won't happen.

I was interested to read an article which indicated the Treasurer (Mr. McKeough) has done a study, asking I suppose whether or not there would be any cost benefit from pumping of more money into the provincial economy, and hence going further in debt. The study, I gather, according to the *Globe* and *Mail* of yesterday, indicated that this approach would be counter-productive; that the circumstances now are quite different than they have been before, during the post-war years, and that the only thing that would happen would be that the unemployment insurance payouts would be cut. But other than that, there would be no dramatic turn-around and no direct cost benefit to the economy in terms of additional employment opportunities or reduced inflation.

The Keynes method of stimulating the economy in a depression was known as pump-priming and it increased the money in circulation.

Mr. Conway: I thought John Maynard Keynes was dead.

Mr. Gaunt: He's dead, but some of his theories still live.

Mr. Conway: On to a new life.

Mr. Gaunt: But in any event, I think the conventional wisdom in this regard is now being substantially altered by some of the

economists who feel, as I've said before, that that would certainly be counter-productive. The fact is that if one does that, then almost all of the money which goes into the system comes into existence as debt requiring interest; and this is the prime cause of inflation so we just go around the hoop once again.

I think what the government has to do is stop treating this problem in the traditional way and use some new approaches. I think the new approaches the government can use in this respect are many and varied.

One of the things that seems to me to be fairly obvious is that the government should abandon all of the, what I would term "choking taxes" which we have in place today. I think that's one method of treating the problem.

Another method is to stress and have a major emphasis with respect to conservation and renewable energy development. Just let me deal with one point in that particular matter, renewable energy. Let me deal with solar energy specifically, because yesterday I went over the Royal Commission on Electric Power planning and I got a publication called Legislative and Governmental Action Bearing on the Development of a Solar Heating Alternative. I found it most interesting.

[9:00]

For instance, they say here: "The purpose of this study is to examine the legislative and governmental barriers to the rapid development and implementation of solar energy as a viable alternative to conventional energy resources for space and water heating. Taken over all, about one-third of all energy used in Canada goes to heating, another third to transportation and the balance to other uses, including industrial and public utility power generation.

"In the past 15 years residential space heating in Ontario provided by electricity has increased from one per cent to 25 per cent in all newly constructed homes. Of the alternative energy resources available, solar energy appears to offer the best prospects for rapid development. An adequate technology exists, and the economics in terms of life-cycle cost are near the balance point with fossil fuels and electrical alternatives. The utilization of solar energy is presently controlled by laws and regulations that were written at a time when the potential for solar heating was not fully recognized."

I think this is the point at which the government should now move in and make our laws and regulations more attractive for the development of this kind of renewable

energy. For instance, I think one of the alternatives that is put forward in this publication is the fact that the incentive most likely to have the most beneficial impact over the lifetime of a solar heating system is a property tax exemption from all equipment included in the system.

It mentions here that in order to improve the front-end costs other incentives must also be legislated. "Some of these can be included in the tax structure in the form of tax credits or deductions; and others may be outside the tax system as guaranteed loans, low cost loans, and direct government subsidies."

There are many things we can do in this respect. There are things that can be done. The most obvious is to remove the solar heating system from property tax assessment. As it stands now, anyone who puts in a solar heating system in a residence has that assessed and the value of the property goes up accordingly. I think that is a disincentive for people to install this kind of system. At a time when we are trying to emphasize conservation and at a time when we are trying to encourage movement on the part of the general public toward conservation and toward renewable energy resources, it certainly behoves the government to move in and try to develop not only solar energy but wind energy and other forms of technology in this particular area.

There are great opportunities, for instance, for solar and wind generation on the farms across this province. Farmers could cut their hydro bill by at least 50 per cent if they were encouraged to get into this kind of technology and generate part of their own electrical power right on their own farm. It is a decentralized system; it is a system where the technology is already available. It just needs encouragement and development. The role of government should be to remove all of the existing barriers, where such a move could be politically and publicly acceptable, and legislate incentives insofar as it is able to put solar energy and all forms of renewable energy in a favourable position.

I think I have taken long enough, but I did want to put a few of these observations on the record tonight.

Mr. Davison: May I add my congratulations, Mr. Speaker, to those of the other members of the House on the fine job you are doing as Speaker and say you are a very good example of what a worker can do when he is put in charge of the store.

Mr. Conway: Tell me why is it a worker can't become leader of the NDP?

Mr. Davison: The member for Renfrew North is the last person who should ask.

Mr. Conway: He can answer that one later.

Mr. Samis: Do you have to be a lawyer to be a federal Liberal?

Mr. Lewis: What in God's name do you know about the meaning of work, you academic hotshot you?

Interjections.

Mr. Conway: I don't profess to be any different.

Mr. Lewis: Oh, come off it.

Mr. Samis: You are not.

Mr. Lewis: You are not. You are a hustling prima donna, you are. You dare to talk about the working classes.

Mr. Speaker: Meanwhile, back to the debate.

Mr. Lewis: An elitist over here who harasses the virtue of this side of the House.

Mr. Conway: You called someone else a hustler.

Mr. Lewis: I did not. That's just your own sense of yourself coming to the fore.

Mr. Conway: What a hustling huckster you are.

Mr. G. I. Miller: He's learning fast.

Mr. Davison: You really should be on the back bench. While we are here—

An hon. member: What do you want to say?

Mr. Ruston: Good speech. You can sit down now.

Mr. Davison: —to discuss the Throne Speech tonight, I'll try to be a little less controversial—

Mr. Lewis: Go back and read about Sir Sanfield Macdonald or whatever his name was.

Mr. Conway: Another Deans man unhappy.

Mr. Davidson: —and simply extend my empathy to the Lieutenant Governor, because I suspect there are a few people in the province who think that she is the one responsible for this speech that was read on February 21. Personally, I think it was in very poor taste of the government to embarrass the Lieutenant Governor in such a way by giving her such a speech to read.

The speech, on the first page, says that the most crucial challenges are of an economic nature. Then it goes on to spend 25 pages saying that the government has no idea as to how we are to meet these challenges in the future; and that is indeed an embarrass-

ment to which the Lieutenant Governor shouldn't have been put.

It would be bad enough if the government simply failed to create enough jobs to match the rising rate of unemployment, and it would be bad enough if the government just simply sat in a corner sucking its thumb waiting for things to fix themselves; but the government has actually gone out of its way to create unemployment.

I think the latest word from the Minister of Health (Mr. Timbrell) is a pretty good example of that policy of creating unemployment. I am referring to the health cost restraint program he has instituted. The Minister of Health, acting in his capacity as lap dog for the Treasurer (Mr. McKeough), has put forward a proposal for a 4.5 per cent increase, as he calls it, in hospital operating budgets. Then he has gone on to adopt the Treasurer's rather bizarre logic to prove that an increase on paper of 4.5 per cent at a time when inflation is running at nine per cent is a real increase. It is about time the Treasurer realized he can't fool the people so easily and that no matter how much paper the government heaps on this issue it can't hide the reality of the fact that we are currently facing major cutbacks in the health area.

From 60 to 80 per cent of those costs for the operating budgets of a hospital go for wages and salaries. When one adds these cutbacks in real dollars to the rapidly rising costs of energy and other services and goods needed in the hospital, there is only one answer and that is layoffs. If the Treasurer, the Minister of Health and the government think there is another answer, then they are terribly wrong and they are living in a mostly fantasy world. It would be the kind of world where on March 7 the Treasurer would walk in here in the evening on budget night and prove on paper that in Ontario we do have full employment, that there is no inflation and that there is a budgetary surplus; and that is not real.

In Hamilton, look at the effects that are going to be caused. The Chedoke Hospital in Hamilton has received one of the government's more generous alleged increases of 5.3 per cent. Today the hospital's administrator of finance said that staff would definitely be reduced as a result of that cutback. The executive director of McMaster University medical centre has said that as a result of their 4.31 per cent purported increase the public would have to expect somewhat less in the way of service. The situation of other hospitals in Hamilton and in Ontario is not any better. This program is not an oddity, off by itself in a corner; unfortunately, it is a

common example of what the government is doing. I would say to them that I would hope they would reconsider their current policy in this field; if they can't move themselves to find real solutions to the problem of unemployment, at least they should stop making the problem worse. If you can't be part of the solution, at least you could quit causing part of the problem.

Another of the promises in the Throne Speech that rather interested me was the commitment of the government to bring compulsory auto insurance into Ontario by December 1979. There are a lot of serious problems involved in the whole area of auto insurance in Ontario. One of those, of course, is the fact that currently in Ontario it's possible to purchase a valid licence plate and to drive a car without insurance. You don't have to show proof of insurance when you're getting your licence plate in Ontario. You simply need to put down \$100 and take the Motor Vehicle Accident Claims Fund route, which provides absolutely no insurance protection to the driver; however, he can legally drive on the road.

Under this scheme, the problem is that not only do the uninsured driver and his or her victim suffer injuries and hardships as a result of any accident, but they also suffer real financial consequences. Those consequences are not only faced by the uninsured driver, whose life could well be ruined by causing or by being responsible for a major accident, but they also affect the insured victim of such an accident because our auto insurance companies, being what they are in Ontario, frequently use such an excuse to justify increases in that person's insurance rates.

Over the years, a number of people have made a very strong case for compulsory auto insurance in Ontario. The government, after years of an inexcusable if masterly course of ignoring the situation and being totally inactive, has finally come to promise that we're going to have compulsory auto insurance in Ontario by December 1979. I suppose it's better late than never. It seems to me that's about the most common form of praise offered the government, not only by the opposition but by anybody in Ontario, and in this case it's the best we can do.

However, compulsory auto insurance in Ontario will present new problems for the consumers, because if the only step that's taken is the introduction of compulsory auto insurance, consumers in Ontario will be at the mercy of the auto insurance companies. Frankly, mercy is not the quality that jumps

to mind when I think of automobile insurance.

I think all the members of the House will remember that it was just last year that the AIB ordered Allstate Insurance to pay back \$15 million that it had ripped the consumers off for. Allstate, in its usual sensitive fashion, said: "No, we're not going to do that—unless, of course, these people that we've ripped off will renew their policies." I don't see how any member of the House could have a great deal of faith in Allstate Insurance. If members of the government think that simply by the introduction of compulsory auto insurance the consumers of Ontario will be in safe hands, they have another think coming.

It is readily apparent to me that there's a need for more than just compulsory auto insurance in Ontario. If the consumers of Ontario are going to have adequate and affordable auto insurance, then in Ontario we have to adopt a public auto insurance scheme. The select committee on company law recently had a report submitted to it by Woods, Gordon and Company. It shows that such a public auto insurance scheme in Ontario would save the consumers \$50 million.

[9:15]

The reason is very simple. Public auto insurance is more efficient. Conservatives and Liberals have an almost Pavlovian reaction to the question of public auto insurance; the reaction is that government cannot do anything efficiently, they cannot do anything more efficiently than the private sector. Perhaps that is a bit of an over-simplification on my part, it is a bit more complex than that.

The Liberals say that the provincial Conservative government cannot do anything efficiently and the Conservatives say that the federal Liberal government cannot do anything efficiently. I suspect there is more than a little truth to both sides of the story, as an impartial observer I would say that they are both right. Neither the Liberal Party nor the Conservative Party can do it efficiently and neither of them should be running either of those stores.

Fortunately, more and more people, it seems, are beginning to agree with that position. It was the New Democratic Party, of course, that brought public auto insurance to Canada, that instituted the three public auto insurance schemes in western Canada, in the provinces of Manitoba, Saskatchewan and British Columbia. Because those plans are more efficient and because those plans

save consumers money, they were well received and are still well received in those three provinces. It is rather interesting to note that even when the New Democratic Party has been temporarily out of power in those provinces, neither the Conservative government in Manitoba, the Liberal government in Saskatchewan, or the Liberal-Conservative coalition that masquerades as the Social Credit in BC have dared to remove those schemes, because the public likes them.

I think that speaks very loudly in favour of public auto insurance. Public auto insurance is so superior to private insurance because it is more efficient. For example, excessive commissions paid to agents, duplication of services, complex rating systems, useless advertising expenditures, legal costs resulting from conflicts between insurance companies—not to mention pure greed—all contribute to the very high administrative costs in the private sector, whereas public auto insurance reduces the costs in all of these areas.

The high-volume sales reduce the selling cost of the policy; claims adjustment can be done more efficiently in centres that arrange for repairs in less than an hour, compared with days and even weeks in Ontario; the rating categories are simplified; wasteful competitive advertising of identical policies is eliminated; and because everyone has the same insurance company legal costs resulting from intra-industry conflicts are reduced.

In Manitoba, for example, in 1975, the overhead in the Manitoba plan was 17.7 per cent. At the same time in Ontario, according to the figures for the private sector—which, if anything, I suspect, are low—the average overhead figure was 31 per cent. That means, when allowances were made for taking a profit and for premium returns to the plan, in Ontario for \$100 of actual insurance coverage the consumer had to pay \$148.55, while in Manitoba for \$100 of actual coverage the consumer had to pay \$116.28. That's a cost saving on \$100 of actual insurance of \$32.27 or 21.7 per cent compared with Ontario. Or if we invert the statistics, the coverage is 27.8 per cent more expensive in Ontario than it is in Manitoba. The cost figures alone justify public auto insurance.

The New Democratic Party, like most people in Ontario, thinks it is time that we, the consumer, stop paying so much money for auto insurance. The waste, the fat, the inefficiency in this system have to be done away with. That's why this party is committed today, as it has been for many years,

to bringing about in Ontario a public auto insurance plan, and I would hope that the government would finally rid itself—

Hon. Mr. Snow: Don't hold your breath.

Mr. Davison: I won't hold my breath, but I would hope that the government would finally get out of its fundamentalist doctrinaire approach on the issue of public auto insurance and bring in the kind of scheme we need in Ontario. If you don't, then the hon. members have to accept the responsibility for the giant rip-off that is taking place in the private auto insurance sector in Ontario. Thank you, Mr. Speaker.

Mr. Speaker: The hon. member for Stormont-Dundas-Glengarry.

Mr. Cassidy: An historic event; bravo.

Mr. Villeneuve: Mr. Speaker, my thanks to you for the courtesy you have shown to all segments of this Legislature, in your fair-mindedness and approach in presiding over this assembly. Also I want to add the same sentiments to the Deputy Speaker.

Mr. Germa: Flattery will get you nowhere.

Mr. Villeneuve: Mr. Speaker, the initiatives outlined in the Speech from the Throne clearly show this government's commitment to the mood of Ontario citizens with respect to less government expenditures—

Mr. Cooke: More unemployment.

Mr. Villeneuve: —and less interference with people's day-to-day lives.

This government has accomplished a great deal in the province and will continue to do so. Our commitment to limiting the growth of government bureaucracy and to initiating policies and programs which provide for the basic needs of the citizens of Ontario, while keeping in mind the ability of the taxpayers to pay, will continue to provide the foundation of our policies as they always have been.

At present, we in the Ontario government are going through a process which will ultimately benefit the future development of this province. It is a process which entails coming to grips with the serious economic problems facing Ontario and the western world, and more clearly defining what type of society we want to evolve. It is a process in which there is a growing recognition that government and society as a whole must live within its means and learn to adjust expectations to our changing social and economic environment if we are to resolve problems of inflation and unemployment.

This government's commitment to a standard of excellence in the delivery of health care, education and social services will not alter. Currently, almost half of the provincial

budget is spent on these three areas. Within the last several years, Ontario's program of health care has undergone remarkable growth. I don't think anyone here could deny that Ontario has one of the best health care systems in the world today. But in keeping with a policy of affordable expenditures in a growing health system, priorities must be established as to the relative cost and merit of any new program.

Alternatives have to be found to see where savings can be achieved. I don't suggest that hospitals aren't a necessity, of course they are, but do we really need to detain patients in a costly environment, when such alternatives as day surgery, out-patient treatment—

Mr. Davison: You don't offer those, Osie.

Mr. Villeneuve: —home care for people with acute illness, and extended care in nursing homes are available at a less expensive rate. These alternative forms of care offer psychological as well as financial advantages. I bet a lot of you know someone who after a long time in the hospital was much happier and more comfortable when they were able to manage without hospital confinement and received treatment right at home or in their own community.

Thus, hospitalization is not the only answer in the event of illness or injury, and this is what the general public should be made aware of. I think the establishment of district health councils was a step forward in allowing communities to assess their own health care resources. Although these councils act at present in an advisory capacity, they are invaluable in making sure that a community has the health care facilities it needs without excess capacity or unnecessary duplication. Thus, they are an important mechanism for getting the best possible value for every dollar spent on health care. The principle of assisting people to be as independent as possible and remain in their community is also being followed in the development of community-based services for the mentally retarded.

The Throne Speech mentions that legislation will be reintroduced for interim improvements to the Mental Health Act, which I am confident will serve well as interim reforms until the Ontario Council of Health provides the basis for a major overhaul of the Act.

With respect to education, the government's first priority is always to the children under its care, and all its endeavours must be directed to this single end: to create the best possible conditions that will stimulate and encourage children to grow and develop.

I feel the government's plan to increase emphasis on special education in our elementary and secondary schools is proof of its continuing commitment to all youngsters enrolled in the system, whether they be exceptional students or those who have a particular learning disability.

If the government cannot respond to the individual needs of students, if it cannot develop a system which builds on the individual capability and strength of each student, whether these be academic, religious, cultural or whatever, then we will be forced to accept defeat, as well, in building a nation which recognizes and develops the essential elements of unity to be found in the individual differences.

Speaking of the province's children brings me to my next point: renewed focus on the family in Ontario. There is little doubt the family is changing. Those of us who grew up in the first half of this century had the benefit of growing up in gentler times when families stayed not only in the same town but often in the same house for a great length of time. As the Minister of Community and Social Services once stated, government and society must put emphasis on services which encourage and strengthen family ties rather than focusing on the individual and his or her needs in isolation.

Many people are becoming concerned that governments intervene too frequently in family affairs. Many feel that government policies, programmes and services may often do more harm than good by creating a dependency on government rather than self-reliance or finding solutions within the family relationship. If governments continue to assume more and more social responsibilities, would this lead to unstable families finding it easier to abandon themselves to personal helplessness and rely on institutionalized support?

In many instances, governments tend to focus on a special, specific family problem, whether it be the troubled teenager, the senile grandparent or the single parent, without considering how the family as a whole could come into play. Families don't always have the resources to care for their members and this is when services should be made available, services such as protection as recommended by the consultation paper on children's services relating to child abuse, improved licensing of group homes for children and additional protection of rights of children in residential care facilities.

I could go on at length and relate many other initiatives which we in the Ontario

government have undertaken in response to the many social challenges which face Ontario today. The office of the Attorney General (Mr. McMurtry) is in the process of bringing in several important reforms to the legal system, and the Minister of Correctional Services (Mr. Drea) is currently assessing the role of his ministry in finding new ways to make it both effective and efficient in assisting prisoners to readjust to society. Further, he is attempting to make it more affordable to the taxpayers.

[9:30]

Mr. Nixon: He has been closing first-rate institutions.

Mr. Villeneuve: We, in the Ontario government, are currently assessing our priorities so that we can maximize the use of resources available to us—

Mr. Kerrio: You can get that in Hansard.

Mr. Villeneuve: —and at the same time restraining the growth of government and the burden which it places on the economy. But the whole process of restraint and redefining priorities is not an end in itself. Rather, it is the means through which we can assume Ontario's future economic strength that provides a financial foundation upon which our high standard of living and social programs are dependent.

I do not want to sound parochial but I do want to speak on agriculture; and representing an agricultural constituency, I am pleased that the South Nation River drainage program which has been under discussion for many years is to be considered by the government in the form of co-operating with the federal authorities, through DREE grants, to pay 90 per cent of the funding for improved channelling and water conservation during dry periods. This will directly affect the riding I represent and that of the hon. member for Prescott and Russell (Mr. Belanger) in preserving valuable agricultural land by affording proper drainage so that it may be as productive as any area of land that we possess in the province of Ontario.

The bulk of agricultural income in my riding comes through dairy farming, and the sale of dairy cattle to other countries with the outbreak of brucellosis in Ontario has deprived us of a very valuable export market mainly to the USA in the last three years and which we had enjoyed prior to that for 45 years. This gave the dairy farmer the opportunity to sell off surplus animals in his dairy herd to the USA but because of the brucellosis outbreak and other matters, this market has been lost for the past three years.

I do want to point out to the Minister of Agriculture and Food for Ontario (Mr. W. Newman) that in testing of cattle for export to the few markets that are available to us, somehow the facilities east of Toronto to the Quebec border and the services we are now obtaining are anything but satisfactory. I know of cattle that were blood tested in the Port Hope area. The charts were mailed to the laboratories in Hull, and it took eight days in transportation due to the mail service we have.

Very often sales are made, subject to receiving these reports back if they are of a negative nature; these blood samples and the charts are prepared for export. Recently, within the last six weeks, a transport plane left Montreal with 83 stalls for cattle available; yet it went 10 short of filling that plane because the buyer who was exporting these cattle did not receive these charts for 10 cattle until two days after the plane had left; and at a cost of \$530 a stall, I can only repeat that because of the limited markets we have for export cattle, and especially when we have a surplus of milk, it's essential that we get the best service possible to meet these dates in order to get the cattle out of the country.

This delay of three to four weeks and sometimes longer is not helping the export business. Certainly it is not helping the farmer who has too many dairy cattle. He cannot sell his surplus milk and he is not afforded the opportunity to sell his surplus cattle.

I think it is something that the Minister of Agriculture in Ottawa is not aware of, and I bring it to the attention of our own minister to make him aware of it, because better service can at least assist many of these situations.

Mr. Nixon: Gene Whelan is the farmers' best friend.

Mr. Villeneuve: I appreciate that. But on the other hand, under this Canadian Dairy Commission production quota, as of the end of January, there were 2,951 producers of milk who had to market in this province of Ontario. Not one pound of powder that was manufactured from Toronto to the Quebec border was sold to the Dairy Commission this year.

I have in my own constituency two plants that are importing 40 million pounds, during the scarce period from November to the beginning of March, from the province of Quebec, and yet I have 400 farmers within the five counties that have no market for their milk. They have either got to spill it out or feed it to animals on the farm.

Hon. Mr. Snow: Gene Whelan bought all the eggs.

Mr. Villeneuve: Now, it's quite all right to joke, but this is a very serious problem as far as I am concerned. In the county of Glengarry—that's my own backyard, I can speak with authority, I know the people—58 farmers as at the end of November ran out of quota. When they received their milk cheques, the average shortage was \$858.60 and they did not receive any pay for that milk.

In all seriousness, most of these men—90 per cent of them—have mortgages. They went into debt because the Canadian farm loan agents advised them to expand, renovate their buildings. We, in the province of Ontario, told them to go into the IMPIP program—

Mr. Nixon: That's right, we lent them money to buy cattle.

Mr. Villeneuve:—build milkhouses and put in modern milking equipment—bulk tanks—and many of them who started with the thoughts of spending \$20,000 to \$25,000, when they started to renovate old buildings, it ended up costing them \$45,000 to \$50,000.

They milked—and I am talking about family farm operators—about 30 cows. They fed well and they produced anywhere from 350,000 to 400,000 pounds of milk yearly. Since they were encouraged by both governments they hoped to increase their herds to pay for this indebtedness, perhaps to 50 head. But instead of that, they were cut back 15 per cent, which meant three or four head less, and yet they had to meet this heavy mortgage debt they had incurred.

I have spoken to many Milk Marketing Board men and I can understand they are well-established farmers; I realize they have a very difficult job. I can understand the federal government paying a heavy subsidy—it has to have control over production. But the farmers run four and five months and they have no place to sell milk, and they are in the dairy industry, and yet there is a demand in my own area not only for that 40 million pounds of milk they have taken in from Quebec, but another 40 million pounds of which they could process and sell every pound in the province of Ontario. That is the situation that exists. They come to me, irrespective of partisan politics, and they say: "You're our member. What can you do for us?" It's beyond the stage of making an excuse and apologizing for their problem. I've got no answers; and if I've got no answers, I don't deserve to be here to represent them.

Mr. Nixon: What does the minister say to you?

Mr. Villeneuve: The minister has taken it up with my friend's authorities in Ottawa.

Mr. Nixon: What do they say?

Mr. Villeneuve: Our Milk Marketing Board has opened its books here to show the way it operates and has invited any type of an audit, but we are not given that reciprocal treatment in the rest of Canada. That is something I would like to have clarified, because—

Mr. Nixon: You mean Quebec, don't you?

Mr. Villeneuve: Yes. I don't want to stir up any problems; there are enough hornets' nests or whatever one wants to call them without stirring that up, but in reality this is the problem. We've got to find out the facts. If Ontario abides 100 per cent by the Canadian Dairy Commission's guidelines, I agree with that. But I want the rest of the country to be the same way. If we offer the inspection of the way things are being done here by any type of audit, we should have the reciprocal opportunity in other provinces.

The situation is such that it's not creating any better feeling. It doesn't matter whether it involves the French, Irish, Scottish, Dutch or anyone else, when dollars are taken from their pockets, bitterness builds up. I don't like to see this and I don't think it's necessary. I have made it my business during the last six weeks to visit every plant in the three counties that process milk, and I have found that the 40 million pounds, plus another 40 million pounds, means that at least the number I have given out that have no quota—and I got that just the other day from the Milk Marketing Board—is such that they would all have at least two months of a market for milk. That's in two plants in my constituency, I'm not speaking for the rest of Ontario.

Most of the people in the dairy business are a little better protected because they have urbanized areas in central Ontario and, naturally, they have the protection of the fluid milk market or pool number one. The only time our people, pool number two people, can get in here is when there's a shortage of milk—and that happens very rarely, particularly at this time of year when there is so little of it produced. However, Mr. Deputy Speaker, your own county, Perth, and the counties of Huron, Bruce and Oxford in western Ontario, are somewhat similar to the extreme eastern portion of Ontario because they have a great number of industrial shippers. But today we have a uniform quality of milk; everybody has had to improve his standards. The time has come when

not only the shipper of industrial milk should be affected when the butterfat quota is cut in this province; not only he should suffer and have quota taken from him but, in fairness, I think the whole dairy industry should be appraised carefully.

Another thing: I think the time has come, whether we like it or not, that the Milk Marketing Board or somebody has got to put restrictions on those people who are going from 100 to 200 milking cows and leaving the small farmer to starve slowly. If the situation does not change for the better for those farmers, I predict more bankruptcies—and I am sorry to have to say this, but it is the truth—than we have ever had, even in the years of the depression.

[9:45]

Ms. Gigantes: You need some policy.

Mr. Villeneuve: Because they are in this business and in a bind with mortgages, and they have to produce.

Mr. Warner: Start with an agricultural policy.

Mr. Cassidy: You don't have one.

Mr. Villeneuve: But what I want answers for is the question raised by the processing plants. They tell me, and are willing to say it anywhere, that they can accept all this milk produced in that area—every pound of it—and find sales for every pound in this province. Yet these people are being deprived of that market.

Mr. Kerrio: Isn't your minister responsible?

Mr. Villeneuve: No, because the Canadian Dairy Commission sets quotas. The federal government pays a subsidy of \$2.66 a hundredweight on industrial milk. They control the production in each province. When we have hit that quota, that is it.

I realize that in administering an overall natural program, any government that has to subsidize has a right to ask for curtailment of production when it goes beyond the consumption necessary. But I am speaking of these people who are not interested in acquiring this \$2.66 per hundredweight federal subsidy for surplus milk. They are quite willing to abandon that. But to take home \$1.80 per hundredweight for milk that the processor has to pay \$9.35 per hundredweight for, no matter in what language I know—English or French—I can't make them understand that that is not justice. And I am not going to try.

But I do say there are problems that I think with goodwill and understanding we can resolve. We talk about unemployment—and I have every sympathy for those people.

But when people are working 16 hours a day and they can't meet their obligations—they are in debt—it is little wonder so many turn against society. I am fearful, because a lot of good sound people are becoming discouraged with the situation confronting them. I have an office in my riding, and I do find that every weekend I meet 15 or 20 of these people, and they just want to pour their hearts out because they have a real problem and are looking for a solution.

I just felt I should say something in this House about it. I am very much concerned. I am not blaming any particular body or any government. But I do say, when processors tell me that they can use the milk, every pound of it, and sell it in this province, we have to take stock somewhere.

Mr. Cassidy: The member for Stormont should speak more often.

Mr. Swart: Make him Minister of Agriculture.

Mr. G. I. Miller: Mr. Speaker, it is certainly a pleasure for me to rise and speak in the Throne Speech debate as representative for Haldimand-Norfolk.

I would like also to congratulate the new leader of the New Democratic Party (Mr. Cassidy). I don't want to wish him too well, but I know he has taken on a big job and a lot of responsibility. I know he is contributing to the democratic system and we appreciate that.

Mr. Bounsall: Great person.

Mr. G. I. Miller: I share the concerns of the hon. member who just spoke, as a dairy farmer myself. I have two boys who are carrying on while I am here at the Legislature, and I would hope they would be able to exist in the farming industry, and particularly in the dairy industry, because I think it is a great life and agriculture is basic to our economy. I would like to point out I don't even see one word mentioned in the Throne Speech as far as agriculture is concerned.

Mr. Nixon: Not a word.

Mr. G. I. Miller: Not one word. As my friend and colleague on the opposite side of the House was stating, the milk industry is perhaps in trouble; I think the Ontario Milk Marketing Board and the control of production is a must, but unfortunately it has put us in a bad position at this time. I think you have to understand how we got to that position.

I was a member of the Milk Marketing Board when it was formed and I know we did have milk coming out of our ears at that time, getting \$2 to \$2.25 a hundred. We

couldn't find markets for it and consequently the government set up the legislation.

I think it has been good for the industry but in the last couple of years we have run into difficulty. As the member suggests, Quebec has taken over our quota. Because we had excess quotas when we first established the Milk Marketing Board and we weren't filling those quotas. They were sitting around. Consequently—again I have to give credit to the Quebec government; they provided more incentives, they provide better facilities for manufacturing—we lost quotas at that time to Quebec. Now we suddenly realize that we could utilize it and it is not there.

I was in Ottawa last week when the Federation of Agriculture had their get-together and discussed agricultural problems. I will agree the problems are severe, as the former speaker indicated. I think income in agriculture has dropped something like 25 per cent in the last two years and again this year we are looking for another decrease of six per cent in income while all the time our costs have increased by something like 17 per cent, so I can sympathize.

I think we need strong spokesmen and I am certainly glad my colleague on the opposite side of the House spoke on behalf of agriculture tonight, because I think we have to have spokesmen in our Legislature, on behalf of the farmers of the province of Ontario, because if we don't speak, nobody is going to speak for the farmer. I still say that agriculture is the backbone of our economy and we do not recognize it.

I can relate a story from the past month about a farm in my area. A retired farmer who has farmed all his life sold his farm to somebody in Hamilton—123 acres. He made a good living from it over the years. But those folks are paying for that farm—two or three of them in the family are working—and they intend to retire on that farm.

I would like to ask you, Mr. Speaker, what is that land going to produce for the economy of our country? Not one cent. At the present time they come out on weekends. They enjoy the country air. They have a little garden. But otherwise that farm is sitting there growing weeds. It has a woodlot which could be worked. It could be contributing something but it is not. That is another concern of mine.

Again, I think this provincial government has to show some leadership and I will point my finger, not at the present Minister of Agriculture and Food (Mr. W. Newman) but at the programs that have been provided over the last 10 years and maybe longer. There hasn't been enough attention focused on the agricultural industry.

I don't think a farmer wants to be given handouts. All he wants is a fair return. A farmer doesn't want to organize but again, as I suggested, we did meet in Ottawa last week—I think there were 1,200 to 1,500 people there under the leadership of Peter Hannon. The Federation of Agriculture—and I suppose I shouldn't single out one farm organization. There's the Christian Farmers Union and the Farm Union. But I think the farming industry has to organize to compete in today's economy. It has to have some support from this Legislature because we are the spokesmen for Ontario. We are the largest province and, if we don't indicate that we care, then they'll walk all over us.

I'd like to point out that we've always been the top producer of hogs in Canada, but this year Quebec has caught up to us. They are outproducing us. We can produce, we can grow our own grain and we have all the resources, but we have to have some leadership. I think it has come from the Minister of Agriculture and Food and this government.

It has been pointed out many times too with regard to the peach industry in the Niagara Peninsula that we're importing 80 per cent of the peaches that are eaten here in Ontario. We have a fine growing area there and we're only producing 20 per cent. I think that has to be ridiculous, and again there has to be some leadership from this Legislature.

I brought to the attention of the Minister of Correctional Services (Mr. Drea) only last week the situation in the Glendale training school, where they indicated to me they were using off-shore beef. They had a little trouble understanding that but it was really Australian beef. I could have further pointed out that they're bringing in Danish fish and French flour, and that is a provincial institution. I don't want to get anybody in trouble over this but I want to make sure that this Legislature is aware where this food is coming from. If we don't show some leadership there too, then how can we expect the hotels and the other people around the province to follow suit?

Before minority government came in in 1975, it has been pointed out that at the Legislature one couldn't buy Ontario wine. It wasn't here. Because of the minority situation and the fact that we brought it to attention, it's been changed.

Mr. Ruston: That's right. It's here now.

Mr. G. I. Miller: We are not showing enough emphasis and are not proud enough of the fact that we can produce here. I

know we have to be competitive in the world market. That brings up another area of criticism and concern, as far as the Throne Speech debate is concerned, namely the economic situation we are in at this time. I noticed in the news today that CCM, which produces bicycles and skates, a firm that's been in existence for many generations, has been in financial difficulty. We can't expect the agricultural industry to take these cut-backs. We can't expect the industry to stay alive unless labour and everyone accepts some responsibility in keeping our economy alive and making us competitive.

Last night I met with a group of people from my riding concerned about employment. They were young school workers who have so much energy and could provide a work force for us to harvest our crops. They indicated they would like to see school open one or maybe two weeks later, which is being done now by some school boards, so that they can help harvest the crops in the fall. There was very much concern by them about employment.

I know we do have a program for providing employment for youth. The youth program pays \$1 an hour, but they indicated to me that last year in order to qualify for a new job, particularly in the agricultural industry, they had almost to lie in order to qualify.

[10:00]

The young people are there and the jobs are there. It seems to me, with the need for employment and the need to harvest our crop, that it would be a good education to make these young people aware—I think it should be part of our system—of where their food comes from. I don't think there is any healthier working atmosphere than to get out in a rural area and to take part in that. It's a matter of how it is perceived and I think our educators are in a position to sell this to our young people.

I think the Liberal Party has criticized the education system for not providing the basics over the last many years and I think gradually, again under minority government, they are beginning to listen and I can see changes taking place slowly.

Mr. Conway: Nixon lives.

Mr. G. I. Miller: For example, in my riding, in the township of Norfolk, the board of education has extended the school term by one week—two weeks if necessary—to harvest the tobacco crop. As members are aware, we produce tobacco, apples and many cash crops, tomatoes and strawberries, and it's all

labour-intensive outdoor work. I know people have been bringing in offshore labour and I know they have been happy with that offshore labour. They are concerned that they do have to utilize our own Ontario students, and the fact is they cannot depend on them. They can depend on offshore labour. They know they are going to be there in the morning and they know they can provide a day's work. I think our young people can rise to the challenge if given the opportunity.

Mr. Conway: Evelyn and I are going to the farm.

Mr. G. I. Miller: Another concern and another area I think could provide work and jobs is our woodlots. I know the Ministry of Natural Resources has always supported the north as the area producing wood and wood products, but there are a lot of good areas in southern Ontario too. I would like to point out that last year one producer in my riding sold 920 cords of wood for use as auxiliary heat in Franklin stoves or wood stoves. Wood does provide energy. Every time I look at a tree, to me that is energy. We do not grow these trees overnight; it takes 70 to 80 years.

Now is the time we should be working our woodlots and I know that can provide a lot of employment. Again, in the Throne Speech it indicated a lot of employment opportunities for our young people, but the ones between the ages of 24 and 60 are the ones who provide for the family and we have to have programs and permanent jobs so that they can contribute to our economy.

Mr. Conway: Tell them they've been at the public trough too long.

Mr. Nixon: You never worked a day in your life.

Mr. G. I. Miller: Another area of concern mentioned in the Speech from the Throne was the environment. The former Environment minister (Mr. Kerr) indicated to me one time last year, when we were discussing putting industrial waste in a lagoon in my riding, that I was playing politics and he would like to put that pollution in my swimming pool.

Mr. Nixon: George wouldn't say a thing like that. You mean the man who is swimming across Hamilton Bay?

Mr. G. I. Miller: I would not suggest that we put it in his swimming pool. I would not have the nerve to do that, but I do think that we can recycle.

Mr. Nixon: I think that would be a great idea. I'm going to do that on my way home.

Mr. G. I. Miller: I would hope our new Minister of the Environment (Mr. McCague) would give it further consideration because I think we can recycle waste. There are other alternatives, and I firmly believe industry should be responsible for its own waste, the same as the agricultural industry is responsible for disposing of its own waste. I would hope the Minister of the Environment would give serious consideration to recycling.

A couple of incidents have taken place in my riding in the last three or four months that have been of concern, and I would hope that this government is not playing politics because there happens to be here a Liberal member from the riding of Haldimand-Norfolk.

Mr. Conway: And a great one at that.

Mr. Nixon: Long may he reign.

Mr. G. I. Miller: We had a jail in the town of Simcoe which provided a service for that area. I would like to give maybe a little more background; there's a courthouse in Simcoe, there's a court house in Cayuga and a small jail attached to the new administration building for the new town hall for Simcoe.

Incidentally, Simcoe is celebrating its 100th anniversary this year. They had an official opening and the Lieutenant Governor, Her Honour Pauline McGibbon, went down to do the honours.

But getting back to the jail—it was providing a service for 30 inmates. I had an opportunity to tour that jail and it wasn't fancy, but it was adequate.

Mr. Conway: Any customers from St. George?

Mr. G. I. Miller: They came along and closed it with the excuse that the council requested that it be closed Well, actually that was not the fact. Simcoe council had provided a letter to say that if they were going to dispose of it, they wanted to make sure they had the rights to it; but it was providing some income to the town and it was adequate for the present time.

Mr. Wildman: What about the inmates?

Mr. G. I. Miller: When I walked in, I just went down the hall and one guy said "Hi, Gord." I was really surprised—a good friend, yes.

Mr. Davidson: Are you talking about the jail or the ATC?

An hon. member: The General wasn't there. He was in another jail.

Mr. Nixon: There were hardly any NDP members there at all.

Mr. G. I. Miller: I'll tell you one thing, they had a television, they had blankets, they were warm, and the food was good. What else can you have? Do you want a jail that is better than your own home?

Mr. Wildman: What about freedom?

Mr. G. I. Miller: Freedom? They're not there for a holiday. Well, anyway, the jail was closed and the inmates were taken to the London Detention Centre.

Mr. Davidson: How can you relate those remarks to the comments on the ATC?

Mr. G. I. Miller: I haven't got to that yet.

Mr. Davidson: I know you haven't. I'm saying, you would think you were there for a holiday.

Mr. G. I. Miller: I think they are taking the inmates to London and to Thorold. The courts are in Cayuga and Simcoe and if that is the economy—that you have to transport these inmates back and forth to deal with them in the courts—it is not efficient, in my opinion. As a matter of fact, the law society for the county of Haldimand has given full support that it was a mistake. Again, it is the basic philosophy of the Conservative government that bigness is best, such as regional government, a centralized school board and now they are trying to put the institutions in centralized areas.

Mr. Wildman: We don't want to centralize the inmates.

Mr. G. I. Miller: I just hope the Minister of Correctional Services (Mr. Drea) will give us some consideration and perhaps provide a facility in our area, so that it could deal with the courts and the inmates more efficiently.

Getting back to the Glendale Training School program: Again, as I brought to your attention the other day, there was a citizens' committee to retain the Glendale program. Again, we have had an opportunity of visiting that institution, and it seems to me that they are providing the service. It was only established three years ago and it is providing a service that the minister was suggesting is required in Ontario; it was broken down into four houses with a capacity of approximately 100. It provided an educational system for these young boys from 16 to 24 in a wide field and many of these inmates are coming in with only grade eight education.

I would suggest that, with the support it received from the community, this ministry again is making a mistake by closing a facility that has got the trust of the community. First of all, you have to have trust to bring an institution into a community—and

you don't get that overnight. I was watching television last Tuesday night, and I saw that they're changing the school at Oakville and the public is rising against it; the mayor is speaking against it.

It takes time to acquire trust. They had achieved that trust. The inmates have worked in industry in Simcoe and they have gone out into the agricultural field and worked. Yet this government would not sit down to listen to the citizens' group and debate it with them. They wouldn't give us that privilege. They wouldn't give us that right.

Hon. Mrs. Birch: That's not true. They met with the minister more than two hours.

Mr. G. I. Miller: I asked the minister to come down and meet with me at Glendale, and he was never able to do it. I'm not finding fault with the minister, because I think he is trying to do a job. I think it had to be the people behind him.

Mr. Nixon: The policy people behind him.

Mr. G. I. Miller: When they set up a committee to deal with the closing of these schools, there was nobody on that committee from Glendale school. There were people on the committee from the Ministry of Community and Social Services, from the Sprucedale training program. I don't think they used the people there fairly. There are 100 people involved.

In my opinion, what brought this all about was an incident last summer when a girl committed suicide. Maybe that triggered it. That is only my opinion, but when I had an opportunity to tour the institution, it was brought to my attention. When they closed the Burwash school some time ago and the staff came down to Simcoe, one of the workers in that changeover committed suicide because she couldn't stand the pressure and because of the uncertainty involved. I also met with the inmates, and I'm concerned about those young men; I want to see that they get back on the right track or I wouldn't be standing up here tonight and speaking on their behalf. The government is wiping out a program that has been working effectively, one that met the budget that was suggested to them; they indicated they could still bring it in line financially if given the opportunity, but they weren't given that opportunity.

I feel the government has made a mistake by not letting us, the opposition parties, debate it along with the citizens' group to make sure they had a fair hearing. I criticize the government for that. Perhaps it is not too late yet to give the government that opportunity but if they don't accept it, I will have

nothing to do but to go back to my people and say, "It's too bad. They wouldn't listen."

These are the areas I'm concerned about in the Throne Speech. I am pleased to have had the opportunity of expressing my feelings about them at this time. I would like to close by saying that in order to have a strong Ontario, the government has to listen to the majority side of the House. It is a minority government, Mr. Speaker. We are the opposition parties and we want to be constructive. We want a better Ontario and by working together I think we can achieve that.

Mr. Swart: Mr. Speaker, it is customary, I believe, the first time one speaks during a session, to extend congratulations to the Speaker and, through you, to the Deputy Speaker (Mr. Edighoffer). I do this with warmth. I think you complement one another in that position, and I immediately want to pledge my co-operation and say to you, as you know, that there will never be anybody from this corner of the House who will be causing you any discomfort in that chair.

Mr. Nixon: That is certainly going to be a reform.

Mr. Elgie: Can you live with that one?

[10:15]

Mr. Swart: In the Throne Speech, I guess the majority of the members speak on one or all of three things. They speak about the general philosophy of the party to which they belong, and endeavour to sell that. I am not going to do that in my remarks because it has been done by my new leader and done well. I congratulate him for doing it and publicly congratulate him for securing the very important office that he holds. It will undoubtedly go on to an even more important office in the not too distant future.

It's often customary also to speak on the subject of the portfolio which you hold in your caucus. Of course mine is municipal affairs. I don't intend to do that this evening because there is going to be plenty of opportunity during the session to discuss municipal matters, with the so-called property tax reforms that come forward and with the new Licensing Act—

Mr. Nixon: You are supporting the government in that, aren't you?

Mr. Swart: —and with the new Planning Act.

The other matter that is very often covered by members when they are speaking on the Throne Speech is to speak about their own riding and make complimentary remarks about it. In my case that's unnecessary. Everybody knows Welland and Thorold, the riding I

represent. They know it's tops in the province and it speaks for itself.

My participation in the Throne Speech debate is going to be to make some comments about the procedures and the functioning of this House. Like many other members of this House, my political background is a municipal one. For me it was of 21 years' duration and it included all the elected positions in the township council, county warden and regional councillor. Also I had a rather deep involvement in municipal associations both at the provincial and at the federal level.

I say this not, I hope, in an immodest manner but because I want to point out that it's almost impossible for me to refrain from making contrasts, at least mental ones, between the operation of local governments and this provincial House. When I make those mental contrasts, I have to say that municipal government clearly gets the highest marks for its procedures in the handling of the business for the people it represents. Today I want to give voice to those mental observations—those contrasts that I make. Although the Camp commission and the Morrow committee dealt at length with the procedures in this House, I am going to be presumptuous enough to make some comments which may be at rather sharp variance with those recommendations.

I think we all know that, apart from the question period and perhaps votes in this House and certain other events which are separated usually by rather lengthy periods of time, the attendance is pretty dismal. Less than 20 per cent of the members are in their seats during 80 per cent of the time that this House is sitting. No municipal councils, I suggest, anywhere in this province or this nation, perhaps in the world, function in that manner. I am aware of course that MPPs who are not in the House usually are working at other aspects of their elective responsibilities.

Mr. Nixon: You can rest assured that is true tonight.

Mr. Swart: I know enough about them from all parties that most of them put in extremely long hours in their legislative duties and in their constituent responsibilities. Those things often seem more important, and I guess frequently they are more important than what is taking place in this House and—

Mr. Nixon: No, you don't believe that.

Mr. Swart: I don't believe it. I am just going to say I don't.

Mr. Nixon: I don't believe it either.

Mr. Swart: What concerns me is that that is prevalent—priority is given to that, and I think it should concern everyone in this House. House business should be of the order to command the priority of members' time.

Mr. Nixon: Your former leader said that the House was irrelevant.

Mr. Hall: I'm beginning to agree with him.

Mr. Swart: If it's not, then it shouldn't be taking place in this chamber. Debate on the Throne Speech, apart perhaps from the leaders' comments, seems to serve little use in the functioning of the business of this province. Even the Throne Speech itself, when it has as little content and is as vague as the one made last week, could be almost dispensed with. The mayor of any council in his inaugural address would be laughed at by his colleagues if there was no more substance in his remarks than appeared in that Throne Speech.

Mr. Kerrio: Why did you change places, Mel?

Mr. Swart: They know me too well back there, Vince.

Mr. Kerrio: What are you doing here, Mel?

Mr. Nixon: Is it true they all worked for your election to the Legislature?

Mr. Swart: Besides, if I did, I would have to displace a Liberal or a Conservative if I went back there, and you know how you would take that.

Mr. Kerrio: We wouldn't buy that for a minute, be our guest.

Hon. Mr. Kerr: Mel, we always have full attendance when the Lieutenant Governor is here.

Mr. Nixon: And on pay day.

Mr. Swart: Yet basically the mayor speaks only for himself, while the Throne Speech comes from the government. How much more reason for the government to provide real meat in its inaugural statement, which of course is the Throne Speech. I am aware that Throne Speeches give the opportunity for members to raise issues, local or otherwise, of concern to them. But there is no route towards solutions, so the exercise, whether it's the speeches made here tonight, as good as they are, is largely meaningless. To spend a minimum of eight days on speeches which lead nowhere is not good use of the House's time and gets no attention from anyone.

I suggest that except for the leaders, and perhaps one or two other people, there will be no coverage in any media about the speakers or the speeches in the debate on the Speech from the Throne.

Mr. Kerrio: Correct, Mel; there's nobody in the press gallery.

Mr. Swart: Of course, it may be, but it is a good thing, I suggest, that if it is not worth carrying in the news media then perhaps it is not worth doing. Of course, there must be the opportunity to determine no confidence in the government's general policies, but there are ways of accomplishing that without this kind of waste of House time.

In short, I believe the Throne Speech should be expected to have substance, but debate which by necessity deals only in generalities should be more limited than the eight days.

Budget debate fits much the same category as the Throne Speech, and it too should be severely limited. After all every item of the budget gets detailed scrutiny in the estimates consideration. It is my view that the time should be used on dealing with the real issues and giving life to the Legislature.

There is little doubt that the lengthy budget and Throne Speech debates are anachronisms. They are a carry-over from the time when there was little legislation to deal with in the House. It was then an opportunity to debate political philosophy, with the press recording it, really for lack of other news.

Those circumstances no longer exist, and we should move to procedures that meet the times.

Ms. Gigantes: We should move to a new government.

Mr. Swart: Another new procedure that needs to be implemented is that all estimates be done in committees outside of the House. To carry on with one minister's estimates in the House under different procedural rules from the other committees outside the House makes no sense, but I suggest it also demeans this assembly.

Mr. Nixon: I agree.

Mr. Swart: There are adequate rooms, even if we had to move over to the Macdonald Block, and the informality and pursuit of questions to the ministers and to their officials must be freely permitted to members dealing with all estimates. There must be no restriction on them.

All estimates should be dealt with early in the year. There is something a bit unreal about debating estimates in November or

December when the money has been mostly spent or all of it committed.

Mr. Nixon: We can solve that problem.

Mr. Swart: Let me say also that there should be a firm rule that no committees sit while the House is in session. I have yet to see any municipal council any place in Ontario set committee meetings, or permit them to be set, for a time when the council would also be sitting.

If all this means, and it does, is that the Legislature sits a day or two less in the week, then in balance it is desirable. We wouldn't be alone in this. The New York State Assembly follows that practice where it only meets on two days a week and the work is done out of the House in the committee.

Mr. Nixon: You people don't even want committees to meet on committee days.

Mr. Renwick: Why do you make these cheap points all the time?

Mr. Conway: That's a very poor example, New York State. Try Idaho.

Mr. Renwick: You're cheap. You always have been.

Mr. Swart: I submit many states in the United States follow those procedures—and I'm not terribly enamoured with all of their procedures.

Mr. Ruston: You don't want to do what the Yankees do, do you, Mel?

Mr. Swart: I submit that business would be handled more appropriately, more thoroughly and that House sessions would be more meaningful if that procedure was followed.

Mr. Conway: What about \$50 a day?

Mr. Swart: Another anachronism is the system of sessions as we know them.

Mr. Mackenzie: You're not getting any brighter, Sean.

Mr. Swart: There are the spring sittings and the fall sittings, with the gaps between them being almost as long as the sittings. It is impossible for it to be a good way of conducting public business. Orders in council or other forms of government action on the most fundamental issues are used between sessions. Witness the placement of provincial employees under the federal AIB by order in council two years ago. The hospital closing program was initiated without a single word of discussion beforehand in the House. And, of course, the \$8 billion Hydro contracts for the uranium from Denison and Preston were signed by order in council rather than by

action of the House while the House was in session.

This is an outdated policy and pattern being followed by an outdated government, where the use of orders in council, spurred by the long down-time of the House, has become a normal practice.

Mr. Kerrio: We should change the whole thing.

Mr. Swart: I ask you, Mr. Speaker, what meaning does a Legislature have if it doesn't vote or even have the right to vote on the most important decisions being made by the government, such as that made on the contract on uranium?

Mr. Ruston: Tell them to resign.

Mr. Swart: It is my belief that this Legislature should sit every month, as even the smallest councils do. The monthly session would last from one to three weeks, depending on the volume of business.

Mr. Kerrio: The councils only sit one evening.

Mr. Swart: The July and August sessions might last only a day or two, but there would be no excuse ever for the government to enact policy without approval of the Legislature. There would be other plusses to the monthly session system, too.

Hon. Mr. Maeck: He wants to change the whole system.

Mr. Swart: MPPs could get back to their constituents for a week or two each month—and it's not a bad idea to find out what our constituents are thinking. There would be

time to work in committee hearings which would not conflict with the House sittings. Government and members' staffs, as well as the members themselves, could plan and execute their duties in a much more orderly fashion.

The session system is a carry-over from the days when transportation was difficult and time-consuming, when many of the members of this House had to drive a horse and buggy several miles, perhaps 10 or 20 miles, to the station, then take a train to come here; and once they were here they stayed until the business was over.

Mr. Conway: Ellis did write this speech.

Mr. Swart: That philosophy still exists with the government which sits across the House.

Mr. Conway: Morningstar wrote this.

Mr. Swart: You know, it was the same on the county council level too, Mr. Speaker. When I first went to county council, almost 30 years ago, all county council sessions were held for a week and only four times a year. We eventually changed that in Welland; it was one of the first, then other counties followed suit. But in this Legislature it has never changed. We still have the same sort of sessions as they had 50 and 100 years ago.

I only have about five minutes left, but if it's your wish, Mr. Speaker, I'll move adjournment of the debate.

Mr. Swart moved the adjournment of the debate.

Motion agreed to.

On motion by Hon. Mrs. Birch the House adjourned at 10:30 p.m.

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No. 10

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Second Session, 31st Parliament
Friday, March 3, 1978

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, MARCH 3, 1978

The House met at 10 a.m.

Prayers.

Mrs. Campbell: In view of the fact that at this point in time there are no ministers in this House, I would move the adjournment of the House, Mr. Speaker.

Mr. Sweeney: I wonder if the House leader will second that motion.

Mr. Deputy Speaker: I would remind the hon. member for St. George that it is in the standing orders that I cannot accept a motion to adjourn the House before the orders of the day.

Mr. Conway: All the heavyweights are here now anyway.

ORAL QUESTIONS

Mr. Ruston: Slim pickings.

Hon. Mr. Grossman: Better late than never.

Mr. Sweeney: That is what they call mulligan stew.

Mr. Deputy Speaker: The hon. Leader of the Opposition.

Mr. S. Smith: I'll reserve my questions until a little later.

Mr. Deans: We will reserve ours too.

Hon. Mr. Norton: In the absence of the leader of the third party.

DOW CHEMICAL

Mrs. Campbell: I have a question, if I may, for the Attorney General. In view of the fact that the Attorney General advised this House last November that the suit—or should I call it the “sweet” settlement—between the provincial government and Dow Chemical was about to be settled and that he would have some statement within a few weeks, is he prepared to advise us as to the terms of the settlement today?

Hon. Mr. McMurtry: Mr. Speaker, the matter has not been settled. I indicated that I had some reason to feel optimistic about an impending settlement, but I have to state at this moment that the matter has not been settled.

I want to advise the House that it's not just a matter between the government and the

Dow Chemical Company. There are a number of commercial fishermen who are represented by counsel. They are very much a part of the process. There are certain issues outstanding between the individual commercial fishermen and Dow Chemical which have not been resolved, and until we're satisfied that the fishermen's interests have been resolved we will not be concluding any settlement.

Mrs. Campbell: A supplementary: Is the Attorney General doing anything to try to protect the estates of these fishermen in view of the lengthy and protracted dealings in this matter?

Hon. Mr. McMurtry: I'm not so sure that I understand the question.

Mrs. Campbell: Oh, I'm so sorry. I will spell it out.

Hon. Mr. Davis: Margaret, you're not sorry.

Mr. Deputy Speaker: Are there any further questions? The hon. member for Ottawa Centre.

Mr. Cassidy: I'm not sure I can ask further questions until I begin to ask questions, Mr. Speaker.

Mr. Kerrio: We were asking questions about things while you were out in the hall.

AUTO PACT

Mr. Cassidy: I have a question of the Premier. Can the Premier indicate what specific steps the government of Ontario has taken, either alone or in conjunction with the government of Canada, to secure the location in this province of at least some of the three or four automobile parts plants for which Canada is apparently competing with various states in the United States, according to yesterday's statement in Parliament by the federal Minister of Industry, Trade and Commerce?

Hon. Mr. Davis: Yes, Mr. Speaker, there have been a number of discussions.

Mr. Cassidy: A supplementary: Can the Premier be more specific, in light of his insistence at the first ministers' conference that we must have action by government on the problems of the automobile industry? Can he say whether Ontario has made any specific initiatives to counter the apparently lucrative

offers which are being put before the automobile manufacturers by some of the southern states?

Hon. Mr. Davis: Mr. Speaker, I can only say to the hon. member that we have been communicating with both the government of Canada and the automotive industry. We are continuing these discussions.

Mr. Deputy Speaker: The member for Hamilton West has a supplementary.

Mr. S. Smith: Has the Premier personally called in the heads of the big four auto makers in this province, sat down with them and told them that we, in Ontario, want to have a fairer balance in terms of the auto parts manufacturing that supplies their large assembly operations? Has he called them in and told them that, as a matter of public policy in Ontario?

Hon. Mr. Davis: Mr. Speaker, they haven't been called in but they know as a matter of public policy that we do. I would point out to the Leader of the Opposition that what the member for Ottawa Centre has been asking about is not the parts section of the industry; it is the potential of the new capital plant that is being planned by the industry. I can't say by the big four, really—to our knowledge it is the big three, although I would add that the fourth is a very important part of the automotive industry. It is geographically located in one of the finest areas of the province of Ontario.

Mr. S. Smith: I am aware of that.

Hon. Mr. Davis: It's a very fine plant, it's a great product. We have really been dealing with the question, at this moment, of possible capital plant expansion in the province of Ontario, at a time when the industry is receiving a great deal of attention, not only from the northern states but two or three of the southern states as well.

Mr. Cassidy: A supplementary: In view of the enormous importance of the automobile industry in this province, and in view of the suggestions that have been made that one of these automobile parts plants might go into the Sudbury area, and in view of the fact that we now have an enormous deficit in our automobile parts trade which is costing tens of thousands of jobs to this province, has the Premier had any specific and direct contact with the parts industry, or with the "big three," in relation to these particular plants; and can he give details to this House?

Hon. Mr. Davis: Mr. Speaker, I would reiterate once again we have had rather extensive discussions with the parts industry. In fact, as part of our submission to the first

ministers' conference we used some of the material provided by the industry itself, represented by Mr. Lavelle as a matter of fact, and this is a very important part of the discussion obviously.

I think what the member was really asking about was the potential of these four or five major plant expansions that relate to the companies themselves, not to the parts section of it, which as I say is part of the pact but it is also the area that is somewhat independent of the four major producers of automobiles. We have made our views known to the government of Canada. There have been discussions with the industry and there will be further discussions over the next two or three weeks. I can't give the members any indication of the time-frame involved but I will keep the House informed to the extent I can during this period of discussion.

Mr. Kerrio: Supplementary: I wonder if the Premier might have some information as to what kind of competition we might be having in other jurisdictions, or what considerations might be given to the companies to locate in some of those other jurisdictions?

Hon. Mr. Davis: Mr. Speaker, it is a very difficult question to answer. I can't tell the member of the proposals being made by some states to the industry. Some of it is public knowledge obviously. We have been reluctant, and we still have a concern as to what extent tax dollars should be used, particularly as it relates to three large companies which are not without financial resources. This does create a problem in terms of using taxpayers' money for any of the "big three" to locate here in the province of Ontario.

At the same time, we are concerned about the competition that obviously is emerging. I think the ground rules in this area changed somewhat with the decision, I guess it was by the state of Pennsylvania, with respect to Volkswagen; I think that started this sort of bidding war in terms of just what inducements or incentives would be offered. There's no question that some states of the union are presenting fairly attractive proposals to the automotive industry.

We want our share here and we are working very hard to obtain that share, but I can't tell the members of the House what measure of success we may have and what proposals will be made to the automotive companies. I do present the concern that we feel as a government as to whether or not tax dollars should be paid to General Motors and Ford and Chrysler, who, in terms of access to resources, aren't what one might describe as impoverished.

Mr. Deputy Speaker: Final supplementary, the member for Ottawa Centre.

Mr. Cassidy: I defer to the member for Hamilton East, Mr. Speaker.

Mr. Mackenzie: Supplementary to the Premier: While I share his concern about incentives to, say, General Motors, can I ask the Premier why he worries about the tax dollars as a concession in this case, where we would definitely have additional plants and additional employees, and the government's general policy of giving tax concessions with the argument that they will provide jobs and it's across the board and we never see any evidence of it?

Hon. Mr. Davis: Mr. Speaker, we hear some of the inducements being offered by competing jurisdictions that go beyond, shall we say, any tax situation; I think there is a difference between offering tax incentives and outright grants to attract industry. There is a distinction. This government has provided incentives to industry generally—

Mr. Deans: What are you talking about?

Ms. Gigantes: Dancing girls, or what is it?

Mr. Wildman: That is semantics.

[10:15]

Hon. Mr. Davis: With great respect, it is not semantics. There is a difference between having a general tax incentive and giving an outright dollar grant to a major corporation—

Ms. Gigantes: You do it to Denison.

Hon. Mr. Davis:—and I say with respect that even the member's new leader will understand that distinction.

Mr. Deans: I'd just like to know what you are talking about.

Mr. Turner: You wouldn't understand anyway.

Hon. Mr. Davis: I am delighted to know the member is prepared to give tax credits to the "big three."

BURNING OF PCBs

Mr. Cassidy: A question to the Minister of the Environment: Could the minister explain why St. Lawrence Cement is still burning material with PCBs in it when the minister informed us there would be no more burned until after the public hearing, which is scheduled for late this summer?

Hon. Mr. McCague: The withdrawal of the order to burn PCBs, the member well understands, was the order that allowed for the burning of high-level PCBs. As far as I am personally concerned, I was not aware there were PCBs being burned there. When

we found there were PCBs in the oils that were being spread on roads I asked that a check be taken of the oils in storage for burning at St. Lawrence Cement; and we did find that there were 15 parts per million in the sample taken.

Mr. Cassidy: Supplementary: Now that the minister has discovered there are PCBs in the waste oil that is being burned at St. Lawrence Cement, what does he intend to do about it; and specifically, does he intend to stop that burning?

Hon. Mr. McCague: At the moment, I don't intend to order the burning to stop. As the member will know, we were burning PCBs there previously on an experimental basis at the rate of 250,000 parts per million and we were satisfied there were none escaping into the atmosphere. The present 15 parts per million is very insignificant as far as we are concerned; we are told by the occupational health people in the Ministry of Labour that this does not pose any danger to health. We must get rid of these waste oils somehow; if we are not going to be able to put them on the road, burning is a safe method, in the ministry's opinion.

We do not at this time intend to stop the burning, but we do intend to monitor the situation very closely. Members will have noted in the press that we have purchased a machine that will give on-the-spot, instantaneous results. The problem is that we are not going to have this for six months. The federal Department of National Defence has one that is not of as high a quality as the one we are purchasing; we are attempting now to get that from them to do tests at St. Lawrence Cement.

Mr. Bounsall: Supplementary: Would the minister check further with the operation at St. Lawrence Cement to ensure that tests are being fully made at the hood, or the firing end of that apparatus? It is my information that no tests are being made for leakage of PCBs at that end of the operation, which because of the tumbling action of the feed-in can cause real problems. Secondly, would the minister investigate companies like Rollins Environmental Services which appear to have at this point the most advanced technology for the burning of PCBs, where they have assimilators—

Mr. Deputy Speaker: Question.

Mr. Bounsall:—that have very steady state conditions and have extensive back-up systems. They are, therefore, much safer than any kiln operation for burning anything that contains PCBs.

Hon. Mr. McCague: I will be glad to check into those matters the member has brought to my attention.

Mr. Cooke: Supplementary: I would like to ask the minister why he would continue to allow this type of material to be burned, when he admits he hasn't purchased the monitoring devices—they are on order—and I don't know how he can say it's safe. Second, does this procedure not make a mockery of the assessment hearings he's going to be having this summer? Third, how in the heck does he expect his ministry to get any credibility when we are dealing with this type of material when he didn't even know that PCBs were being burned? This is the second time this type of thing has happened.

Mr. Gregory: Do you know what they are?

Hon. Mr. McCague: Mr. Speaker, I think it goes without saying. We burned PCBs at levels up to 250,000 parts per million and the ministry and the occupational health people were satisfied that the burning was satisfactory, that the PCBs were destroyed. At 15 parts per million we don't see any problem, and until we—

Mr. Cooke: Why is the minister having the assessments then? Why is he having environmental assessments?

Mr. Deputy Speaker: Order.

Hon. Mr. McCague: Because the public asked for the assessment, we are holding those hearings.

Mr. Cassidy: Oh, not because you wanted them or thought they were necessary.

Hon. Mr. Drea: We respond to the public.

Mr. Cooke: So the minister is just making a mockery of it and the assessment is a joke; what a joke.

Mr. Deputy Speaker: Order.

Mr. B. Newman: Supplementary: Is the minister aware of the report submitted by Mr. L. S. Romano, the director of pollution control for the city of Windsor, concerning the burning of PCBs in the complex in Mississauga? If he isn't, would he make himself aware of that? Because the concerns of Mr. Romano are very, very explicit and lead one to believe that facility should not be used in its present state.

Hon. Mr. McCague: I'm not aware of that specific report but I will read it.

Some hon. members: Make yourself aware.

SPADINA EXPRESSWAY

Mr. S. Smith: A question for the Minister of Transportation and Communications: Can he confirm that he was accurate in his letter

to the Cedarvale Ratepayers Association? I'm speaking now of the use of the Spadina expressway lands which he says in his letter "will be leased back to Metropolitan Toronto in accordance with the provincial commitment noted above."

He says, with regard to that commitment: "These properties will be leased to Metro Toronto on a long-term lease of 99 years for use by Metro in its housing program. The lease will stipulate the lands cannot be used for road purposes."

Is there any aspect of the eventual dedication of these properties which is still in some doubt in the minister's mind, or has he by now made himself quite clear as to exactly what dedication these lands are to have and precisely what the province wishes to sign with Metro?

Hon. Mr. Snow: I think it's very explicit in that letter that the hon. Leader of the Opposition was quoting from. I think that letter is exactly in accord with statements made by the Premier (Mr. Davis) that the land, the housing units owned by Metropolitan Toronto, would be taken over by the province.

I listened with interest yesterday or the day before to the member's questions to the Premier, which were somewhat confusing to me in that the lands are not going to be turned over to Metro. They're to remain in provincial ownership but be leased to Metro for administration by the Metropolitan Toronto Housing Authority.

There were three commitments at that time, as I recall. One was the taking over of these properties and the leasing back. The second was that the road allowances in the area involved would be assumed by the province. This has been done; we have assumed those road allowances. The third was the three-foot dedication, and I think that was well explained by the Premier a few days ago. There have been several suggestions and my legal staff have been working with the legal staff of the city now for several months in trying to come up with the exact location of that three-foot lease to the city, which I hope will be finalized in the near future.

Mr. Kerrio: Do you qualify for Legal Aid?

Mr. S. Smith: Supplementary: If then, as the minister says, he is quite explicit and totally clear as to exactly what the eventual dedication of those lands is to be, can he explain to us the letter he wrote on November 18, 1977, to the borough of York saying: "When the province takes title to these properties, discussions will be commenced immediately to determine their eventual dedication."

These discussions will involve the borough of York and the city of Toronto and Metropolitan Toronto"? Can he explain why neither the borough of York nor the city of Toronto has heard the faintest thing about this, nor have they been involved in any such negotiations?

Hon. Mr. Snow: First of all, we have not been successful in finalizing the arrangements for the provincial assumption of those lands.

Mr. S. Smith: The minister just said he did.

Hon. Mr. Snow: I did not.

Mr. S. Smith: He can read it from Hansard.

Hon. Mr. Snow: I said we had assumed the unopened road allowance. We have not yet been successful in negotiating the takeover of the Metropolitan-owned housing units. It is part of the arrangement that we would take title to the housing units and lease them back, so that they would be in provincial ownership. I did not say we had provincial ownership of them at this time.

Mr. S. Smith: By way of supplementary, since the obvious dedication of the land has been determined by the minister and since he admitted in his first answer to me that he knew explicitly what the dedication was to be, what remains to be discussed with the borough of York and the city of Toronto and why has the minister not negotiated and consulted with them up to now?

Hon. Mr. Snow: One of the things we have been considering with the borough of York, as I recall, is that a three-foot strip would also be offered—and it has been offered as I understand—to the borough of York as well as to the city of Toronto.

Mr. MacDonald: Sort of a mini-Magint line.

Hon. Mr. Snow: That was not part of the original statement but there was the offer of a three-foot strip to each.

Hon. Mr. Davis: I will draw a map for the Leader of the Opposition.

Mr. S. Smith: The minister didn't consult York and the city.

Mr. Deputy Speaker: Order.

Mr. Grande: Supplementary: Since the minister has decided that the borough of York and the city of Toronto have no input whatsoever into the negotiations as to what to do with the lands and properties south of Eglinton, and since the minister has taken title to those lands and is leasing them to Metro for 99 years, would he entertain the proposal that some of those houses, which the tenants themselves want to buy, will be placed on the private market?

Mr. S. Smith: The member is treading a thin line. That's not the New Democrat way. His party doesn't like private ownership.

Hon. Mr. Snow: I am very surprised that a member of that party would want anybody to own anything.

Mr. MacDonald: That is a silly comment.

Mr. Foulds: Don't be an ass. We would like the people to own the resources.

Mr. Cassidy: You take that choice away from too many people across the province.

Mr. S. Smith: People can own houses but not lots.

Hon. Mr. Snow: I will have to check the specific remarks of the hon. member in Hansard. As I heard them, he said, "Since the minister has taken title to the properties." I just told the Leader of the Opposition that we have not yet taken title to the housing properties.

Mr. Germa: Make up your mind.

Mr. Grande: When the minister does it then.

Hon. Mr. Snow: It is our intention to do so, and it is our intention, as part of the original announcement, that when we do so we will lease those properties to Metropolitan Toronto.

Mrs. Campbell: Supplementary: In view of the fact that in the letter written to the rate-payers the minister has expressed his appreciation of the fact that housing will be available because of the Metro commitment of housing, and in view of the fact that the chairman of Metropolitan Toronto has recently been recorded in the newspapers as being desirous of getting out of the housing business, what protection is the minister building in that those properties will be housing properties?

Hon. Mr. Snow: I don't monitor everything the chairman of Metropolitan Toronto says, and I wasn't aware of that particular statement.

Mr. Foulds: You should. He monitors everything you say.

[10:30]

Hon. Mr. Snow: But I think it has been quite definite that title to the housing units would be taken by the province and would be leased to Metropolitan Toronto for housing purposes only.

Mrs. Campbell: A point of clarification, Mr. Speaker.

Mr. Deputy Speaker: Very briefly.

Mrs. Campbell: In view of the fact that the province has tried to get out of housing and in view of the fact that Metro is trying

to get out of housing, wouldn't it be a good idea to look into it and to ascertain the status of those units at this time?

Hon. Mr. Snow: Mr. Speaker, I am not aware that either Metro or the province is trying to get out of housing.

Mrs. Campbell: You are wrong.

Hon. Mr. Snow: I don't accept that statement.

Mr. S. Smith: You haven't been watching what's happening.

Mr. Warner: The government has given up on housing. You do nothing.

Hon. Mr. Snow: As I understand it, a number of houses are being used for housing now. They are being leased.

Mrs. Campbell: Those are the ones.

Hon. Mr. Snow: They are being leased by Metropolitan Toronto to people to reside in and it is our intention when we take title to those houses that they be leased back, as has been stated before, very explicitly, for very long-term periods, to be used for housing.

WASTE DISPOSAL

Mr. S. Smith: Mr. Speaker, a question of the Minister of the Environment: Can he tell us what action he has taken with regard to the remarks made by the solicitor for the ministry, a Mrs. Linda McCaffrey, in addressing the matter in Nanticoke, when in those hearings she made the following comment? Her comments were in response to an approach by a Mr. Lee in front of that committee asking for more information to be made public and I quote her answer: "This approach is viable if one assumes that the public is a leisured class enjoying a high standard of education, open-minded and judicious in all of its judgements and extraordinarily diligent in applying itself to the resolution of complex scientific issues."

She went on to reject the notion that this type of information should be made public inasmuch as I assume she feels, since in her opinion the public is neither a leisured class nor enjoying a high standard of education nor open-minded and judicious in its resolution of complex issues, it has no need for such information. What has the minister done about those comments? Has he talked to his solicitor? Does this represent the point of view of his ministry?

Hon. Mr. McCague: Mr. Speaker, the Leader of the Opposition wrote me about this matter in late January. I responded to him but he wasn't satisfied with one particular part of the answer.

Mr. Lawlor: It's a matter of immediate public importance.

Hon. Mr. McCague: He has asked me to look into the matter again, which I am presently doing. Yes, I have discussed it with the ministry's solicitor.

Mr. S. Smith: Well, I thank the minister for that constructive approach to my letter to him. Would he share with this House the nature of his discussion with the solicitor and would he assure the House that this does not represent the policy of the ministry?

Hon. Mr. McCague: Mr. Speaker, yes, I am always concerned about those kinds of remarks and I am sure they have to be taken in the situation in which they were given. I guess I can't do anything more than say that I don't like those things being said and I am looking into the matter.

UNIVERSITY FUNDING

Mr. Cooke: A question of the Minister of Colleges and Universities: Would the minister agree that the proposal by the University of Toronto as reported in yesterday's *Globe and Mail* is a direct result of the serious problems with the present method of funding universities and in particular the problems that will arise out of his announcement last week whereby university grants will be increased for 1978 by only 5.8 per cent, far short of the increase in the cost of living?

Hon. Mr. Parrott: No.

Mr. Cooke: Maybe the minister could offer an explanation. I would like to ask a further supplementary. Would the minister also agree that the declining enrolment problem which the universities are experiencing is a result of the student grants program whereby students will now be eligible for grants for only four years, thereby making graduate education and university education available on the basis of wealth instead of academic ability?

Hon. B. Stephenson: Bunk; absolute bunk.

Hon. Mr. Parrott: Nothing could be further from the truth and the hon. member knows it.

Mr. Foulds: Nonsense.

Hon. B. Stephenson: Yes, what he just said is nonsense. Absolute nonsense.

Hon. Mr. Parrott: That is a very foolish statement to have made.

Mr. Warner: That's the way the system works.

Hon. Mr. Parrott: Indeed, the new grant program for student assistance will make it

a far more equitable system, especially for those from low income families.

Mr. Foulds: Nonsense. To say that is nonsense.

Mr. Sweeney: Supplementary: Does this ministry provide any guidelines to the universities as to how far down the scale they should go in changing their admission standards? Is there any limit at all to it?

Hon. Mr. Parrott: I think it's known that the universities are to accept only those who are qualified entrants to the system as judged by the standards established in the secondary system, and that has been in effect for very many long years.

Mr. Conway: What about my student loan, Harry?

Mr. Cassidy: Supplementary: In view of the minister's categorical denial to the question of the member for Windsor-Riverside, can the minister then bring this House into his confidence as to what the income cutoffs will be under the student assistance program so that this House, and not just he personally, can assess whether or not students from low and modest income families will continue to be able to attend university?

Hon. Mr. Parrott: Yes, we'll be very pleased to supply that information in complete detail on Thursday, March 9—next Thursday.

Mr. Foulds: As part of the budget?

Mr. Cassidy: You have sure delayed as long as possible.

TRANSPORTATION OF HAZARDOUS SUBSTANCES

Mr. Kerrio: I have a question of the Minister of the Environment. First, I would like to thank the minister for his answer to my question regarding the moving of hazardous substances. In his answer, he stated that it will be the responsibility of the federal government to introduce legislation because of this transportation problem.

I wonder if the minister could answer a question in regard to his ministry: Is his ministry involved in formulating the regulations, and would he consider some of the regulations that are being instituted in the United States as regards new tank cars carrying dangerous cargoes being built with special shielding to prevent puncturing in case of derailment, which seems to be the major cause of really serious accidents with some substances that are toxic and dangerous?

Hon. Mr. McCague: Mr. Speaker, yes.

Mr. Kerrio: Could the minister elaborate? Is he involved with the ministry in formulating the regulations?

Hon. Mr. Davis: One day you complain the answers are too long, and then you get a short one and you want elaboration.

Hon. Mr. McCague: Yes.

Mr. Kerrio: The minister is involved? If he is, is he dealing with the matters that I've suggested because of the concern of the US shortcut through southern Ontario, and would we be guaranteed that we would have regulations as diligent and safe as the ones that are being formulated in the United States for the safety of their citizens?

Hon. Mr. McCague: Mr. Speaker, I'm sorry that I didn't answer the hon. member's question more properly the first time. Our House leader went walking by saying something to me at the same time as the hon. member was speaking.

Mr. Cunningham: How could you see him?

Mr. Conway: You could hear him but not see him.

Hon. Mr. Grossman: And the House leader is more important.

Hon. Mr. McCague: I'll speak to him about that later.

However, we are working with the federal government on the regulations and my answer, "Yes," was to confirm that yes, we'd be glad to look at anything they're doing in the US.

Mr. Foulds: You're not involved in formulating regulations?

Mr. B. Newman: Supplementary: May I ask the minister if he is considering suggesting to the federal government that these tank cars and other cars that are carrying such toxic chemicals be readily identifiable, so that fire department forces and other forces in municipalities would know the proper method of fighting any dangerous spillage or accident that may occur to the tank car?

Hon. Mr. McCague: It's my understanding that the cars carrying these cargoes are very well identified at this point. The problem is that if one goes on fire or explodes it's then very hard to locate the directions. So what we have done is we have sent out to all municipalities a very large volume of information. I had intended to have a volume of that information here for each of the opposition parties and I will do that on Monday.

BURNING OF PCBs

Ms. Bryden: Mr. Speaker, this seems to be the Minister of the Environment's day.

Mr. Foulds: That's why it's so dull.

Ms. Bryden: I have some new questions on the St. Lawrence Cement burnings. Since the certificate of approval under which the experimental burnings were being carried on has been returned to the ministry—it was not cancelled but, according to the press release, it was returned—will the minister table the certificate of approval under which the present burnings of waste oil are going on and will he indicate whether the certificate includes any reference to oil with PCBs possibly in it?

Secondly, is he asking the company to carry on compatibility tests, which the reports that the city of Windsor has just given us on PCB burnings in the United States shows are essential—

Mr. Deputy Speaker: Would the hon. member come to the question mark?

Ms. Bryden: Yes, Mr. Speaker. I just would like to quote one sentence from this report. It says they must be tested for compatibility because "oils can severely react to each other when mixed, sometimes to the point of causing an explosion. Most times the waste oils can liberate gases which are up to 100 times more toxic than PCBs." Will the minister comment on whether such compatibility tests are being carried on in the St. Lawrence Cement burnings?

Mr. Deputy Speaker: Order, please. Before the minister answers, could the private conversations be toned down a bit, please?

Hon. Mr. McCague: Mr. Speaker, I understand that the kind of information that the member is requesting as a result of the quote she read, was part of the experimentation that went on at St. Lawrence some months ago.

When she mentioned the mixing of two types of PCBs, of oils or whatever it may be, just recently we did random tests of crankcase oil from three cars and found that two of them contained no PCBs at all and one contained 17 parts per million. So I think the hon. member can appreciate that we have got a lot of research to do on this matter yet.

Ms. Bryden: Supplementary: Are compatibility tests being carried on in connection with the present burnings to see whether they may react in a dangerous manner with what is going into the burnings?

Hon. Mr. McCague: I don't have the answer to that question today.

Mr. B. Newman: Since the minister made mention that he had tested the oil from crankcases of certain vehicles, has the

minister tested any of the new synthetic oils that are being used to see that there are no PCBs involved in them?

Hon. Mr. McCague: There are an awful lot of things we have not tested yet, but we will be glad to do that one.

Mr. Foulds: Would the minister answer the first part of the question from my colleague the member for Beaches-Woodbine, i.e., will he table the certificate under which the burnings have taken place?

Hon. Mr. McCague: We will table the certificate that St. Lawrence now has.

Mr. Foulds: And the previous one that was returned, please?

TAX INEQUITIES IN WATERLOO REGION

Mr. Sweeney: Mr. Speaker, a question of the Premier: My question deals with tax inequities in Waterloo region and the Premier's letter of February 7. Could the Premier please explain—

Hon. Mr. Davis: No.

Mr. Sweeney: He had better explain, because no one else knows what he is talking about. Could the Premier please explain this one sentence: "However, it is my understanding that a number of mechanisms are available to the municipalities in the region to mitigate or remove tax inequities for 1978." What does the Premier mean by that?

Hon. Mr. Davis: I assume I meant by that that there are a number of mechanisms available to the municipalities to mitigate the mill rates in 1978.

[10:45]

Mr. Cunningham: Has the Premier ever wondered why his government doesn't have any seats there?

Hon. Mr. Davis: You know why? Because those who represent it are more conservative than Conservatives.

Mr. Breithaupt: Certainly they're more successful than Conservatives.

Mr. Sweeney: If what the Premier says is true, could he explain why no official in the municipality knows what he is talking about?

Hon. Mr. Davis: The hon. member is suggesting that no official in that municipality understands that very—I think—understandable sentence. I will review that sentence and see if I can draft it in a way that would be more understandable and communicative to the municipality.

Mr. Reed: I don't think the Premier knows what he is talking about.

Hon. Mr. Davis: The member doesn't know whether I know or not.

Mr. Sweaney: That's what we are worried about.

Mr. Lewis: The Premier is inscrutable.

CLOSURE OF HILLTOP ACRES

Mr. McClellan: I have a question for the Minister of Community and Social Services. At a meeting in early December, I believe, the minister met with members of Metro Toronto Social Services Committee regarding the social service restraints and, as I understand it, the minister agreed to the closure of Hilltop Acres Home for the Aged. I want to ask the minister, whether there had been previous discussions earlier in 1977 between his ministry and officials from Metro social services regarding the closing or phasing out of Hilltop Acres. If so, what was the nature of those discussions?

Hon. Mr. Norton: First of all, I would like to correct one part of the preliminary statement the hon. member made. To the best of my knowledge, my agreement was not necessary for the closure of Hilltop Acres.

Mr. McClellan: I didn't say it was.

Hon. Mr. Norton: Well, the suggestion was that at that time I had agreed to the closure of Hilltop.

What, in fact, I did agree to at that time was to assist Metropolitan Toronto in providing for alternative accommodation and relocation of those residents should they decide to close Hilltop. I was not party to that decision. In fact, at that time, they had a rather comprehensive report from the Toronto inspection department indicating certain deficiencies in the building. I, personally, had not been party to any discussions.

Interjections.

Mr. Deputy Speaker: Order, would the Premier and the member for Renfrew North (Mr. Conway) cease and desist?

Mr. Foulds: The Speaker would have said "decease."

Hon. Mr. Norton: Yes, I was going to observe that you are much more moderate than one of the other hon. gentlemen who occupies your chair. He occasionally asks people to "decease".

Mr. Conway: The Liberals are always more moderate.

Mr. Deans: More wishy-washy.

Hon. Mr. Rhodes: You are in the radical middle.

Hon. Mr. Norton: The questions was, if I recall correctly, had there been earlier dis-

cussions. I had not been party to any earlier discussions. Whether there had been discussions specifically relating to Hilltop or not, involving my officials, I don't know; but I will find out for the member, if he wishes.

Mr. McClellan: Supplementary: I want to ask the minister whether he is aware that at the Metro council meeting on February 28, Bruce Sinclair, chairman of Metro Social Services Committee, indicated that some time in the late spring of 1977, Metro had consulted with his ministry, and the province encouraged Metro, according to Mr. Sinclair, to phase out and demolish Hilltop Acres. This was the basis of my question, and I would like to ask the minister if he would review that matter and report back to us as to whether or not that is accurate.

Hon. Mr. Norton: I will undertake to do so, but I can tell the hon. member at this time that it was certainly never the policy of my ministry, as expressed by me or agreed to by me, to particularly encourage the closing, except perhaps insofar as the question of safety was involved. At some point—and I am not sure of the precise time during the year—Metro had received from the Toronto inspection department a list of deficiencies; and the figure that sticks in my mind is the potential cost of \$168,000 to remedy those.

Should we have been in a position to assist with the financial cost at that time, we would, of course, have had a report from the Ontario fire marshal and chances are that the cost would be much greater even than that. Insofar as the cost element was involved, we might have encouraged that something be done about the safety of the building, but I don't think it was ever our policy to encourage specifically the closing.

Mr. McClellan: That is very strange. I will wait for the minister's report.

STATUS OF CIVIL SERVANT

Mr. Epp: Mr. Speaker, in this morning's Globe and Mail, there is a story about Mr. Peter Branch, a civil servant who has been getting \$25,000 a year. I'd like to ask a question of the Premier. First of all, is it true that most of his day is spent browsing through the newspapers and contemplating his personal affairs? Secondly, how many members of the civil service—

Hon. Mr. Davis: I am glad you asked that one.

Mr. Epp: How many members of the civil service in both TEIGA and each of the other ministries are red-circled?

Hon. Mr. Davis: Mr. Speaker, I can't answer the latter question. I'm sure the Chairman of Management Board (Mr. Auld) would be delighted to give the member that figure. What was the first part of the question?

Mr. Epp: The first part, Mr. Speaker, is whether it's true whether this person is permitted—

Hon. Mr. Davis: To read the newspaper?

Mr. Epp: —to read newspapers.

Hon. Mr. Davis: I'm sure there is no prohibition on him reading the newspapers.

Mr. Epp: Most of the day?

Mr. S. Smith: Is he permitted to do anything else?

Mr. Foulds: It depends on which paper he reads.

Hon. Mr. Davis: I'm sure he's permitted to do many other things.

However, Mr. Speaker, I read the story and am familiar with some of the details. I understand the Treasurer is going to make some observations on the subject Monday afternoon.

Mr. Cassidy: Can the Premier confirm that the civil servant in question, Mr. Branch, was formerly very much involved with regional planning and that his apparent idleness in recent years reflects the complete lack of commitment by this government to any meaningful planning for the various regions of the province?

Hon. Mr. Rhodes: You know, you are like a vitamin—one a day. You dump one a day.

Mr. Deputy Speaker: Order.

Mr. Conway: They call him little black Cassidy in Ottawa.

Hon. Mr. Rhodes: It is "blackout" Cassidy.

Hon. Mr. Davis: I was so intrigued by the question I forget what it was. Would the member mind repeating it for me?

Mr. Cassidy: Mr. Speaker, it was a good question so I will be happy to repeat it. Can the Premier confirm that the apparent idleness of Mr. Branch, at government orders, reflects the lack of commitment of this government to the whole area of regional planning in which Mr. Branch was formerly occupied?

Hon. Mr. Davis: Mr. Speaker, I have two choices here. I can say "no," which is the simple, very accurate answer which would not be satisfactory to the hon. member. Or I can take the balance of the question period explaining the extent of regional planning that has gone on in this province—

Mr. MacDonald: But you wouldn't do that.

Mr. Deans: Please don't do that.

Hon. Mr. Davis: —some of it supported by members opposite and a lot of it not supported by members opposite—

Ms. Gigantes: You couldn't last out the balance of the question period explaining that.

Hon. Mr. Davis: —depending how it affected their own particular constituencies. However, if the member wishes me to go through the litany of the Niagara Escarpment, the Toronto-centred region, all of those great programs, in terms of regional planning for the public of this province, I would be delighted to do so.

Mr. Kerrio: Dispense.

Mr. Warner: Don't explain disasters.

Hon. Mr. Davis: However, I would say that Mr. Branch's present activities do not reflect the commitment of this government towards regional planning.

Mr. Cunningham: While the Premier is asking the Chairman of Management Board to involve himself in a study of how many people have been, in fact, red-circled in the government, would he also ask him to find out how many people in the executive council have, in fact, been red-circled?

Hon. Mr. Davis: Mr. Speaker, I recognize the very important nature of that very important question from the hon. member, which really reflects the general tenor of most important questions he asks in this Legislature.

Hon. Mr. Rhodes: Were you standing up Eric?

Hon. B. Stephenson: They are inane.

Hon. Mr. Davis: In fact, I could go one step further. It really reflects the depth of his intellectual capacity in terms of statements he makes outside this Legislature.

Ms. Gigantes: You are insufferable.

Mr. Lewis: Boy, he certainly got to the Premier. He is relatively harmless.

Mr. Deputy Speaker: Order. In view of the fact that the Premier said that a statement would be made on the original question, and it seems to be spreading out from there, I'll now ask for a new question.

RETIREMENT HOMES

Mr. Deans: Mr. Speaker, I have a question for the Provincial Secretary for Social Development—I think. It may be for the Minister of Community and Social Services and I would appreciate it if he would listen to it too, because I'm not positive.

There is an advertisement in the business section of the Hamilton Spectator which has appeared now on at least two occasions which says, and I quote: "Dollars roll in, 25-bed

retirement home, \$10,000 per bed, 45 minutes from Hamilton, gross income over \$100,000, low expenses." I find it most offensive.

Mr. Lewis: It is what you call a gross ad.

Mr. Deans: I think that if it is possible in Ontario to do that, it should be stopped. I would appreciate it if either one of the ministers would take a look at the whole matter of retirement homes and the incomes derived from them and the way that people are being gouged, and take some action to put an end to it.

Hon. Mrs. Birch: Mr. Speaker, through you to the hon. member, if he will send me that information, I will certainly make sure that it's included in a study that we are anticipating on accommodation for senior citizens.

Mr. Deputy Speaker: The Minister of Correctional Services has a reply to a question previously asked.

GLENDALE TRAINING CENTRE

Hon. Mr. Drea: Mr. Speaker, on February 22, the hon. member for Haldimand-Norfolk (Mr. G. I. Miller) asked me if offshore beef was being used at the Glendale Adult Training Centre.

In reply to the hon. member's question, I wish to inform the House that all tenders for beef to be used in correctional institutions operated by my ministry specify that the meat supplied must be Canadian beef. We have had no written reports from the Glendale Adult Training Centre to indicate that other than Canadian beef was supplied to that facility. However, there have been verbal reports to this effect from kitchen staff following the member's question.

In view of the question by the hon. member and these verbal reports, I have asked the Ontario provincial police anti-rackets squad to undertake an investigation of the matter involving both the suppliers and the staff who receive, prepare and serve meat at Glendale.

I want to make it very clear that the government will not tolerate abuse by suppliers of government tenders which call for the supply of Canadian beef—

Mr. Lewis: Okay, now this is what's called going one step too far.

Hon. Mr. Drea:—nor will we allow negligence or lack of action by staff in reporting cases of abuse.

Mr. Lewis: Don't ask a supplementary. Leave it. Sit down.

Mr. G. I. Miller: Mr. Speaker, in view of

the answer that has been given by the minister this morning—

Mr. S. Smith: We demand the militia as well.

Mr. G. I. Miller:—would he not only look into Glendale, but would he look into all the institutions in Ontario to make sure that they are all using the same products?

Mr. Lewis: You take that anti-rackets squad and you wheel from institution to institution.

Hon. Mr. Drea: In the month of November 1977 I put out written instructions throughout the ministry that the practice of accepting substitutions—that is, products not Canadian in origin—was to be discontinued. I brought to the attention of the Minister of Agriculture and Food (Mr. W. Newman) and to a number of marketing boards that apparently there had been developing a trade practice whereby—and I wish to remind the House that when one tenders on the basis of Canadian prices, one pays much higher prices than one pays perhaps for dumped commodities—there were sudden shortages of Canadian products at the time of delivery.

In the month of November I put out written instructions throughout the ministry and all suppliers were notified that no substitutions would be accepted at any time. A second instruction was that if a supplier twice showed up with substitutions, his tender was automatically null and void. Furthermore, I said I would go to the combines branch of the federal government regarding that type of trade practice.

Ms. Gigantes: Do it for hospitals too.

Mr. MacDonald: You want to watch out. He will clean you all out.

Mr. Lewis: Is this a matter of national security?

Hon. Mr. Drea: No, it is a matter of honest business.

Mr. Lewis: I just wondered how high we would elevate it.

Mr. Foulds: Were we a little short of tomato juice in November?

CONSPIRACY TRIAL

Mr. Lawlor: Would the Attorney General make a brief and searching statement about the recent abortive conspiracies trial at Woodstock?

[11:00]

Hon. Mr. McMurtry: There is an ongoing investigation in relation to that aborted trial, as described by the member for Lakeshore, and until that investigation has been com-

pleted I will not be in a position to make any statement.

GLENDALE TRAINING CENTRE

Mr. G. I. Miller: I have a question of the Minister of Correctional Services. When members of the opposition party met last Monday in the minister's office to discuss the closing of Glendale Adult Training Centre, the minister indicated he would consider the brief presented by the citizens' committee and bring the matter to the attention of his House leader for referral to the Justice committee. Can the minister inform me if this has been done, and if, in fact, the matter will go before the Justice committee?

Hon. Mr. Drea: I pointed out last Monday that I would refer the matter to my House leader, and, as I indicated to the House leader of the opposition on Tuesday, the House leader of the government party would be replying directly. It is my understanding that yesterday the House leader did inform the House leader of the opposition that this matter was not going before any standing committee of the House.

Mr. Deputy Speaker: The Minister of Industry and Tourism has an answer to a question asked earlier.

Hon. Mr. Rhodes: Thank you, Mr. Speaker. The hon. member for Niagara Falls—

Mr. Foulds: Are you still a closet Liberal? (Applause).

Hon. Mr. Rhodes: I can't believe I finally got the deserved applause.

Mr. Foulds: John, they didn't even wait for your answer.

TOURISM ADVERTISING

Hon. Mr. Rhodes: The hon. member for Niagara Falls (Mr. Kerrio) inquired of me earlier this week about the problems being faced by small tourist operators in advertising in the United States, as a result of not being allowed the exemption from taxation. We have discussed this privately, but I would like to put it on the record that any advertising on a United States radio or television station that is directed primarily to a market in the United States is a deductible expense for federal and Ontario purposes.

The relevant provision, section 19(1) of the Income Tax Act disallows the expense only if the advertisement is directed primarily to a market in Canada. In the case in question, as raised by the hon. member, the expenses would be deductible if the advertisements were placed on US radio and TV stations and were intended primarily to attract

US tourists to Canadian tourist attractions.

I would comment that the hon. member for Brantford (Mr. Makarchuk) did make that point, and was quite correct, the day the question was asked.

AIR POLLUTION

Mr. Bounsall: A question of the Minister of the Environment: Would the minister let it be known in no uncertain terms to Governor Milliken of Michigan that Ontario and his ministry will not tolerate any relaxation or even temporary suspension of environmental controls on electrical power generating stations using coal, inasmuch as that is now being considered in Michigan, just as Ohio did; it is counter-productive, since one saves fuel with the controls that are there rather than uses more; and because the effect of that would cause the Detroit-Edison generating plant to pour out yet even more pollution over the west end of the city of Windsor?

Hon. Mr. McCague: Mr. Speaker, I will take that matter under consideration.

Mr. Deputy Speaker: The time for oral questions has expired.

REPORTS

SELECT COMMITTEE ON INCO AND FALCONBRIDGE LAYOFFS

Mr. Handleman: Mr. Speaker, I beg leave to present the final report of the select committee on Inco and Falconbridge layoffs. Copies have been placed in the mail boxes of all members of the House.

Under the provisional orders I am permitted, and I believe am expected, to make a brief statement as chairman of the committee. Initially, I would like to point out that, simultaneously with the presentation of this report to the House, copies are being distributed to interested parties in Sudbury, Port Colborne and Ottawa.

The select committee on Inco and Falconbridge layoffs was asked to inquire, within a very limited time-frame, into the factors and considerations leading to the layoffs; to examine the future plans of Inco and Falconbridge in relation to their effects on the Canadian operations and to make appropriate recommendations.

On February 8, 1978, the committee's interim report was published. Contained in that report was the recommendation for a 60-day moratorium on the layoffs in the hope that the two senior levels of government could use the time to develop a program to alleviate the impact of the layoffs.

In the light of the responses of the two governments to the recommendation in the interim report, the select committee reluctantly acknowledges that it has no additional specific recommendations to make to avert the pending Falconbridge layoff scheduled for April 1, 1978.

The final report, which I am tabling today, contains a series of specific recommendations aimed at reducing the long-range impact of the layoffs in the Sudbury and Port Colborne communities. In addition, the report contains recommendations designed to improve the stability of the Canadian mining industry and to prevent future mass layoffs.

The committee was fortunate in having the services of a very competent staff. In particular I would like to thank our counsel, Mr. John Clement, QC, and his associate, Mr. Peter Williams, as well as the mining consultant to the committee, Mr. Geddes Webster. It was only with their help that the committee was able to cope with such a complex subject in so short a time.

In addition, I would like to thank Mr. John Holtby, first clerk assistant to the Legislature and clerk to the committee, for his faithful service. I would also like to extend my gratitude to the panel of committee chairmen of this Legislature who graciously permitted the Inco committee to take priority over all other committee work, even at the price of some dislocation in their own committee activities.

In conclusion, I'd like to congratulate the members of the committee for their ability to work together under great stress and to thank them for making the position of chairman a very rewarding experience.

ORDERS OF THE DAY

THRONE SPEECH DEBATE

(continued)

Resumption of the adjourned debate on the amendment to the motion for an address in reply to the speech of the Honourable the Lieutenant Governor at the opening of the session.

Mr. Swart: You may recall, Mr. Speaker, that last evening I had not quite finished my remarks by adjournment time. I had dealt with the matter of procedures of this House and presented some perhaps rather radical proposals for changes in those procedures and operations. Those included the proposal that there should be monthly sittings whereby we would eliminate the need for the government to use orders in council as it does so

frequently between sittings and even during sittings.

I suggested there should be no committees sitting while the House is in session, that we should eliminate less meaningful debate from this chamber, such as the estimates, and that we should shorten the time for debate on the Throne Speech and the budget speech. I suggested that budget estimates should be dealt with early in the year rather than letting them carry over till November and December when the money has either already been spent or has been committed. There is really something unreal about discussing those estimates at that time.

On these items I suggested that the result could be less House time, therefore better attendance in this House and more efficient and democratic conduct of the business of this province. I guess when talking about the effective workings of this Legislature and the dignity of the House, one cannot omit the question of decorum during the question period. About two years ago, more than 100 students from one of the secondary schools in Welland visited this Legislature. I invited them to write me about their impressions of the Legislature. Their teachers made it a class project, and I got letters from them all.

I want to state that 75 per cent of them stated as their first comment that they deplored our conduct during the question period. Every member here has heard the same comment from visitors whom they know. I guess it has to say something to us here in the Legislature.

Hon. Mr. Kerr: The problem is over there.

Mr. Swart: In no sense do I say this in condemnation of the quality of the MPPs on either side of the House. My colleagues here and I personally are as guilty as anyone. It is understandable; feelings run high. We don't hold our views lightly. We don't accept arguments, contradictions or evasions. But I am convinced that we hurt the public perspective of democracy by our boisterous actions.

I am not sure that it can be curbed. But I say to you, Mr. Acting Speaker, and through you to the Speaker, that there may be some merit in calling the House leaders or party leaders together to make it clear that you are going to enforce order more rigidly and to win some sort of voluntary agreement on more appropriate conduct by us, the MPPs.

Finally, I want to mention one other sort of non-issue, but it is a matter of concern. It is the designation MPP—Member of Provincial Parliament—by which we are known.

My standing orders tell me this is the Legislative Assembly of Ontario. I am a member of that as is everyone else here. We are not members of the provincial Parliament. My designation, and everyone else's therefore should be MLA, not MPP. We do not need to aspire to the status of the federal members—if that is any sort of an aspiration—or the equivalent of the National Assembly of Quebec. If that was the reason for the MPP title—as I understand that it was—to give a bit more prestige, if MLA sounds a bit more lowly, so be it. But I think Ontario is a pretty good place and I no more want to copy the designation of those people in Ottawa, particularly the majority that is there now, than I would want to be associated politically with those on the other side of the House here. I would ask you, Mr. Speaker, to rule that we should be known for what we are—MLAs, not MPPs.

Hon. Mr. Bernier: I disagree.

Mr. Swart: You will note, Mr. Speaker, that I have not dealt with any of the subject matter in the Throne Speech. I couldn't; there was so little there.

When we come to budget matters I will have my say about the deplorable failure of this government to deal with the economic and social issues in this province.

I simply hope that my comments today may improve in some small measure the machinery for dealing with those issues. It just may be, by more committee work instead of dealing with vague and minor items in the House, by not permitting committees to sit while the House is in session, by monthly sessions and by less being done by order in council, that the House attendance will improve greatly and business will be carried out more efficiently. Add to these things better conduct in this House and we will enhance our respect by the public and the press.

I am, of course, a relative newcomer to this House. I have only been here two and a half years. But all my adult life I have been a staunch, and perhaps I should say almost a fanatic, supporter of and believer in the system of parliamentary democracy.

I must say that I wince a bit when I read accusations of a political party receiving \$25,000 at the same time a request is made for a government permit, or that committee members of this House were vacationing in Florida at the expense of the Ontario taxpayers. These things frequently are groundless or blown out of proportion. But, I say, surely we as politicians cannot risk even the appearance of self-serving actions by our decisions. Public cynicism is the greatest enemy of democracy and it feeds and thrives on such

things. I look forward to greater dedication, consecration and idealism by the MPPs in this House and I hope that I too may conduct myself in that manner when that is the case. [11:15]

Mr. Williams: I appreciate the opportunity to participate in the response to the Speech from the Throne. In so doing, I found it difficult in assessing this blueprint for constructive government actions to single out any one particular area in which I would have the opportunity to speak at length because there are so many positive initiatives set out in the Throne Speech.

Mr. Reed: How about the five Liberal policies?

Mr. Williams: One can identify a number of the important issues which have been spoken on at length by a number of members in the Legislature, including the economy and jobs which are probably the salient concern today. We have the speech outlining the initiatives in the private sector that this government suggests are the appropriate initiatives to be taken along with continuing constraint in the public sector.

The speech outlined a program for energy conservation and security of supply of energy. The latter part of that was very significantly resolved earlier in the week when the government took a responsible action in signing the Hydro contracts that have received so much debate and consideration in committee and House in recent days.

Mr. Reed: Only time will show up the mistake.

Mr. Wildman: A sellout.

Mr. Williams: Then too the matter of compulsory auto insurance is one that will receive a great deal of attention in the government legislative program in the coming weeks. Reference has been made to refinements and new directions in health care with a particular emphasis on assumption of more personal responsibility in this field. This is an area on which I was thinking of speaking at some length. There is also the very genuine concern this government has with regard to cultural and language privileges and services, which is a matter that has been spoken to by many members of the House.

It's to none of these that I will be speaking today because, while I understood I had the luxury of speaking for the balance of today's session, I find that I am going to be limited to approximately a half-hour of time. The topic I will address myself to is going to be difficult because it's hard to find out how I can condense the many things I want to discuss on an extremely important issue

that has received very little consideration in the debate on the Throne Speech but yet which is an important and significant new government involvement, direction and initiative, and that is the announced intention of the government to take a leading part in the supporting and strengthening of the family in Ontario.

Last December I expressed my open concern as to the status of the family in our society and what government was or was not doing with regard to giving support and recognition to the stance of the family in our current society. I did this by introducing into the House an Act respecting Family Day which was introduced for the purpose of setting aside a specific public holiday during which the families of our province could celebrate and pay due respect to family life. At that time, I think it received a certain amount of shouts and derision and ridicule by some members of the House as they yelled "motherhood" and "apple pie".

I can assure you, Mr. Speaker, that the strength and security of the family in today's society is no longer an assured thing that can be taken for granted. In fact, I think one of the omissions of governments at all levels has been this assumption which has led government not in any way to endeavour to assist family life in our society. I said at the time I introduced my family day legislation into the Legislature, which I will again be reintroducing to complement this significant new government initiative, that we must now take stock and reassess the importance of the family in our society. I felt that a public attitude seems to have evolved in recent times that emphasizes and commends other lifestyles while minimizing, or even treating as irrelevant, the basic worth and importance of the family unit.

Our society seems to have developed a fixation on self-indulgence of the individual, devoid of legal or social responsibilities to anyone or anything. As a result, I say with conviction that the traditional role and importance of the family as the cornerstone of our society has been severely shaken. So it was with great delight that this new initiative and concern of government and involvement has been displayed in the Speech from the Throne. I'm looking forward in the coming weeks when the Provincial Secretary for Social Development (Mrs. Birch) will be upholding the new initiatives in the form of ongoing government administrative and policy actions that will be presented to this House.

The basic moral and social values which are intrinsically woven into the family structure and conscience, it would appear, are no

longer revered or honoured as a matter of course. Rather they are being challenged, questioned, ridiculed and even rejected as being out of step with the dawning of a new era of liberalization of the individual. It seems to me that governments and society as a whole have been caught up with the over-indulgence of the individual at the expense of all other segments of society.

Of course, it's the social heritage that is found in the family unit that has made our society what it is today. But the security that's found in the family unit, the communal association that exists between parents and children, is being challenged by outside influences today that didn't exist 20, 10, even five years ago. But still the valid concepts of the family unit remains as sound today as they did in the first half of this century and centuries before.

The growing individual has to find within the family his or her first involvement in a communal fashion, the first experience of social living with members of the family. It's within the family structure that we find the primary place for establishment of morals and values. It is from these we develop, as well, a knowledge and understanding and appreciation of our culture, both past, present, and hopefully into the future.

There is within the family both individuality and yet interdependence, and in this potential conflict there is a unification factor. People are strengthened in their own character by developing their own personalities, yet knowing how to work with and care for people within their family. It is not only a matter of self-help but also a question of helping others, not only within the family but as they grow and mature, learning to work and care and work with others in the broader community.

There are those of us today in and out of government who are obsessed totally and fully with social innovation to the point of rejecting and putting aside social heritage and discounting the validity of the family unit and its strength. I suggest that is going to excess and extreme that cannot be justified when examined.

The public attitude that is eroding the paramount importance of the family unit today, I suggest is threefold. Firstly, there appears to be an irreverence shown towards the traditional or conventional marriage institution. There is indeed an irreverence being shown towards the traditional religions upon which most family concepts are grounded. In fact, there is a diminishing respect for human life itself being displayed in various sectors of our society today.

If I might, I would like to identify some of the negative influencing factors to which I have alluded, because they are with us and they are significant influencing factors that do impact upon the family, particularly the younger members, so that they do start questioning and challenging basic values. It is not that they shouldn't be questioned and challenged; it is a question as to whether some of the new influences in fact are intended to replace the foundation of the family unit.

One of the common social trends today has been associated with the alternative to the marriage institution, which is the common-law union. New family law legislation will be introduced in this Legislature in the coming weeks which will give to that type of union some sense of legality that heretofore has not existed. It seems to me that here is an example of where men and women have an infatuation or a love for each other, yet have a concern or fear of assuming a permanent form of responsibility that would exist in entering into a marriage union. So they feel they will experiment with all of the benefits and traditions that flow with marriage without entering into any legal or moral responsibility that one normally would identify with the marriage ritual. Of course, without that type of responsibility, you do not find the development of the family concept nor the growth and nurturing of our society through procreation to the extent and degree that you will find within the normal family unit.

[11:30]

Perhaps some of this has developed because the family setting has changed so dramatically in recent times. This may have arisen largely out of the urbanization that has taken place and the mobility of our society whereby the younger members of the family voluntarily, but in any event, have left the family home, have moved to other communities to seek employment or to seek out a new life. We no longer have the predominant rural setting where the family life was the focal point of our daily activities from morning to night. Even during the working hours one might be working on the homestead or the farm, so that the continuing influence of the senior members of the family who tried to develop a sense of morality and values within the family is perhaps removed at an earlier age than it was in the past.

It is not uncommon to find members of families living in all corners of the nation and coming together infrequently to talk and to meet and to review their interrelationships. Along with this dramatic new social upheaval,

if you will, as far as the effect on the family is concerned, is the accelerated materialistic self-indulgent society that has evolved in the last half of this century, greater than at any other time in our history.

I am not sure but I think a lot of it can be attributed, not only to this matter of urbanization wherein we have closer contact and greater outside involvement with people within a heavily populated area, but also perhaps to a more sophisticated communication and news media; also within the entertainment industry we find a great deal of emphasis being given to those elements and undertakings in our society which appear to be in conflict with the family concepts and values.

I refer, as only one example, to an article that appeared in a Canadian publication last fall, authored by a professor at the University of Toronto in the faculty of social work, Dr. Benjamin Schlesinger, when he was commenting on where the family is today. He pointed out, if I could quote: "The increasing emphasis of 'me' in families has also taken its toll. Once 'me' takes precedence over 'us,' the family is in trouble. Relentlessly doing your own thing is just not compatible with being part of a family."

I might extract just one other observation from his article which pertains to the media, and I think it is an interesting observation. Dr. Schlesinger was commenting that we really haven't found a viable substitute for the family in the past 100 years. We have abused it; we have said it was boring or that it stunts our development as human beings. Maybe we expect too much from the family and we are disappointed so we want to reject it.

Then Dr. Schlesinger goes on to say: "Part of this, sad to say, goes back to the usual whipping boy—the media. In examining television and newspapers, especially, we see that family issues are false and distorted. Most so-called family programs deal with single parents, which have helped to convince us that the Canadian family is falling apart in record numbers. This negative view of family life makes headlines all right, but the positive aspects don't. The brutality within the family is what's emphasized, not the health and sanity of most of our five million Canadian families.

"I would put the percentage of families that come into the attention of social agencies, police and hospitals at between 10 and 25 per cent. The majority of Canadian families manage to lead a satisfactory life, unheralded and without fanfare. I sometimes think that the image-makers on TV really project their own negative lives on to

the screen and think this is a true reflection of family life today."

I close the quotes but add one from further along in the article which ties in with those observations. Dr. Schlesinger says: "It's interesting, but in this country there is not a single study that has examined what makes a sane and healthy Canadian family tick."

There are people expressing concern in our society about the well-being and the security of our families. I think it is imperative that government take some initiative and show some sensitivity to, and support for, the families.

I spoke earlier about three considerations that I felt were challenging the family setting. I made reference to the marriage institution. Even our traditional religions, not only the Judaeo-Christian religions, but all major traditional religions today, seem to be challenged, questioned and even ridiculed. There is an interwoven allegiance between the family concept and the traditional religions of today.

Then, too, there was the third area of great concern, and that is the diminishing respect for human life itself. There are many well-meaning groups and vested-interest organizations today that are showing a concern for our society and for the environment but which perhaps unknowingly are working at odds with the well-being of the family. Perhaps I might briefly identify one or two of the types of organizations that I think are having this negative influence.

First of all, we have that group in society which calls itself the zero population association or organization. I think it is composed of a lot of responsible well-meaning people but it seems to be taking to the extreme the concept of responsible family planning. It suggests that society, somehow, as it exists today, should remain exclusive and prevent future generations from coming into existence.

It's interesting that some of the social environmentalists seem to show greater concern today for the lower forms of life than for what we assume to be the highest form of life, namely, homo sapiens. While great concern is being expressed with regard to the imbalance of nature because of the use of pesticides or other artificial means so that the balance of nature is being interfered with and disrupted, interestingly enough it now has come home to roost within that highest form of human life, our own, and it has been reflected in our diminishing population.

We find that the teaching profession has been probably the first to feel the impact of it because they have found they no longer have the children to teach for which they were trained several years ago. We are closing schools because the population of children that was there after the war years has diminished to the point where we are now at a no-growth stance. This is not only impacting on that particular type of situation but other areas too. It has disrupted the economy and is affecting it in an adverse way. There are many products that are being manufactured that were designed to appeal to a certain age level which is no longer coming into existence in the numbers that it was years ago.

Even within our area, there is an imbalance that is being created by an extreme measure which is being taken. The zero population concept is perhaps a selfish approach to take, arising again perhaps out of the concept of self-interest. The other ends of the life spectrum too, are ones that are receiving considerable attention these days, whether it be a growing concern in the States, or I should say a growing initiative by some organizations that have been developed in the States towards terminating life in its later stages. Here we have been reading about, and there has been debate in the past about the activities by some of the organizations in the States asking for laws that deal with euthanasia.

At the other end of the life spectrum, we have that perhaps most controversial social issue that rages today, the matter of abortion, which deals in fact with the taking of human lives before they are fully developed. I suggest to you, Mr. Speaker, that perhaps the greatest human tragedy in the latter half of this century is the public attitude that has been developed towards human life at the earliest part of the human life spectrum.

In this province during the past two or three years, lives that could have been nourished and brought to fulfilment have been extinguished in growing numbers because of the existing laws that we have today. Within the province of Ontario alone abortions approaching the 20,000 mark are occurring on an annual basis. This indeed is a human tragedy and it has to be in conflict with the family concept of nurturing and building future generations. It is one with which this government and this society have to come to grips.

These are some of the important social issues that this government is prepared to address itself to.

Mr. di Santo: This government? What are you talking about?

Mr. Wildman: Abortion is a federal matter.

Mr. Williams: While one of the members from another party spoke earlier today about the importance of dignity and decorum in the legislative chamber, I think the ridicule and the shouts of derision are only passing expressions of frustration that really don't have the importance of dealing with the actual issues and debating them fully and freely in this House.

[11:45]

I am pleased that this government will be unfolding in the weeks to come a program that will indeed enhance the role and the authority of the family unit and will again continue to give support throughout the communities to the family by giving traditional support to family unity month, which is the month of May, and a matter which I had referred to at the time I introduced my Family Day Act.

There has been long discussion and a request for a Heritage Day Act, but this seems to have become stalled at the federal level. It seems to me that perhaps, while the concept of a Family Day Act received some ridicule and criticism, it might, in fact, with critical scrutiny, be a better substitute and more sound than even a national heritage day bill, because the greater part of our heritage is, in fact, found within the family.

In concluding my remarks on this aspect of the Throne Speech, I look forward to the days and weeks ahead when the initiative will be taken by this government—as I think it is being taken by no other government in recent times—

Mr. Haggerty: In the fullness of time.

Mr. Williams: —to address itself to the primacy of the family and the ordering of this primacy within our social priorities. I look forward to working with the Provincial Secretary for Social Development and the other members of the government party to give meaning to this blueprint for social concern and involvement by government.

One of the initiatives that will be dealt with, of course, will be that pertaining to alcohol abuse in our society. That will be debated at length in coming weeks. One of the difficulties that we find in our society today probably has to do with the accelerated majority rights that have been given to younger people in our society when the age of majority laws were introduced some years ago. I think these are deserving of reassessment and reappraisal, but these are all matters

which will undoubtedly be looked at and discussed in the coming weeks.

Mr. Speaker, it has been with a great deal of pleasure that I have had the opportunity to address myself to this all-important aspect of the Speech from the Throne. I look forward, with you, in anticipation to seeing the government program in this area unfold in the weeks ahead.

Mr. McGuigan: **Mr. Speaker,** I wish to thank you for this opportunity to reply to the Speech from the Throne on behalf of the good citizens of my riding of Kent-Elgin and also on behalf of the people of Ontario.

I have spoken on a number of occasions since being granted the privilege of attending this historic chamber, but this is my first opportunity to reply to the Speech from the Throne. No doubt my predecessor, Jack Spence, during his 22 years of office performed this privilege many times, and I am sure more effectively than I. Jack was and is a singular fellow. His mind was possessed of a great storehouse of good sense. Daily, I meet people who tell me of his great storehouse of anecdotes and stories of good humour gained during those years as a member of the Kent county council, as warden in 1949, I think, and as a member here for some 22 years.

During the election campaign, and many times since, people have told me of the many acts of kindness that he performed as a neighbour and that he extended to them as their member. I might say that during the course of the election he advised me on the best way to conduct my campaign. He always had a unique ending to his advice: "Of course, I'm not always right." I looked at his record and decided he was always right; so I followed his advice.

He had his feet planted firmly in the Oxford township soil and he had his head held high in the clear Kent county air. He was dreaming at times of a better world and he acted to make this a better world. It has been a great privilege to follow in—not to fill—his footsteps, as no one can take his unique place in Kent-Elgin history. I am happy to report that Jack is enjoying his retirement. He especially appreciated the Jack Spence night held in his honour last fall and he shortly will be taking a trip overseas, a gift from the constituency.

I applaud the platitudes in the Speech from the Throne and I hope they become more than platitudes; I hope they become facts. I am especially pleased that the government has recognized the need to encourage manufacturing. Several small towns in my riding depend upon manufacturing to supply em-

ployment. Many of these plants are parts plants and fabricators, and in some cases they're assemblers. We hope they are able to expand their economic activities.

Our riding is known primarily as agricultural riding, and yet I recognize that we need a healthy industrial sector to bring a balance to our economy. My riding, as part of Kent and Elgin, has a great capacity for agricultural production, blessed as it is with good soils that are drained either naturally or on an engineering basis by well-skilled people. It is a warmer climate than most parts of Canada, and the population are aggressive people who know how to make use of those soils and the climate.

I believe that many members will be disappointed by the fact that the speech gives only two lines—13 words, actually—to an agricultural orientation. I quote: "New initiatives will be developed to sell more of our food commodities abroad." I acknowledge that reference was made to the fact that Ontario participates in a buy-Canadian campaign to support domestic products in manufacturing and agriculture. But surely the industry that represents 20 per cent of the economic activity of this province deserves more than 13 words of direct concern and a passing reference in a 25-page document.

I would like to make some suggestions to the Minister of Agriculture and Food (Mr. W. Newman) that he could carry to the Ontario Food Council and to his ministry for study and action. My thoughts are based on the realization that we will probably be faced with low grain prices for the next several years. I acknowledge that we have in place, both in the federal and provincial governments, stabilization programs—Liberal programs, I would remind you, Mr. Speaker—that are going to enhance the agricultural producers of grain. Yet I believe we have to face the fact that we have to face low grain prices for the immediate future, the reason being that grain prices are established in the United States.

That country is currently spending \$45 billion a year for offshore oil. That is \$45 billion spent for consumption—it does not go into construction, highways, bridges, public buildings and so on—and it is paid for by printing money. The consequences are massive deficits and a deterioration of the US dollar versus most other world currencies.

To try at least to partially offset this, the United States is committed to high grain production and low prices for grain. Foreign governments can only buy grain for livestock feed if it is low-priced, and these foreign governments, in nearly every case, are

struggling themselves to pay for high-priced oil, having less money therefore left over for grain.

The US Congress has not been able to pass comprehensive energy legislation and so the situation will not change until the OPEC countries refuse to exchange oil for paper. The result is that the best opportunities for Ontario farmers are right here at home. One of the head officials of the marketing section of the Ontario Ministry of Agriculture and Food agrees in a recent speech to the Ontario Crop Improvement Association.

I would point out that the greatest gains in Ontario agriculture can be made in the specialty crops—fruits and vegetables. This is an area where we have a deficit in our trade—the production of vegetables for processing—and the processing plants themselves are quite modern and highly mechanized. They can compete with producers anywhere in the world where the terms of competition are equal.

I believe the most neglected area is the production of fruits and vegetables for fresh consumption. The area that I represent in southwestern Ontario has all of the requisites for this production. If we had proper nutrition in this country we would double our per capita consumption, and we would accomplish some of the goals the Minister of Health (Mr. Timbrell) is promoting in his media campaign.

When you look specifically at this area of production you find an industry that has copied the packaging practices of shippers from such distant points as Mexico, California, Texas, Arizona, Florida and Washington state. We did this because we wanted to present as attractive and acceptable a package as these distant, cheaper shippers. We wanted to get rid of the dirty and broken wooden crates that once spoiled our wholesale markets.

I was part of that movement, and I acknowledge my participation. But I now recognize that Ontario products shipped to nearby markets are overpackaged. As an example, a four-quart basket of fresh fruit or vegetables is packaged in a 17-cent consumer package and is shipped to market. Four of these units go in a master container—a disposable carton that costs approximately an additional 17 cents per four-quart unit. Many of these master containers do not even get into the retail store. The consumer units are taken out of the master container at the receiving dock. The units are placed on portable display racks and the empty master container is thrown into the waste container.

Our industry needs to attack this problem. We need a master container—probably of fibreglass, but there may be other materials

that are available—that would carry a monetary deposit, and a system of collecting these for re-use, a system of sanitizing them, and a system for financing them.

Retailers would not voluntarily support such a system. They are concerned only with making a profit on the movement of the product from the receiving dock to the checkout point. They are not in the business of reducing farmer-to-consumer costs. They measure their profits in terms of markup percentage and in terms of dollars of sales per hour of employee labour. As long as their profits are on a par with, or above industry averages, by these measurements they are satisfied.

[12:00]

I submit a far better measurement for all of us would be a measurement of net profit. However, they go by these other terms. There have been examples of returnable deposit containers in the industry in the past—the returnable deposit wooden banana box; and the returnable wooden Owossa, an apple crate used in the state of Michigan, the use of which died out there because there was no orderly system to guard this system.

Growers who put out a new container usually got back a used or broken container. These problems could be overcome with a little imagination and I suggest to the Minister of Agriculture and Food (Mr. W. Newman) that we are long overdue for the recognition of the opportunities. These are opportunities that really had their turning point in the escalation of oil prices in 1973, which ended cheap packaging and cheap transportation.

I have attended many conferences of fruit and vegetable marketing people in the United States and I can assure this House from my observations that whatever practices we develop here would be a distinct advantage. In that very free enterprise country they are not about to adopt any such methods. In fact, they have laws that would prevent them adopting such methods.

I would point out to the Minister of the Environment (Mr. McCague) that the development of a deposit container for fruits and vegetables would have benefits in reducing the solid waste load of our towns and cities. The foregoing comments also apply to the 40 by 48 inch wooden pallet. Surely we can devise returnable deposit containers that would be compatible with a returnable deposit pallet. No doubt the measurements would be metric, and our industry has already begun conversion of our packages to metric sizes and weights.

I live on a road leading to a landfill site and quite frequently see semi-trailer loads of perfectly good pallets worth about \$8 apiece sent out to the dump, where they are buried. The reason this happens is that the goods are unloaded on a dock and since the stores have a policy of having a very small receiving area there is no place to store that pallet to be picked up and returned to its point of origin.

They are thrown down on the ground and this means the next time an empty truck which might pick these up comes by the driver of the truck has to lift about a 90-pound pallet up to a height of six or seven feet, a rather impossible task. So the pallets go to the dump. I would suggest that if we had a comprehensive study and legislation to cover this, these could be returned and used over and over again.

The Throne Speech also mentioned de-regulation in the trucking industry, and I believe there are savings here for both agricultural producers and for consumers. Agricultural products are trucked to Toronto, which is our greatest concentration of consumers and our most important port in Ontario. Bulk goods come to Toronto by way of ships and these could be trucked back to our small towns and our smaller cities if we had a backhaul system allowing these trucks to take the backhaul.

It would seem like a natural system; agricultural goods to Toronto, bulk and manufactured goods by return. We all pay for this inefficiency in terms of higher costs and wastage of energy. I know my colleague, the transportation critic, the member for Wentworth North (Mr. Cunningham) would not support free-for-all trucking, nor do I. That policy amongst exempt haulers in the USA has bankrupted thousands of independent truckers and has resulted in serious shortages of trucks in certain shipping areas and surpluses in others, but as a society we in Ontario are not as opposed to using the wise and judicious hand of government in the marketplace as our friends to the south. Surely with our successful experiences of more than 40 years in the marketing board field we could find ways of facilitating backhauls without creating chaos in the industry.

Mr. Speaker, I've addressed myself to a narrow field of agriculture. I've confined my remarks to this field not because of any lack of understanding of grain and livestock production, indeed I was in the grain and livestock business for many years and I still remain a producer of grain. I've confined my suggestions to this narrow field because it is where great strides can be made, where jobs can be created, where foreign exchange

can be saved, and where we can find confidence in our ability to do a great deal more.

I hope the government and the Minister of Agriculture and Food, the hon. member for Durham-York, and the Minister of the Environment, the hon. member for Dufferin-Simcoe, will take note of these suggestions.

Thank you.

Mr. Mackenzie: Mr. Speaker, I'm pleased to participate in the Throne Speech debate and to try in my own limited way to speak to some of the issues and concerns of the people of Hamilton East and, as I see them, of working people throughout the province of Ontario. I think I would be remiss if I didn't at the start congratulate the Speaker of the House and the Deputy and Acting Speakers for the job they're doing.

Commenting on my riding, as some others have done, I'd like to make one comment only. There are probably two or three members in this House who will remember my predecessor who sat here for 20 years; and I'm talking about Reg Gisborn. I think most of the hon. members would be pleased to know that while he has, I think, had a real rough five years, he is still hanging on, still showing an interest in what goes on in this House and reading at least two or three newspapers a day and following up on the key debates. I get constant demands from Reg for copies of bills or particular speeches that are made by members of the House. So he has not lost his interest in what's going on in the Legislature.

One of the reasons I wanted to speak on this Throne Speech is simply that the government, in my honest opinion, is not responding to the needs and concerns of the people in this province. I get the feeling, I've had it for a long time—and I know others disagree with me—that this government seems to shudder at the idea of breaking any new ground or looking at any new initiatives, particularly in the economic field. If this government hasn't tried something before, quite often seven or eight times, it's no good. That principle seems to apply even if the thing that they've tried seven or eight times has failed seven or eight times.

I think the classic example is the Treasurer of Ontario (Mr. McKeough) and his tax concessions to industry which we've seen in several consecutive budgets; and with the same results every time, more unemployment. Unfortunately, it looks like we haven't put enough people out of work in this province, because I get the feeling that he's going to try it once again in the coming budget for the province of Ontario.

He should take a look, not necessarily at some of the things we're saying, but at some of the comments of other people around the province. I thought a comment was well made by a columnist—I believe he operates out of our gallery but I'm not sure I've ever met him personally—John Belanger in the Sun, on March 1. He makes a pretty good point of the fact that the tax concessions, whether at the federal level or provincial level, simply haven't worked in terms of producing jobs in this province of ours. Another comment in that same day's paper really wonders how concessions to industry are going to work when we have our industrial establishment in the province of Ontario today working at considerably less than 85 per cent of capacity. I don't know how the concessions improve this situation when we're not currently using the full capacity that we have.

If we have to go the business incentive route, I wonder what is so wrong with making the concessions that we give to industry conditional on actual new job production, a point New Democrats have been making for a long time. Just to say that we think we're going to get the jobs as a result of these concessions hasn't worked; it hasn't worked, consistently, and I don't think it's going to work; and it's open to all kinds of abuses. The Treasurer and the Premier (Mr. Davis), when they talk about this, say that's the purpose of the incentives to industries we've seen so far in various budgets. Why not drop the rhetoric and substitute some positive actions? That is why, in the question period today, I referred to the Premier's comments about what he was going to do, or what this province was trying to do, in terms of the new automobile parts plants that are going to be built. We're apparently in competition with some of the lower wage areas in the southern United States for these plants. We have some concern because one of them at least got discussed at some length in our Inco committee as to the possibility of locating that plant in the city of Sudbury. The Premier made the point that he was very reluctant to use public funds as an incentive in this kind of game of trying to get these particular companies. In spite of events in the House today, I cannot understand how to rationalize his statements that he refuses, or doesn't think it is a good idea or has reservations about using tax dollars for this kind of incentive. I had them as well when we were dealing with some of the big companies, but how does he rationalize that with the position we hear all the time in

this House, that we are giving across-the-board concessions to industry to produce jobs?

The one thing about a little help in this particular field is that it almost certainly would have produced a job. It seems to me there is some kind of a double standard that the government is applying here.

It seems to me also that when we have unemployment in Ontario at a level of 316,000—and that's the highest since the Depression—it's got to be a matter of government concern. So help me, looking through that Throne Speech, I really don't see anything other than a few Band-Aids or temporary make-work projects. I see nothing that is going to lead to producing an economic policy that will give us more employment in the province.

If the government has a concern, up until now we have seen it in words only; I think it is time that we replaced the words with some action. It sure as blazes hasn't shown positive action up until now. We have been promising 100,000 new jobs for the last couple of years. Apart from the charters, I have heard statements from the Treasurer and from the Premier that we have had serious concern for at least the last couple of years over the deteriorating employment situation in the province.

And what happened? Last year, we saw an increase of 79,000—say 80,000 jobs in the province. To me, that's far short of 100,000 new jobs. We saw an increase in employment in the province from 3,720,000 in January to 3.8 million at the end of December last year. That's an increase of 80,000 jobs in the province of Ontario.

I think that there should be concern that we didn't reach the target of 100,000. It should have been a lot higher. During the same period, the work force in the province of Ontario increased by 123,000. My limited ability in arithmetic tells me that's a deficit of some 43,000 workers between the new jobs that were created and the larger number of people who entered the work force. It's one of the reasons we have an even worse situation this year.

I don't think that should be just political rhetoric. It is one thing to miss a target in normal times, but in my honest opinion an entirely different thing to miss a target when your back is against the wall and when you are dealing with unemployment at record levels. This demands action and not a continuing policy that has been a failure for the last several years. That policy—the best way I can put it—is a policy of government freebies to the corporate sector.

The unemployed do come from all segments of our society but the young people or those with some form of handicap seem to be hit hardest of all.

The situation concerning women in the work force has not improved. Figures show that clearly. They still get paid less for similar jobs done by men, and they have much less chance for advancement to higher positions. I think it is interesting, but I cannot help but feel it underlines this government's thinking when we see the miserly increase we saw in the minimum wage and then realize it excluded any increase at all for waitresses or those who might be serving alcoholic beverages. That would cover a majority of them, and most of those people are at the very bottom of our income level.

Another group that was frozen at the \$2.15 level were the young people—students under 18. I am wondering if this is because this government doesn't consider them equal as workers to the rest and therefore not entitled to at least the small increase that was given to other people covered by the minimum wage.

Maybe it is just a question of if you don't have too much power, or aren't too well organized, or are too young to vote, you don't really count with this government.

I wonder, when we take a look at the situation in the building trades—31,000 members in Metro Toronto and 9,000 of them unemployed, better than 27 per cent—why we didn't see more positive recommendations in the Throne Speech concerning the building trades people.

[12:15]

I suggest that another area we have really fallen down on for a long time—we are now seeing maybe the first discussion of it—is the whole area of apprentices and a program of industrial planning—taking a look at where we are going to need the apprentices and what kind of trades people we are going to need. One aspect of this that has been in the paper recently and has stood out for an awful long time is a program for qualified tool and die makers, and you know the policy we have had in this province, and unfortunately in Canada as a whole, up until now has been that as long as we can cannibalize in Europe or other nations, and other places and bring them over here, then fine and dandy, we were not going to go to the cost of setting up the programs. When that overseas market dries up, we're all of a sudden caught in a bind and we now have to react or try to react. As usual, the reaction of this government seems to be extremely slow.

Even more tragic as a root cause of some of the increasing unemployment in the province of Ontario is the increasing imbalance of income in Ontario. In this province those families and individuals earning over \$20,000, jumped from a total of 25.4 per cent of the work force in 1975 to almost 32 per cent in 1976, and unfortunately a big part of that jump was at the top end of the income or salary level. Those in the less than \$20,000 income bracket saw little change in their disposable incomes.

It seems to verify another long-time truth in our society and one which everything the Conservatives do underlines. To use a couple of words from an old song that I have always thought really told the true story: "It's the rich what get the gravy, and it's the poor what gets the blame" in this province.

One can't help but be struck by the fact that while government freebies are prescribed for business, government cutbacks zero right in on the poor, the disadvantaged, children, the old, widows, widowers and pensioners.

Particularly dangerous are the health service cuts or restrictions. They invariably hurt the less well-to-do the most. The constant renegeing on municipal grants means a transfer of costs to the municipalities and the resulting tax increases hurt homeowners, but particularly those on low or fixed incomes are hurt the most.

The cuts that are coming in the hospital field are having effects: I'm constantly getting letters. I had a couple just the other day from ward attendants at the Hamilton Psychiatric Hospital telling me on some shifts there is now one single attendant on the entire ward, or at the most two, and they just simply can't handle it. In many cases they have to dress or undress some of the patients and they can't back up one another as well in terms of some of the patients who may be a little bit dangerous to work with. This is an area where we need to put people to work and it is an area where we're cutting jobs and cutting employment.

Yesterday's Hamilton Spectator had a couple of very interesting comments on the new budget the provincial government is allowing. I notice that Don Willard, the administrator of finance at Chedoke Hospital, says that cutbacks will be implemented. They are going to have to cut back in staff and they are also going to have to cut back in services. Mr. Walker at the McMaster medical centre says much the same thing. These are unavoidable costs. He was dealing with the costs they have to

deal with, such as salaries—and the increases in the salaries of the workers have not been very large in this field over the last year—and various energy costs. He said where there is less money there is less service. It's all part of the tightening-up process.

Once again we're zeroing in on those who are least able to help themselves in our society and in the province of Ontario. I really can't understand why the party that forms the government in this province, which is honest enough, I have to tell you, Mr. Speaker, to admit its total dedication to private enterprise, cannot find a social conscience that at least accepts the rights of people to some of the basic necessities.

That used to be one thing one expected from the Conservative Party. I find it changing; I find it changing rather rapidly and it bothers me. I keep wondering what are the leaders of this party, the Premier and the Treasurer, trying to prove. Why do they have to be so blind as to refuse to look at anything but the most orthodox, and conservative approach to an issue?

It seems to me that common sense tells all of us that if we put a little more income into the hands of those who are most in need—and we have some tragic examples—they are going to spend every cent they get. They are going to spend it buying needed goods and services. That helps to create some small additional demand for goods; and when we have to produce, that usually means employment, I always understood and I still believe that.

It seems to me also that large numbers of workers don't want to work extended shifts and overtime. The Ford plant is the best example I could give of this. Incidentally, I'm still waiting for an answer to a couple of questions about this issue from the Minister of Labour (B. Stephenson). When they don't want to work these extended hours we should be working to eliminate the overtime hours at a plant like this and thereby putting a few hundred more of our unemployed people to work.

I can't miss the opportunity of saying that this government had put before it concrete proposals to share work and to keep people employed and off UIC and welfare rolls in the Sudbury basin. It rejected them out of hand. They moved so fast, as a matter of fact, with their rejection, that they saved the small Inco corporation the embarrassment of having to reject their part of the proposals themselves.

Dollars will still get you doughnuts, though; the government will offer Inco retraining incentives and Inco will grab that

particular portion of it very quickly. This seems to be the pattern of this particular province.

Why, also, are we not coming up with programs that employ large numbers of people in our forest industry—in terms of renewing our forests in particular? The experts tell us this is crucial to our future. We are a province based on our natural resources and we have a problem in this field. Most people admit that. We haven't done a particularly good job here, and yet I don't see any real initiatives in this area.

Why, as well as requiring the actual production of additional jobs to qualify for tax incentives, do we not purchase equity when we advance governments funds, particularly on tax incentives, grants, and low-interest loans? Why does the government of Ontario not demand, what any good businessman in the province of Ontario would, and that's a piece of the action if you're going to help pay for it, particularly in our resource sector?

Why does this government not consider a suggestion made by the member for York East (Mr. Elgie) on regional tax incentives in problem areas? I think it's a good idea. It's a good idea providing the other side of the coin is considered.

In other words, possibly we should borrow some of the Swedish approach and increase taxes in these areas when times are good and the profits are high. That might give us some flexibility in terms of what we can spend when we hit a downturn and might allow us to use the incentive route in particular areas or professions when we hit a rough period.

I've looked through the Throne Speech and can't find a help for our handicapped citizens. Epileptics still can't find jobs and don't qualify for help even from the Human Rights department of this government. They are discriminated against because of their handicaps.

I don't always like to raise individual cases, but where I have the permission I do. I know of a young chap, Randy McMann, and I've raised this in this House before. He's 21 or 22 years of age. He has a very mild form of epilepsy; the shaking of the hand, not the seizures of which some people think. He has been looking for a job for almost two years and has had a couple of three-month periods in that time. In one period of three months he brought into my office 84 particular job searches.

I talked over his case with some of the people at Manpower. There are a number of times when, from the phone conversations and some of the calls in which I got involved, we know the reason he didn't get a particular

job was because he was honest enough to report that he does suffer from epilepsy.

I've noticed lately that there's a bit of deterioration in Randy's attitude and condition, usually at the end of a day looking for work. The other day he came into the office after having gone down to the welfare people. He said: "Look, I must qualify for something. I don't really want anything; I don't qualify for an automobile licence to help me in that particular area, I can't go into the armed forces. I don't qualify for a number of things. I can't get a job. My bills for pills have now gone up to \$40 a month."

I think the pressure is getting to him after the couple of years he has gone through. "I'm paying only \$20 a week with some good people I'm staying with, fortunately. But if I don't qualify for any of these other things, maybe I can qualify for some kind of assistance or disability pension, or something."

He didn't get to first base. He couldn't even get a drug card. And one of the reasons was because he had been an energetic and saving young chap whenever he had a job. He was down to about \$900. That was goodbye. There just doesn't seem to be any way to assist people in this category, and I don't see the incentives for these kinds of people in the Throne Speech.

Where is the justice in the province of Ontario when a person who is on a GAINS or other disability type pension, or any type of limited fixed income, is set a budget by his worker, and has his GAINS payment from the province of Ontario reduced every time he gets a cost of living increase through CPP or a private pension plan? The cost of living goes up. The increase usually doesn't come anywhere near to what the actual cost of living increase was, so they get an extra three or four or five dollars on their CPP and what happens? Their GAINS payment goes down that amount. Are we not trying to give some incentives to these people, let alone help them to keep up with rising costs? But they don't come close to keeping up with the cost of living.

And where is the justice in the case of an unemployable widow who is between the ages of 60 and 65 and who gets a maximum of \$270 a month income, but suddenly when she becomes 65—and you know \$270 is nothing to live on—it increases to \$299.94. Is it any less expensive for her to live from 60 to 65 than it is at 65 when she jumps an extra \$24.94?

I have sent a number of letters—and it seems to be very slow to get a response from this government—to the minister involved, the Minister of Community and Social Services

(Mr. Norton). The lady was so desperate that she said: "What can you do, Mr. Mackenzie? Use my case if you can." And I want to put it on the record. I will read just a small portion of the letter I sent to the minister a couple of weeks ago, on February 15. Once again, this is how I headed the letter, because I have a number of them:

"I would like to bring to your attention another example of real hardship being worked on some of our Ontario citizens in the 60 to 65-year age bracket. I am referring to a widow who is not as yet entitled to full OAS pension and who is existing on CPP and GAINS. The specific example I am referring to is a Mrs. DiMascio of the Centre Apartments on Ottawa Street North in Hamilton. Mrs. DiMascio came to my office to voice her frustration and made a very strong plea for some justice.

She has a total income of \$270 a month. Because she had a brief period when she earned a few dollars and went slightly over, she is now paying back an overpayment of \$10 a month, so her actual income at the moment is \$260 a month. She is 62 years of age and is paying \$152 a month rent, plus hydro, telephone and cable for her television which she is going to have to cut off, although that's about the only luxury she has at home."

Her rent incidentally—I am having a meeting with some of the tenants in this apartment—is going up \$20 a month, effective March 1, so that \$152 will come to \$172 out of the income she's trying to live on. One of the few suggestions that were made to her by the ministry people was to enter into senior citizens housing where she could get in at a cheaper rent than she is now paying. This lady has a lovely streak of independence in her and says, "Look, I have lived for almost 14 years in this location. I know the people. The Dominion and Loblaw's stores are just around the corner. That's where I do my shopping and watch for the bargains and I can walk to the Centre Mall and that's the only recreation I have got. I don't want to move. This is my life."

Obviously, she is going to have to move at some point very shortly unless we do something about a case like this and I am simply asking, as I asked the minister, why don't we take a look at those who really are in need? Why aren't we doing something about these kinds of people in the budget?

I want to start to wind down but probably in doing it come to the crux of what I really want to say to this House, and that is why we need to take a closer look at the government's blind faith in private enterprise and

its concessions to the corporate sector.

I think first of all that we have to understand that we have to sort of split the private enterprise sector and understand that many small businesses and individual entrepreneurs are also having a difficult time. They don't have a heck of a lot of bargaining power. They are themselves looking for help and—because it seems to be the philosophy of private enterprisers—while they decry government involvement, they go to the government, as we have seen, for some assistance. What they are really only looking for, as I see it—and I do understand it—is the ability to compete in our society.

This area, I guess, in both of the two old parties does disturb me because it seems to me that they give a lot of support, at least in words, to this idea of assisting small businesses. But, you know, the problems of the small business people are really the same as the problems of the workers and, I think, the problems of this government; but this government hasn't, as yet, recognized it. And that problem in a large part is the size and the power of the corporate world that we are now dealing with.

[12:30]

We have, in this country, simply lost control of many of the huge companies that operate in our country. In many cases, they are multinational and they have no national loyalties whatsoever. They have no responsibility to governments or to the people of the province of Ontario. In many cases, I feel they are also not even responsible to the shareholders of the company involved; they are too impersonal. The shares, in many cases, are blocks of shares held by large banks or trust companies for pension funds. I fear the responsibility, in all too many cases, is to the board itself or to the corporate entity and that their interest is in expanding their own power. That is something that is not necessarily for the good of the province of Ontario.

There are examples every day of the week of what I am talking about. Companies large and small, all of them, in effect, are thumbing their noses at the government of the province of Ontario and, in many cases, at our federal government. We have recently had the situation of the Johns-Manville plant in North Bay. I had a letter from the Minister of Industry and Tourism (Mr. Rhodes) today extolling the virtues of the company that bought the plant and really looking at it as in the best interests of the workers. As you will recall, Mr. Speaker, in this House he said there was no way he would be willing to intervene on behalf of the employees who were trying

to set up an organization through Tembec to purchase that particular company.

It may be—and I sincerely hope so—that the company that has won out and has bought that plant will continue to operate it and try to employ the people. But they have already moved out most of the supply of coal. They have fired the plant manager, as I understand it. They have cut back further on the work force. Most of us have a very sinking feeling of suspicion that what really is at stake is the very valuable property right in downtown North Bay, and that it is a real estate deal we are going to see a number of months down the road. In fact, the people involved have had a record in at least four other cases of doing just that, of purchasing and closing down small plants in northern Ontario.

I ask you, Mr. Speaker, why shouldn't we at least take a look at the offer of the employees in that plant? One thing you can be doggone sure of is that with the kind of seniority and involvement those employees had, that plant would continue to operate, were they given a chance to purchase it.

Mr. McClellan: Why don't you do something for a change?

Mr. Mackenzie: We had the case, which I raised, of Shepherd Boats, I think that would bear a lot more investigation than we have had. We have cases where a Canadian consortium takes a look at the situation. If some of the members, including the federal member from down in the Peninsula hadn't jumped on it, we might have had a Canadian consortium given another substantial loan—they were talking about \$150 million from EDC—to put up a stainless steel rolling mill in Cuba, a mill that would have been in direct competition with the kind of steel we are rolling at Tracy, Quebec, and at the Atlas plant in Welland. I ask whether that's in the best interest of this province of ours.

We have the case of Anaconda. There were a couple of curious little twists about that. I understand there may now be a purchaser for that. I hope so. That is an example where this government should have used every effort it could to make sure that we did have a purchaser there. One of the interesting things I found out in talking to some of the workers in that plant was that it wasn't just a case of the 825 workers there and the loss of another plant through being shut down because of a multinational decision in the States by the huge Anaconda chain. If one knows a little bit about them, he will know that, like Noranda, they are not averse to doing this and doing it quickly.

One of the interesting things was that about half the production of that plant was automotive trim and larger-than-four-inch copper pipe. We already have a serious trade deficit in terms of our auto pact industry. The only other plant producing that particular trim is in Buffalo and we would have been forced into importing that product for our automotive industry if that plant did shut down. The other thing I found out was that that is the only plant, as near as I can find, in all of Canada that produces larger-than-four-inch copper pipe. Once again, what we are facing, apart from the closure without so much as a by-your-leave of a large plant with 825 employees in the province of Ontario, is having to purchase any and all of the larger-than-four-inch copper pipe from the plant in Buffalo, New York, which that same Anaconda corporation owns. It seems to me, in my simple grasp of economics, that that's another drain on our balance of dollar payments in this particular province. I can't understand this.

The clincher to me is Sudbury and the Inco corporation. If nothing else came through it was that there was no responsibility. We had a great time for a number of days on that committee trying to dig into whether or not there had been any serious consideration, either presented to the board or done in the form of studies, about the effect on the community and the cost to the community, to the workers and to the province of Ontario.

While they skated—I guess that is the best word—without giving us a clear answer, after we finished the hearings, we finally got a letter from the company. I should have brought it with me today, but I didn't. It's in our addendum to the Inco report which some members will have had a chance to read. It clearly stated that they had done no research whatsoever. No documents were filed and they had no idea of the impact on the community. It stated that they had had some in-house discussions, and that was the extent of it.

Yet what we have here is a corporation—to save itself \$45 million to \$50 million in salaries plus additional related costs—willing to transfer millions to the province of Ontario, to the people of Ontario, to the people of Canada. We never could get a proper figure put on it, but it's millions of dollars in costs. I really wonder, is that in our best interest, when this corporation can do that without, once again, so much as a by-your-leave? They didn't even talk to the Premier (Mr. Davis), as near as we can tell, unless it was the night before the press release actually

went out. It seems to me that that's not corporate responsibility.

I have to raise one other matter, because I think it's as important as anything else I've raised. If you ask us why we have some doubts about this constant blind faith on the incentives and that they're going to do the right thing by the people of Ontario—and I'm talking about the corporate sector now—it is because of the comment that came out without our asking in the Inco committee hearings when we had before us officials from Ottawa from the EDC. And we certainly jumped on it once the comment came out.

We were questioning them as to the usefulness, the justice, or what the \$77 million that they got in loans from the Indonesian and Guatemalan projects was going to do or was meant to do. The EDC officials—because I guess that's what their department was justified in doing—made a tremendous case for the fact that we were exporting some jobs, some material, some technology, that this did produce \$77 million worth of orders in Canada.

That we can understand. It produced 4,000 man-years of work, 4,000 jobs. If we ever start doing some kind of a balance statement, I don't think that one year of 4,000 jobs comes anywhere near to what we may lose—and lose for a lot of years to come—from the Sudbury basin.

Nevertheless, they made the case very strongly that, "Look, the loans were successful." I found it very interesting to find out that Inco has no responsibility to pay any of those loans back. They're actually made, through the EDC, with the governments involved; and really they could thumb their nose at any form of repayment. Nevertheless, this was successful because it had done this. So I asked—I guess rather innocently—what would Inco have done anyhow?

It's a \$1 billion project in Indonesia and Guatemala—\$1 billion. And Inco is, I think—at least they claimed they were—a Canadian corporation, a Canadian company. The majority of the directors were Canadian. Most of their wealth came out of the Sudbury basin, out of Canada. And what did they let drop? The rather amazing statement that they had been talking for a lot of months before they finalized those two loans and that Inco was not prepared to spend any more than \$1.5 million in Canada.

They made that very clear in the testimony before the committee. A \$1 billion overseas project financed to a large extent with profits out of this country, and they were going to purchase goods and services totalling \$1.5

million. That's not the price of one of the generators that hauls up a mine cage in one of the major mines built in my own town of Hamilton.

Mr. McClellan: These are Leo's friends.

Mr. Mackenzie: You have to wonder—even the most avid fans of private enterprise have to wonder—what kind of a corporate responsibility there is when that's exactly what we face. What, in effect, happened was a gentle little bit of blackmail—and they didn't like it in the committee. If we hadn't gone to them with this freebie again where they could pick up \$77 million, we wouldn't have got any jobs whatsoever. We only got those jobs because we gave them this kind of loan, and heaven only knows if it will ever be repaid.

Surely this government, if it has any self-respect left, has got to realize that the game—the free or private enterprise game—has changed. We're going to have it with us—or parts of it with us—for a long time to come. But the multinationals—the huge corporations with no loyalty to anything but the balance sheet and not our country or any other country, as near as I can tell—mean that we're playing by a completely new set of rules. We've got to understand that. It's no longer our company and the resources they're using in development are no longer ours. We don't have the control of them, or at least we have not been willing to exert any kind of control or have any major input in how they're going to use them and what they're going to do with them.

Mr. Foulds: Not under this government.

Mr. Mackenzie: It seems to me that the old game of government incentive, when we really have no say in what their policies are going to be or whom they're going to help, simply can't continue any longer. They really consider it one more tap to the public purse. I always thought the Conservatives and members of the Liberal Party were against this kind of misuse of the public purse.

I suggest that if this government doesn't decide to reassert some kind of control and responsibility over these major companies—which have in some cases become bigger than government themselves—and that was very clear in some of those hearings with Inco—I have serious reservations about the future.

One of the speakers a few minutes ago was expressing concern about youth, and why they were becoming so cynical. I can tell you why. When they see the kind of games we are playing with our own resources and the lack of control we have over our own economic future then they have a right to

be cynical. I predict that if we are not going to come to grips with this problem we are going to be damned by our children in the not too distant future.

Hon. Mr. Bernier: Mr. Speaker, may I first express to you, sir, and through you to the member for Lake Nipigon (Mr. Stokes), my pleasure in being able to participate in the Throne Speech debate. This is the first opportunity I have had since the election of your counterpart—the member for Lake Nipigon—to congratulate him and commend him on the way he is discharging his particular duties in regulating and controlling the affairs of this Legislature.

I think those of us who have known him over the years—a fellow member from northern Ontario—have come to recognize his leadership qualities, which he displays on a very regular basis. He has certainly given excellent leadership, and I think he is setting a good example for those who come after him in that position.

To you, sir, I extend also my congratulations for your excellent handling of the affairs of this Legislature. I hope you are in that position for some considerable time to come.

As a northerner, I am sure that the Speaker, the member for Lake Nipigon, would join me in expressing pleasure in the progress that has been made in the past year with the new Ministry of Northern Affairs. We are not only alive and thriving—largely I might say in northern Ontario—but I believe that we are focusing more thoughtful attention on northern Ontario than it received at any time before this new ministry was formed.

It is true, sir, that circumstances beyond our control have contributed a great deal to everyone's appreciation of the enormous economic impact of northern Ontario on the lives of everyone in Canada. Excluding the automotive industry, almost half of Ontario's exports are generated by the mineral and the forest industries which are mainly located in the north. In other words, our ability to earn foreign exchange rests to a significant degree on the industrial activity of northern Ontario. This is one of several important considerations to keep in mind as we continue to carry out this government's long term strategy to further the development of northern Ontario, and thereby increase the well-being and the prosperity of the people who live and work in that great area.

While the decline in the value of the dollar has had its drawbacks, there are advantages. And it could hardly have come

at a more welcome time, as far as northern Ontario's export industries are concerned. The dollar devaluation certainly offers more than welcome prospects this year in the tourist business in the north. Having been through one season recently in which a great many Americans decided to stay home in the celebration of their country's bicentennial celebrations, our tourist operators in the north are looking hopefully for a resurgence in business—especially since the American dollar now has a relatively greater buying power in Canada.

I do hope that the tourist operators throughout the north, and for that matter throughout the rest of the province, will fully honour the present premium on the US dollar, now that this premium is large enough to make a substantial difference in each visitor's purchasing power while in Canada. The proper recognition of the premium can do much to reaffirm the excellent value of a Canadian vacation and generate a lasting impression of goodwill on our part towards our neighbours to the south. [12:45]

Mr. di Santo: That is why Davis goes to Florida.

Hon. Mr. Bernier: Before I leave the subject of tourism, I should mention that I have been particularly impressed by the interest which communities in the north are showing towards developing tourist programs on a regional basis. For instance, I had a very worthwhile meeting not long ago with the members of the James Bay Frontier Tourist Association in Timmins. They have been anxious to take a greater advantage of the potential of the Polar Bear Express operated by the Ontario Northland Railway Transportation Commission to bring visitors to the entire northeastern Ontario corridor.

My colleague, the Provincial Secretary for Resources Development (Mr. Brunelle), and I were able to respond to a number of their suggestions for joint programs to bring tourists to the area and make their stay more enjoyable. We would like to develop similar programs for other areas of the north and I can guarantee that any local initiative in this area can expect the complete co-operation of this government.

Northern Ontario's major export industries are also showing some good results. We are living in a period when there is plenty of good news but its very nature makes it less dramatic than the bad news which so often makes the headlines.

Mr. McClellan: Give us some good news.

Hon. Mr. Bernier: Everyone knows about the layoffs that have occurred in Sudbury. The member previous to me made mention of it. I am sure most people are aware of the sluggish condition of the mining industry in general.

Mr. McClellan: What's the good news?

Hon. Mr. Bernier: This kind of bad news travels fast. It also leaves a strong impression in people's minds. I wonder how many people know that Ontario's forest-based industries are on the other hand enjoying a real boom. After a three-year period of expansion that began in 1973, the largest expansion since 1950—

Mr. McClellan: Two trees for one.

Hon. Mr. Bernier:—Ontario's forest industry is just completing a fiscal year in which the harvest of Crown timber is expected to reach 560 million cubic feet.

Mr. McClellan: What about the reforestation program?

Hon. Mr. Grossman: You can't stand good news, can you?

Mr. Foulds: It's a little below expectations though.

Hon. Mr. Grossman: Just listen to it.

Hon. Mr. Bernier: This will be the largest harvest of its kind in the past 60 years. This forecast is based on a 20 per cent increase in the volume of Crown timber harvested by licensed operators in the first 10 months of this current fiscal year compared to the amount cut in the same period a year earlier. As most members would suppose, the major reason for this dramatic increase is the additional demand for wood caused by new and expanded pulp and paper facilities in northern Ontario.

Late in 1976, the Great Lakes Pulp and Paper Company started up a new Kraft mill with a capacity of 250,000 tons a year plus facilities for making particleboard and waferboard. Soon after that Kimberly-Clark expanded the capacity of its kraft pulp mill at Terrace Bay by 315,000 tons a year. The increased harvest in Crown timber can also be attributed in part to buoyant market conditions for lumber, plywood particleboard and to the increased use of domestic fuel-wood.

A moment ago in the context of good news and bad news, I mentioned the recent layoffs in Sudbury. I believe this is an appropriate moment to draw to the members' attention the part which the Ministry of Northern Affairs has played in reducing the impact of those layoffs on the people of the Sudbury area.

Mr. di Santo: What did you do?

Hon. Mr. Bernier: As one short-term measure to provide employment and income for the area, my ministry and the Ministry of Natural Resources have each budgeted a share of the \$1.2 million necessary to construct the Nickeldale conservation dam in the current year. Other immediate measures include speedups of construction on municipal water projects in the Sudbury area. The real challenge in the Sudbury area lies in the community's need to advance from its—

Mr. McClellan: You should go up to Sudbury and give them the good news.

Hon. Mr. Bernier:—present economic base of mining and metal processing to a more diversified and thus more stable economy. Such an achievement demands a great deal of careful thought and planning. With the help of a grant of \$190,000 from the Ministry of Northern Affairs, the regional municipality of Sudbury is embarking on studies to import substitution and the diversification of agriculture in the Sudbury area. I think most members would agree that import substitution is a timely strategy to consider right now.

Hon. Mr. Grossman: If we could substitute their members we'd be in good shape.

Hon. Mr. Bernier: That will come next. With the purchasing power of Canadian dollars having declined in the foreign marketplace and with mining equipment and machinery representing \$500 million a year in imports, the substitution of Canadian-made equipment and machinery to any extent whatever could provide an enormous two-way advantage.

Mr. McClellan: Is it going to happen or not?

Hon. Mr. Bernier: Since the responsibility of setting the priorities for highway development in northern Ontario is now among my ministry's responsibilities—

Mr. McClellan: I suppose that's good news.

Hon. Mr. Bernier:—I must also mention with regard to Sudbury that extra road work is being undertaken to help minimize the consequences of dislocation and to bolster the commercial activities now established in Sudbury. Increased production in the Elliot Lake area will require 2,870 additional mine-related employees between now and 1984. Many of these jobs will be filled by miners and others who have been laid off in the Sudbury area.

Mr. McClellan: They'll all be back at work by 1984.

Hon. Mr. Bernier: Since many of those who find new jobs in Elliot Lake will no doubt maintain family or other ties in Sudbury, we have felt special and immediate concern about highway facilities in the general area.

Hon. Mr. Grossman: Their local member's in Florida.

Hon. Mr. Bernier: In this fiscal year, we have spent \$2.5 million on improvements to Highway 108, which forms part of the highway between Sudbury and Elliot Lake. This expenditure completes a \$3.1 million program of improvements. Also in this same fiscal year, we have committed \$7.4 million in three projects on Highway 17, between Sudbury and Elliot Lake, and in the next fiscal year we intend to spend further funds on this same section of highway.

I believe it is indicative of our government's economic strategy for the north that I have the support—

Interjections.

Hon. Mr. Bernier: I want to repeat that. I believe that it is indicative of our government's economic strategy for the north that I have the support to spend \$13 million of the coming year's expenditures on resource roads in northern Ontario.

Mr. McClellan: You should ask Peter Branch.

Hon. Mr. Bernier: But then virtually every major expenditure in our budget for this past year has been for some type of project to provide the north with the broader, more solid economic base it needs.

This philosophy underlies the government funding of our ministry. In our first year, we had a 20 per cent increase in the funds available for roads and highways, local and regional priorities, remote and community airports, and all other activities which contribute to improved community life and greater economic opportunities for the people of northern Ontario.

I am pleased to admit to this House that much of our success has been the result of the encouragement and the co-operation of the people of northern Ontario who are demonstrating their support for this new ministry.

Mr. di Santo: Especially the miners in Sudbury.

Hon. Mr. Bernier: We are seeing this in a much expanded role in the use of our community service offices which have done so much to bring the services of government to the communities of the north. We opened a new office in Rainy River this fall and I will

be going to Chapleau next week for the opening of a new office there.

Mr. Foulds: Hope you invited the local member.

Hon. Mr. Bernier: We have opened our new office at Ignace and we have found accommodation and will be appointing officers very shortly in Iroquois Falls and in Hearst. This involvement of the people of the north is so very important because we all recognize that the government alone can do very little to ensure the successful development of the north and the provisions for new jobs.

Here we need the help of the private sector. I was very interested in the comments of the member who preceded me about the involvement of the private sector.

Mr. McClellan: About the multinationals. Tell us about the multinationals.

Hon. Mr. Bernier: I would like to take a moment to inform the House of a rather unique example of this type of endeavour, which is currently in the development stages, relating to the construction of a town centre in Hornepayne in northeastern Ontario. I regret that the member for that particular area left earlier.

Mr. Foulds: He really worked hard for that.

Hon. Mr. Bernier: I'm sure he would be interested in this and I hope that the members opposite will bring it to his attention.

Mr. McClellan: Absolutely.

Hon. Mr. Grossman: And accurately.

Hon. Mr. Bernier: Plans have been put together to build a mall-type community town centre comprised of residential, commercial and public-service facilities, all enclosed within one structure.

As the hon. members are aware, Hornepayne is a key railroad community on the main line of the CNR. Because of its geographic location, the centre has become a key divisional point for crew changes on the transcontinental operation of the CNR. The community town centre is to be built and operated by Hallmark Hotels Limited. It will include approximately 100 bachelorette apartments for railroad employees. Commercial facilities will include a department store, a grocereria, a hotel, post office, and other small retail operations.

Mr. McClellan: Tourism paradise.

Hon. Mr. Bernier: Public sector facilities to be enclosed within the project will consist of a high school, a recreational centre, senior citizens' residence, a health centre, as well as

quarters for the Ontario Provincial Police. The total project will be approximately 160,000 square feet and it will cost in the order of \$10 million. Tenders have been called in the last several weeks and it is hoped that the project will proceed to construction this spring, subject of course to acceptable bids being received.

Because of the complexities of the project and the number of parties involved, putting the town centre concept together has been a major undertaking. The benefits to the residents of Hornepayne will of course make the efforts on the part of all parties very worthwhile. In turn, the experience that will be gained in working with the private sector on this undertaking will be most valuable in trying to find new ways of meeting the needs of the citizens of northern Ontario communities faced with problems of growth regarding the expansion of resource industry operation.

These are just some of the issues and some of the problems and some of the prospects that are uppermost in our minds these days in the Ministry of Northern Affairs.

I would just like to close by recognizing that this month marks the first year of the creation of the Ministry of Northern Affairs. Certainly the accomplishments that we have been able to achieve in the past 12 months have been most encouraging and they are being recognized by the enthusiasm and the full co-operation of all those who live in that area north of the French River.

Mr. B. Newman: Mr. Speaker, I regret very much that time does not permit one to partake fully in the Throne Speech debate. However, I would like to put on record that the windup will be on Monday and, as a result, there will be only the three windup speakers allowed and everyone else will be prevented from speaking. I would like at the outset to join with my colleagues from the Windsor area in their comments concerning the unemployment situation as well as the auto trade pact and some of the ramifications of it.

In addition to that, we have all been fairly well united when it comes to the PCB problems, especially in relation to the Peerless Cement company in Detroit. We just dread the thought that Peerless Cement might be given a permit to burn PCBs and seriously affect the health of the residents in the Windsor area.

The grant equalization program was one that was originally brought to the attention of the government back in 1975 when the mayor of the city of Windsor met with the cabinet in the city of London and pointed out

the inequities of the grant. He showed to the Premier and the cabinet that Windsor's assessment figures were far more recent than those of other municipalities and, as a result, we looked as if we were a wealthier municipality and we were denied any resource equalization grants.

The treasury department in the city of Windsor pointed out to the Premier and the cabinet that because of using such modern figures and the other municipalities using outdated figures that the city of Windsor was denied some \$8.5 million annually over an extended period of time.

The solution to the problem now is that a transitional grant of that amount be given to the community so that at least while the province decides just exactly how to phase in a market value assessment with tax reform, the city of Windsor is not penalized, because that penalty does discourage industry from coming into the community. It means an increased tax burden to the industry. Rather than settle in the city of Windsor they will go to other areas or maybe even go into the southern parts of the United States.

The only other issue that I was going to raise at some length was the CPR railroad tracks in my riding and the fact that the Ministry of the Environment has not taken an active part in protecting the environment in that vicinity of the tracks. I think it is a shame that the province of Ontario would disregard this simply because it happens to be a federal emanation; that is, the federal emanation is the railroad tracks. I will have an opportunity to make comments on some of these other things in the budget debate and I will take that opportunity.

There are other issues that I would have liked to have raised but it is 1 o'clock and it is time to adjourn the House. Thank you, Mr. Speaker.

On motion by Mr. di Santo the debate was adjourned.

Mr. Gregory: Mr. Speaker, if I may. The member for Downsview adjourned the debate; does this mean that he speaks on Monday?

Mr. B. Newman: No.

Mr. Gregory: This was not the agreement that was made.

Mr. di Santo: I don't know what the agreement was.

Mr. Deputy Speaker: The motion has been made and agreed to by the House, and I believe the matter can be handled when the House resumes sitting.

On motion by Hon. Mrs. Birch, the House adjourned at 1 p.m.

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No. 11

Legislature of Ontario Debates

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Second Session, 31st Parliament
Monday, March 6, 1978

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, MARCH 6, 1978

The House met at 2 p.m.

Prayers.

SUPPLEMENTARY ESTIMATES

Hon. Mr. Auld: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor signed by her own hand.

Mr. Speaker: By her own hand, P. M. McGibbon, the Honourable the Lieutenant Governor, transmits supplementary estimates of certain additional sums required for the services of the province for the year ending March 31, 1978, and recommends them to the Legislative Assembly, Toronto, March 6, 1978.

SELECT COMMITTEE ON INCO AND FALCONBRIDGE LAYOFFS

Mr. Kennedy: I rise on a point of personal privilege. On Friday last, the select committee report on the Inco-Falconbridge layoffs was tabled. A statement made by four members of the third party contained in the final report of the select committee into Inco and Falconbridge layoffs stated as follows:

In appendix A of the report, there are some additional comments by Messrs. Laughren, Mackenzie, Martel and Wildman. On page 28 they wrote: "In September 1974 a select committee of the Ontario Legislature tabled a document entitled, Interim Report of the Select Committee on Economic and Cultural Nationalism: National Resources, Foreign Ownership and Economic Development, which was signed by members of all parties in this House. Some 23 major recommendations were made by this committee, one of them calling for public ownership of the resource industries. Again this government failed to act."

As a member of that committee I know of no recommendation which calls for public ownership of the resource industry.

Mr. Warner: Reread the report.

Mr. Kennedy: There was a recommendation on page 63 of this interim report which called for 75 per cent Canadian ownership of equity after 15 years, but that does not mean public, government or state ownership.

Mr. Davidson: It does. You have controlling interest.

Mr. Kennedy: Further, on page 74 of the interim report, there is a recommendation that says that the government should be empowered to take up to 50 per cent of the equity in new ventures in the non-renewable natural resources sector.

Mr. Warner: It should be public ownership.

Mr. Kennedy: But neither myself nor the member for London South (Mr. Walker) agreed to that recommendation. In any event, a recommendation stating that the government should be empowered to take an equity position is not the same as calling for public ownership of the resource industries.

The additional comments of the four members of the third party implied that members of the select committee and members of this party were in favour of public ownership of the resource industry. That is not a factual statement, Mr. Speaker, and I wish the record corrected.

Mr. Nixon: Can't you see the record being recorrected all over the province?

Mr. Martel: I wish the hon. member would read the select committee's report that he signed. What does number 20 say?

STATEMENTS BY THE MINISTRY

SELECT COMMITTEE ON HIGHWAY SAFETY

Hon. Mr. Snow: Today, as government spokesman on highway safety, I would like to say a few words about the status of the government's response to the report of the select committee on highway safety. As I was unable to be present at the original debate on the committee's report, my parliamentary assistant, the hon. member for Algoma-Manitoulin (Mr. Lane) spoke on my behalf. His statement indicated our initial reaction to the individual recommendations and pointed out steps that had already been taken to implement some of the recommendations reported in the report.

Since then, my ministry has started work on various projects related to the recommendations and continued work on a number of others which were already underway.

This afternoon I will be introducing bills relating to photographs on drivers' licences and a probationary licensing system for new drivers, as recommended by the select committee report. These bills will provide enabling legislation allowing us to proceed with these programs as resources become available.

I would like to point out that since that debate, other ministries and interministerial groups have been at work on those recommendations that fall outside my ministry's direct responsibilities. Many of the committee's recommendations dealt with enforcement, health and other matters. As co-ordinator, I will maintain an overview of the progress on highway safety in general, and implementation of the committee's recommendations in particular. My cabinet colleagues will report to members on the progress of those recommendations which deal with matters directly within their responsibilities.

I will not repeat all of what was said in the earlier statement on the select committee report, nor will I touch on the report's 52 recommendations at this time—a compendium will be distributed today, a compendium indicating the current status of the response to each of those recommendations—but I will speak briefly on progress in various areas.

In the field of driver instruction, we will be coming forward with a comprehensive white paper for tabling in the House later in this session. As the committee recommended, we are taking a more active role in determining the effectiveness and uniformity of driver instruction in the province, both within the high school driver education program and commercial driving schools.

In the testing and licensing of drivers, we are bringing in both bills previously mentioned, photos on licences and probationary licences.

As for impaired drivers, an interministerial group has examined the committee's recommendations and is providing us with their advice. Progress, of course, will be dependent upon developing a new level of co-ordination and co-operation between the concerned jurisdictions.

On enforcement, analysis of recommendations is continuing within the responsible ministries. Some of the recommendations are costly and may take time to implement, particularly in this period of fiscal restraint. Radar detection devices have been banned, as the committee recommended.

In the matter of automobile safety standards, we are holding discussions with the responsible federal authorities on items relating to new vehicles, and MTC will conduct a benefit-cost study of periodic motor ve-

hicle inspections for both passenger and commercial vehicles.

Steps have been taken to increase enforcement of the seatbelt law and promote further voluntary compliance. Charges laid for seatbelt violations in 1977 were up more than 400 per cent over 1976, while occupant fatalities were down a further 10.3 per cent compared with the first 11 months of last year. Through 1976, the first year of the seatbelt law and reduced speed limits, there were 16 per cent fewer fatalities than in 1975, proving we are now experiencing very substantial reductions in numbers of deaths compared to the pre-1976 levels. In fact, I believe that over the two years we have about a 25 per cent reduction in numbers of deaths on our roads.

We have implemented regulation changes and improved inspection of school buses along the lines suggested by the select committee, and we are co-ordinating research on school bus stop arms. Such information will be made available to school boards as recommended.

In the truck area, we have a project on rear collision protection, including under-rides and rear visibility; and the co-ordinator of highway safety has been meeting with the trucking industry and others prior to bringing in specific recommendations to reduce truck accidents.

In the highway area, MTC is carrying on intensive research aimed at improved and safer highway construction. It is extending its use of concrete median barriers in new construction and reconstruction projects. A new variable warning sign for motorists is being erected on a trial basis on the QEW, consistent with the select committee's recommendation.

We have appointed a co-ordinator of road safety activities in Ontario, Mr. Robert Humphries, MTC's assistant deputy minister for drivers and vehicles, and he is centralizing contacts with other Ontario agencies, provinces, the federal government and private organizations. As the committee recommended, the co-ordinator will be leading an investigation into the rescue of crash victims. As well, I have talked with the Solicitor General (Mr. Kerr) about the possibility of supplying the London-Woodstock region of the OPP, as a demonstration project, with heavy-duty tracked snow vehicles for use in rescuing motorists stranded because of severe storms. Should it prove successful, such a rescue service could be established in other Ontario snow belt districts.

We are also in the process of planning a five-year federal-provincial co-operative road safety program which will include input from

RTAC and the CCMTA. As a starter, I brought the select committee's report to the attention of responsible ministers in all the other provinces, as well as the federal minister. In fact, I personally forwarded them copies of the report. The reaction has been extremely favourable and reflects great credit on both the Legislature and the province. I would like to add that I feel the report offers many sound contributions to the improvement of highway safety. It is to the committee's credit that it recognizes that progress will be made through orderly changes, scientifically developed, prudently managed and objectively evaluated.

In discussing highway safety programs, two major issues overshadow all others. The first is the terrible suffering and loss that accidents produce. The second is the enormous scale of the highway transportation system and the necessarily limited resources with which we attempt to service it. The question of resources is particularly important at this time, but I am not discouraged. The instant application of large sums of money cannot solve our problems anyway. The measured pace of systematic development can be frustrating, but evaluating each proposed step and using resources where they will do the most good must surely lead to better results.

While one of this government's major objectives is to reduce red tape and eliminate unnecessary regulation, safety remains a paramount concern and cannot be compromised. In closing, I would point out that we have already made progress under the guidance of the select committee report, and I am confident that highway safety in Ontario will continue to improve.

STATUS OF CIVIL SERVANT

Hon. Mr. McKeough: Mr. Speaker, on Friday, March 3, the Globe and Mail reported on interviews they had had with Peter Branch, a civil servant employed in my ministry. In response to a question to the Premier (Mr. Davis) on Friday and in fairness to other civil servants, I believe I should clarify the circumstances surrounding Mr. Branch's employment in the public service.

[2:15]

Mr. Branch was hired by the then Department of Trade and Development in 1964 as a regional development officer to work in support of the regional development councils that were part of the program for promoting and co-ordinating development at a regional level. He was promoted and became head of his section over the next few years when the

function was moved to Treasury and Economics. But with the ending of the regional development councils in 1973, the supporting branch became redundant and was discontinued. This was an early example of the government winding up programs when they had served their purpose and redeploying the resources.

Mr. Cassidy: Nonsense. You killed those councils. Why don't you wind up the government?

Hon. Mr. McKeough: Mr. Branch and his four associates were given new responsibilities in the regional development branch and since their old classifications no longer existed they were classified as economists 3. Under the regulations of the Civil Service Commission their salaries were held at their prior level in their new positions despite the somewhat lower salary level of the new assignment—the process known as “red circling.”

Mr. Branch requested and was given opportunity for development in his career, and it was arranged that he be assigned to a position in the program analysis branch of the ministry in the fall of 1973 at the same salary. This did not prove to be satisfactory, and to assist Mr. Branch in the pursuit of his career he was seconded to the Niagara Escarpment Commission in the spring of 1974 as the manager of the administration unit.

All of these moves were developed and arranged by the ministry in consultation with Mr. Branch, because he was a satisfactory employee in his previous position and he wished to remain in the public service. The moves were made to responsible positions to give him an opportunity to maintain his employment in the service and in positions where he would earn his salary.

As the ministry reorganized to better use its resources within new constraints in 1975, the complement position in the ministry from which he had been seconded was, like many others in the ministry, considered to be no longer essential in the future. We notified the Niagara Escarpment Commission to this effect so that it might assume responsibility for the salary and position of Mr. Branch in its own budget. But being faced with similar constraints it had to tighten its belt, and in consolidating it could not continue that position after March 31, 1977.

Yet again the ministry provided Mr. Branch with a transfer, in April of 1977, to the central statistical services in the ministry where there was a vacancy for a person of his capabilities in the client services section.

And this is where Mr. Branch really began to share the necessity to recognize that

this government is maintaining service while cutting the costs. The division to which he was transferred is a good example. In reviewing its function in detail it was concluded that some functions were redundant.

Mr. Warner: Like the Treasurer.

Hon. Mr. McKeough: Others could be obtained elsewhere and the balance could be refined so that savings could be made. Since 1974-75, complement positions in the central statistical services have been reduced from 88 to 46, or by 48 per cent. Two director positions also have been eliminated, thus focusing the division on those duties and services that are presently required.

Mr. Branch, therefore, has been working in an area that has been dedicated to doing its job with less. It has the minimum level of funding to meet its priority services for 1978-79 and has reduced its budget by over 21 per cent, or \$421,000. In addition, the division will be expecting to recover from the users of its services, public and private, approximately \$500,000. If there is no demand for these services they will be discontinued with further savings.

In this process, Mr. Branch's position was thought to be redundant, and he was so advised last fall; but as the reorganization developed it was recommended that the function of that position be retained and that was accepted in the constrained program.

It would seem from the comments attributed to Mr. Branch that perhaps the first decision of his supervisors was the correct one, and indeed his position is redundant.

The deputy minister has ordered an immediate review of his position, and any others which may be in the same category. Obviously the need to treat long-term and otherwise satisfactory employees fairly, even when redundant, cannot be an excuse for creating a continuing position where an honest day's work will not be forthcoming. But, Mr. Speaker, the statements in these articles, whether from Mr. Branch or the writers, which imply that people in my ministry are not working hard, are most unfair to the public servants in my ministry.

Mr. Warner: It speaks to your leadership, or lack of it.

Hon. Mr. McKeough: Between April 1, 1975, and April 1, 1978, the staff of the ministry has in fact been reduced from 1,026 to 777, of which 57 were transfers of positions to other ministries, while 192 were actually positions eliminated from the ministry operations. These reductions include civil service

as well as contract positions; and the positions of two assistant deputy ministers, two executive directors and eight directors.

While reducing manpower by almost a fifth, the ministry has been doing more and doing it well at a time when never before has there been more stress on the areas of economics, finance and inter-governmental affairs.

Mr. Davidson: You guys created the monster.

Hon. Mr. McKeough: All this arises from an unhappy civil servant—

Mr. Warner: There are thousands more.

Hon. Mr. McKeough: —who has sought to present his concerns over his future pension benefits. He has had the opportunity to discuss his problems with all of his supervisors, including the deputy minister, and on three occasions has filed grievances which were subsequently resolved. We have gone just about as far as we can go to help Mr. Branch and we have done so with all consideration. I cannot, however, accept his aspersions on the integrity of my associates in the Treasury ministry.

ORAL QUESTIONS

COUNCIL FOR TROUBLED CHILDREN AND YOUTH

Mr. S. Smith: A question of the Treasurer: Can the Treasurer confirm that there is a certain Mr. Peter Wiseman listed in the February 1978 directory as "chairman of the Council for Troubled Children and Youth"; can he confirm that his salary, as last reported in the Public Accounts 1976-77, was over \$35,000 annually, and is he aware that Mr. Wiseman said last week that in fact the council was actually disbanded in September 1977, that in fact we have not yet seen an annual review of this council since the one dated July 1976, and that in fact the data from the only questionnaire they did of any particular merit are now missing or destroyed and are not available to the children's services branch which might otherwise use them?

Mr. Nixon: More lean budgeting.

Hon. Mr. McKeough: Mr. Speaker, the answer to all four questions would be no.

Mr. S. Smith: Could the Treasurer undertake to consult with his colleague, the Provincial Secretary for Social Development (Mrs. Birch), to find out how it happens that a person continues in the position, as announced in February 1978, despite a council that was disbanded months and months earlier; and will he undertake as well to consult with that

particular colleague, or with the Minister of Education (Mr. Wells), under which ministry this wonderful council allegedly reported, to make available to this House all the reports that that council ever came up with during the time it was in existence?

Hon. Mr. McKeough: Mr. Speaker, that question might be redirected to my colleague the Minister of Education.

Mr. Conway: Give Elmer Bell a call.

Mr. S. Smith: I would so redirect. Would the minister care for me to repeat the question?

Hon. Mr. Wells: I cannot answer all parts of the question except to tell the member that Mr. Peter Wiseman is a very hard-working and energetic education officer in the Ministry of Education who has been seconded to, and is working for the Provincial Secretary for Social Development on the interco-ordination of problems related to troubled children and youth.

Some of the reports and some of the details that came out of his committee were part of what led to the establishment of the children's services branch and they are now operating as an ongoing body to help consult and bring the other ministries into the operations of the children's services branch. I'm not sure what my friend is getting at. If he is wondering whether Peter Wiseman is still working for us and is working hard and earning his money, the answer is yes.

Mr. S. Smith: By way of supplementary, there is no attempt to cast an aspersion on the gentleman. The question is whether in fact he is continuing to be listed as a chairman of a council in February 1978 when in fact the council was allegedly disbanded in September 1977, and whether in fact the data which allegedly would help children's services be reorganized in the Ministry of Community and Social Services are missing or have been destroyed? Those are the questions. And why has there been no annual report since July 1976 from this council?

Hon. Mr. Wells: I'll be glad to look into some of those last things that my friend, the Leader of the Opposition, has indicated. It's my recollection that while the council as such in its terms of reference and in its designation as a council may not still operate, the function that it served is still performed. Peter Wiseman's role as a chairman of an interministerial group is still in operation and Peter is still offering advice to other government departments and drawing together their people, but he's also working for the Ministry of Education and he still is an education officer in our ministry.

Mr. S. Smith: By way of final supplementary, if I might, would the minister be good enough, please, to detail not only Mr. Wiseman's duties, but would he be good enough to tell us the nature of this new interministerial group that the minister says may have replaced the council to which I was referring earlier? Would the minister in fact give us the membership of that interministerial group and would he answer my question about whether or not the data which Mr. Wiseman obtained as chairman of the council regarding children's services in Ontario are missing or destroyed?

Hon. Mr. Wells: Yes, I'd be glad to look into that. I would doubt very much that it's missing or destroyed. I'm sure that my friend, the Minister of Community and Social Services (Mr. Norton), can tell the hon. member that all the data that council has put together have been used by the government.

Mr. S. Smith: Don't be so sure.

Mr. Lewis: One fizzle, strike two.

Mr. Conway: The Minister of Community and Social Services has an awful lot of reading to do these days.

CATALOGUE OF STATISTICAL FILES

Mr. S. Smith: A question for the Treasurer, given his well-known commitment to open government: Can he explain why his ministry publishes two versions of its catalogue of statistical files, one for government use only and one for public use, which is somewhat smaller? Can he explain why one version would not do for everyone, provided it simply identified those files which were to be kept confidential? I might point out that his own ministry actually does give the same information virtually to the two, so why can't all the ministries do that?

Hon. Mr. McKeough: No, Mr. Speaker.

Mr. S. Smith: I beg your pardon?

Mr. Breithaupt: He can't explain it.

Mr. Swart: The question was "why?"

Mr. S. Smith: He can't explain it?

I take it the answer is no, he cannot explain it.

Mr. Reid: He's practising up for tomorrow night.

Mr. S. Smith: If I might, by way of supplementary, I would ask the Treasurer whether he would undertake to inform himself in this matter so that at some future time he might be able to explain the need for two separate publications.

While he's doing it, could he make note of and explain to us 33 or more different de-

scriptions—varying types of confidentiality—listed under accessibility of these documents? I'll just read a few of them to him so he'll know what I'm speaking about.

Some of these titles are: "Confidential"; "Not available to public"; "Not confidential within the government"; "Strictly confidential"; "Not available"—

Mr. Bolan: "For your eyes only."

Mr. S. Smith:—"Interoffice confidential"; "Classified"; "Discretion of branch head"; "Confidential except within government"; "Not confidential within ministry"; "Restricted"; "Not confidential within government"; "Strictly confidential until released by government"; "Not confidential within branch"; "Confidential except within branch"; and "Not confidential, statistics are sparingly examined"—this is from Environment—"before release to public to avoid misinterpretation of their significance."

Can the Treasurer look into all these titles and tell us what this says to his commitment to open government?

Interjections.

Mr. Breithaupt: He's got everything in there except "Burn before reading."

Hon. Mr. McKeough: The answer to the earth-shattering question asked by the Leader of the Opposition is yes.

Mr. Makarchuk: What's the penalty for offenders?

Mr. MacDonald: Would the provincial Treasurer undertake to submit these documents to the royal commission on freedom of information, because I'm sure there are a lot of new categories and confidentialities they've never heard of and they should take a look at?

Hon. Mr. McKeough: It's not clear to me that all these documents are in fact Treasury. As I gather, they were other documents. For some reason or another, the Leader of—

Mr. MacDonald: They're government documents.

Hon. Mr. McKeough: Well then I would not make that decision. It would be up to my colleagues, obviously, to decide whether they should be submitted or not.

Interjections.

Mr. Cassidy: Passing the buck, eh?

Mr. Martel: Pretty tough decision to make, Darcy.

Mr. Conway: Is there a category, "for Darcy's eyes only"?

[2:30]

APPRENTICESHIP PROGRAM

Mr. Cassidy: I have a question for the Minister of Colleges and Universities, who is responsible for apprenticeships. Given that International Women's Day is taking place on March 8—Wednesday of this week—and given the references in the Throne Speech to the shortages of skilled tradesmen which the government intends to do something about, can the minister explain why it is that in the apprenticeship programs run by his ministry, there is only one woman involved in auto body compared to 1,573 men as apprentices; and only one woman involved in electrical construction and maintenance apprenticeship compared with 4,255 men?

Mr. Kerrio: Because of the restrictions in the body shop.

Mr. Cassidy: Can he explain why there are only three women involved as apprentices in motor vehicle maintenance compared with 7,109 men; there were only three women involved as apprentices in carpentry compared with 2,026 men; and why overall, for all of the apprenticeship programs run by his ministry, only 1.7 per cent of those people involved are women?

Mr. Kerrio: Maybe they don't want to go.

Hon. Mr. Parrott: Mr. Speaker, I would not be able to give the leader of the third party that information, for this reason: I suspect it primarily reflects the customs of our society in the last many, many years.

I think what is far more important is what the ministry is doing about it. I can assure the member that we are placing a great deal of emphasis on apprenticeship training, not the least of which is the breaking down of those roles that he has identified. I find no conflict with our ministry and what he would have done in this regard. We are as keen to see that the women of this province are given opportunity in the apprenticeship program as much as males.

I think the member will find, if he looked at more of the details, that in some of the other programs it's all women or significantly so. What I am trying to say is, if the member is expressing a concern that an apprenticeship program be open to males and females alike, I share that concern. Not only that, we are doing something about it.

Interjections.

Mr. Cassidy: Before the minister's colleagues and supporters get too excited, is the minister aware that in such areas where it might be more traditional for women, as in hairdressing, that women are outnumbered five to one? In barbering they are outnum-

bered four to one, and in cooking by more than 10 to one.

Is he aware that those are the only three apprentice trades where there are more than a dozen women involved in all of the programs run by his ministry? Can the minister say what specific steps he is taking as a minister to ensure equality of access to all apprenticeships for women, and not just the one or two that are sex typed?

Hon. Mr. Parrott: The equality is there now as far as the opportunity is concerned, and that is the essential thing. In May of this year we hope to lay before the public of Ontario a very extensive program for upgrading our apprenticeship system in Ontario. Last October, there was a symposium that I think stirred the enthusiasm and the imagination of the workplace on the apprenticeship program.

I think it is only a start, that's all it was intended to be. But there is no doubt of the depth of commitment that my ministry has undertaken to improve the apprenticeship program in the immediate future.

We cannot by ourselves change the customs of the last century. We can only attempt to make the climate such that they will change tomorrow.

Mr. Cassidy: Supplementary, Mr. Speaker: Will the minister not agree that the equality of access that he talks about in apprenticeship programs is nothing but a joke when less than two per cent of the apprentices are women?

Hon. B. Stephenson: No.

Mr. Havrot: What would the member do about it?

Mr. Cassidy: Will the minister tell this House what steps his government is taking in order to ensure that young women across the province are aware of apprenticeships and are enabled to overcome any institutional barriers that may exist to their taking apprenticeship programs?

Hon. B. Stephenson: They choose not to.

Hon. Mr. Parrott: Mr. Speaker, I would not agree. I think that if the leader would like to look at the latest brochure on apprenticeship training he will see that great importance is put on the place of women in our apprenticeship program.

Mr. Davidson: It took you 20 years to get around to it.

Hon. Mr. Parrott: We have a film that's depicting it from both the male and the female role. I cannot accept for a moment the member's suggestion that we are inactive in this area. I know of no area in which we

have more concern than the one in which he is expressing interest.

Mr. Cassidy: I think the figures speak for themselves, but we will come back to that question in the future.

JOB CREATION

Mr. Cassidy: Mr. Speaker, I have a question for the Treasurer. In the light of the recent study that was published by the ministry a couple of weeks ago, *Reassessing the Scope for Fiscal Policy in Canada*, which states that the increase in unemployment in this province is due largely to increased participation of women and teenagers in the labour force, and which concludes that total unemployment in the province cannot be significantly reduced unless new job opportunities are provided for these particular groups, what is the Treasurer going to do to assist job creation for women in particular?

Hon. Mr. McKeough: Mr. Speaker, I would suggest that my friend just hangs in until tomorrow night and he will find out.

Hon. Mr. Davis: He doesn't mean that literally.

Mr. Martel: If it's like the Throne Speech, it won't be much.

Hon. Mr. Davis: Oh come on, Elie; it was a great speech.

Hon. B. Stephenson: Just try hanging.

Mr. Cassidy: Supplementary: Can the minister state why Ontario has set a target unemployment rate of 5.7 per cent for women aged 25 or over when this is close to double the target unemployment rate it has set for men of the same age; and when it is also a higher unemployment rate than it anticipates for Canada as a whole?

Mr. Warner: The Treasurer thinks they are secondary workers.

Hon. Mr. McKeough: I would be very interested in knowing where the ministry, as opposed to the minister—or the minister—sets a target rate in that staff paper.

Mr. Cassidy: Supplementary: In view of the minister's apparent lack of familiarity with the statistics, which are so offensive and which were published by his ministry just two weeks ago, may I read from the figures that were published on page 6 of that study?

Mr. Speaker: Can you do it in the form of a question?

Mr. Cassidy: Yes, sir. Is the minister aware that in the study, which was prepared for his ministry and for which he is apparently responsible, it states that the

“technical high employment rate” of unemployment for prime-age males in Ontario is estimated at three per cent, for prime-age females at 5.7 per cent; and that compares with a rate for the rest of Canada for prime-age females of 5.1 per cent? Can the minister explain why it is, if his government is committed to equality for women, that it anticipates that unemployment among women will be almost double the rate for men?

Hon. Mr. McKeough: The member can play around with words all he wants but he will not find on page 6, page 7 or anywhere else in this document the word “target,” which he used. He played that little game last year with 5.3 per cent and he was found out.

Mr. Swart: The Treasurer is the one who was found out.

Mr. Warner: The Treasurer is getting too old for this.

Hon. Mr. McKeough: There is no target in this document. I have not used the word “target.” If the member is going to use figures, then let him use the words we use, rather than making up his own little words. He is not impressing anybody over here with the way he is twisting words around.

Mr. Grande: No answer.

Mr. Cassidy: Supplementary: If the minister says this is not a target will he then agree, with this House, to stop using these kinds of figures which have been put forward as an excuse for the failure of his government to come up with adequate job creation programs for women and for men in this province?

Hon. Mr. McKeough: Mr. Speaker, I would pride myself on making available to myself and my staff the best figures we can have, the best opinions that we can find, from a whole variety of sources in an attempt to understand the Canadian, the Ontario and indeed the world economies, whether they pertain to employment rates, to unemployment rates, to participation or whatever it may be.

I will not give the undertaking to the member that we will stop using these kinds of studies and this kind of thinking—all kinds of thinking and studies—and we will not resort to some sort of socialist dogma in our pursuit of trying to find out what the truth is.

Mr. Grande: The inverse also is correct.

Mr. Cassidy: A final supplementary: Since the Treasury's own findings are that no further improvement beyond these high rates of unemployment can be achieved, they

say, “without major structural changes in the economy,” and since the government apparently is not prepared to make any major structural changes in the economy, will the minister agree that he is therefore condemning the women of this province to endure an unemployment rate at least twice as high as that for prime-age males and will he also agree that that is unacceptable in this province in this age?

Mr. Martel: We might get rid of some of the Treasurer's dogma.

Hon. Mr. McKeough: I will agree that it is unacceptable. I will not agree that I am accepting the words that the member tries to put in my mouth.

Mr. MacDonald: It may not be a target but it is a reality.

GRAY COACH-GREYHOUND BUS SERVICES

Mr. Cunningham: Mr. Speaker, I have a question for the Minister of Transportation and Communications. Is the minister aware that Greyhound has failed to meet with Gray Coach and other lines to establish schedules due to come into effect April 30 of this year and thereby failed to make the selection of runs with Gray Coach which are essential to the implementation of order in council?

Hon. Mr. Snow: No, I'm not aware of that problem. I know that certain meetings have been held. I'm not sure whether the total schedules have been sorted out yet or not.

Mr. Cunningham: A supplementary: Is the minister aware that Greyhound are holding out for a separate agreement with Gray Coach, thus second-guessing the cabinet decision and the agreement reached by the deputy minister and the other parties concerned?

Hon. Mr. Snow: No, I'm not aware of that. A week ago I received copies of some correspondence between the two parties. I have not met personally with either one; there has been no meeting beyond the meeting that my deputy minister held with them. But I shall look into the matter.

STUDENT ASSISTANCE

Mr. Cooke: I have a question of the Minister of Colleges and Universities. Now that the details of the student grant program have been made available before the date when the minister was going to announce them, I would like to ask him why he decided to dramatically increase the responsibility of middle-income families in financing

their children's post-secondary education? Does he not agree that this is going to have a dramatic effect on enrolment in our universities?

Hon. Mr. Parrott: Mr. Speaker, I'm aware that there was a release of that information prior to the stated time that I thought it was going to be made public. I'm sorry that that occurred.

Mr. Cooke: I'm sure you are.

Mr. Cassidy: So are the students and parents.

Hon. Mr. Parrott: I think that it's a bad day when those people in our democracy will not accept the full responsibility of making sure that system works as well as it possibly can.

There would be no advantage in my replying at this time to the hon. member's question on those details until, indeed, all of the people of the province have had an opportunity to see and to assess for themselves the new terms of reference for the student assistance programme. Therefore, with some regret, I think that I would rather not answer at this time.

Mr. McClellan: See no evil.

Hon. Mr. Parrott: If the member so wishes I will take that question as notice. When all the people of Ontario, particularly the students, have had an opportunity to see the information and assess it for themselves, then I think that I would be in a much better position to attempt to reply to the member's question.

Mr. Cooke: A supplementary: Because it has taken the minister so long to announce the details, would he not agree that part of the implications of delaying the announcement is the great decline in applications to universities that was announced in the *Globe and Mail* today, whereby one university in particular, Trent University, has had a decrease of 27 per cent in applications for universities? It would appear that the government is almost attempting to do away with some of our small universities in the way that they are handling this entire situation?

Hon. Mr. Parrott: That, Mr. Speaker, has to be the most irresponsible statement I've heard in a long time.

Hon. B. Stephenson: Right; absolutely.

Mr. Warner: They're trying to close the door on Trent. Try answering the question.

Hon. Mr. Parrott: I would like to say to the member opposite, as we said on Friday, that I believe the plan will give a great deal of equity to the system. If he wants me to

suggest to the people of Ontario that free money should be an enticement for any student to go to a college or a university, he'll have to wait a long time. I would hope—and I believe—

Mr. Cooke: We're not talking about free money, we're talking about accessibility.

Hon. Mr. Parrott:—that the students of this province have the opportunity to go to a college or university of their choice; and that they can do so without the concern of being able to find the money to do so; and I would hope they would never abuse a program. I'm sure they do not consider the only enticement to be free money. That is not the way it is designed to work. It isn't working that way, and I think the member makes an error in judgement if he says anything to the contrary.

Mr. McClellan: The minister is like an ostrich—not a parrot.

Mr. Cooke: Would the minister answer the question?

Mr. Cassidy: Why don't you make a statement?

Mr. Speaker: We'll have one final supplementary. The hon. member for Scarborough-Ellesmere.

[2:45]

Mr. Warner: Mr. Speaker, would the minister not agree that the additional penalty of \$800 to a family whose gross income is \$13,000 a year will assist the already growing problem of closing the doors of some of the smaller universities in this province, and that this may very well be the principle that the government is trying to achieve—closing the doors of places like Trent and other smaller universities in this province?

Hon. B. Stephenson: Tell us which doors have been closed.

Mr. Lewis: Well, the students aren't going.

Hon. Mr. Parrott: I think that's absolutely a very foolish statement to make and I do not agree.

PCB HAZARD

Hon. B. Stephenson: Mr. Speaker, on February 27, the hon. member for Hamilton East (Mr. Mackenzie) raised several questions regarding the use of PCBs at the Ferranti-Packard plant in St. Catharines.

At that time, I said I understood that there were no PCBs being used in either the construction or repair of those pieces of machinery at that plant, but I did indicate I would determine whether the workers in that plant were being exposed to PCBs and would in-

investigate the medical records of the employees.

Members of my staff have advised me that there are indeed some pieces of machinery there in which PCBs are being installed and some in which the content of PCBs is a part of the repair process, but they have advised me there is absolutely no risk of unacceptable exposure to PCBs at the Ferranti-Packard plant as a result of the design of the industrial process itself in that plant and the company's work practices. The filling process takes about 20 minutes and is done within a vacuum. In other words, the risk has been engineered out.

The plant was visited by a member of the industrial health and safety branch in May 1977, at which time a direction was issued requiring the use of personal protective equipment, such as rubber gloves and overalls, as a precautionary measure in addition. The company has complied totally with this direction. Therefore, I am confident that adequate precautions have been taken to protect the health of the workers from exposure to PCBs.

Of course, the most acceptable solution is to avoid the use of PCBs completely, which I had understood was in fact the position, but I am now informed that the company will eliminate the risk of PCB exposure totally by eliminating the use of the chemical. A senior official of the company has told a member of my staff that the construction of five transformers using PCBs is now in progress. Once those five are completed on March 31 of this year, no further orders for PCB-filled transformers will be accepted by that company. Further, any equipment which Ferranti-Packard repairs will be drained of PCBs and refilled with alternative fluids.

On the second question regarding medical records, I am advised that there is no specific medical surveillance program relating to PCBs in effect at the plant. However, inquiries are being made at the Workmen's Compensation Board and when I have further information, I shall be pleased to report to the House.

Mr. Reed: Supplementary: Could the minister tell us or refresh the memory of this House as to whether or not the government outlawed the sale and distribution of PCBs over a year ago? Did the previous Minister of the Environment (Mr. Kerr) not outlaw the distribution?

Hon. B. Stephenson: Mr. Speaker, it was my understanding that the consumers of transformers had made the decision in 1972 or 1973 that no further transformers containing PCBs would be utilized. This company is in fact producing on contract, for export only,

these five transformers which are at present being constructed and which contain PCBs. There have been none constructed, apparently, for use in Canada or in Ontario at that plant within the past year.

Mr. Davidson: Supplementary: Given that the minister's original answer to the original question was such that she was not aware that PCBs were being used, does she not feel that shows a lack of communication between her staff members and herself? Getting to the second part of the question on medical records, does she not think it is incumbent upon herself as the Minister of Labour to ensure that the people who were working with the PCBs do have medical tests upon themselves? Does she not feel it's incumbent upon her to see that this directive is given to that company, and make that company responsible for seeing those tests are carried out?

Hon. B. Stephenson: As I reported, much fuller information will be available to me in terms of the medical records of the individuals who have worked in that company. When I have had an opportunity to see all those records, I shall be pleased to report to the House.

Mr. Speaker: The hon. Chairman of Management Board has the answer to a question previously asked.

RED-CIRCLING OF CIVIL SERVANTS

Hon. Mr. Auld: Mr. Speaker, on Friday, the hon. member for Waterloo North (Mr. Epp) asked the Premier for the number of red-circled employees in the civil service. I have found that information. I'd like to say first of all that, actually, the proper term is "salary protection for employees," and it applies to employees when there has been a re-organization, the employee's job has disappeared and the employee is placed in another.

An hon. member: Like the parliamentary assistants.

Mr. Reid: Does that apply to ex-cabinet ministers?

Mr. Warner: It applies to the present ones. Red-circle the whole cabinet.

Hon. Mr. Kerr: We've been red-circled for quite a while.

Hon. Mr. Auld: As of February 25, there were 439 people red-circled, and that included nine from the Ministry of Treasury, Economics and Intergovernmental Affairs. Of those 439, 64 are 65 years of age, and another 48 are within five years of being able to retire without penalty. I expect the great

majority of the remainder are applying for other positions in their previous categories.

I might say that there is always change and reorganization in government. There has been a great deal in the last three years and it's continuing, and I would say that to have .69 per cent of the civil service red-circled shows the mark of a good employer and indicates clearly that we have only separated those people for whom there were no positions available.

Mr. Kerrio: In the private sector if they were doing a great job they wouldn't circle them.

Hon. Mr. Davis: Don't talk to me about the private sector.

RENTAL OF SPACE FOR GOVERNMENT OFFICES

Mr. O'Neil: I have a question for the Minister of Government Services. When the ministry is looking for rental accommodation for government agencies, does it always do so by public tender?

Mr. Nixon: You can put this in your Christmas card.

Mr. Reid: Horatio Alger Lorne.

Hon. Mr. Henderson: When we're looking for accommodation for government offices there is an ad placed in the local paper for any suppliers interested in renting the space.

Mr. Reid: Tories only may apply.

Hon. Mr. Rhodes: Not a bad thought.

Mr. O'Neil: Supplementary: Considering that I had been told by the ministry that any space under 5,000 square feet may not be by public tender, and considering a circumstance which I recently encountered in my riding where space which was originally estimated at approximately 4,000 square feet but was enlarged to approximately 8,000 square feet and never put out for a public tender until I raised the question pertaining to it, could the minister give us his comments on whether he feels all space required for Ontario government agencies should be by public tender?

Hon. Mr. Henderson: In reply to the question, any space that has been required since I became member has been put out for tender.

Hon. Mr. Rhodes: Minister.

Hon. Mr. Henderson: Became minister.

Mrs. Campbell: Oh, that's different.

Mr. O'Neil: From what I understand, this case happens to have taken place since the minister was appointed. I wonder if maybe

I could give him the details and get this clarified.

Mr. Deans: Why don't you quit, Lorne? I think you are getting into trouble.

Hon. Mr. Henderson: I'd be very happy to receive those details, Mr. Speaker.

Mr. Martel: A question of the Minister of Colleges and Universities. In the monitoring of—he's not here.

Mr. Cassidy: Yes he is; there he is. He's having trouble. He's under fire today.

Hon. Mr. Rhodes: Look at the suit.

Mr. Martel: I rented it. I want to listen to the budget tomorrow night, there might be something in it.

Hon. Mr. Rhodes: He looks like Sir John A. Macdonald.

Hon. Mr. Davis: Is that for when you become president of Inco?

Mr. Martel: I have higher aspirations. They don't make enough money.

Hon. B. Stephenson: You have to retire as leader of the third party to make money.

UNIVERSITY HIRING PRACTICES

Mr. Martel: To the Minister of Colleges and Universities. In the ministry's monitoring of the hiring practices of the various universities in the last year, for this academic year, have all the universities complied with the memorandum the minister sent out about a year ago indicating what he expected from them? If not, would he name those universities which haven't complied?

Hon. Mr. Parrott: I think that all of the presidents have complied with the memorandum and by and large there has been an excellent response. I think I could supply for the member, if he so wished, the results of hiring practices last year. There is a significant improvement, in my opinion, in the number of persons hired, as I am sure the member would wish. The percentage has gone up well.

I would be happy to supply that information.

Mr. Martel: Are there any of the universities which, let's say haven't quite reached what the minister anticipated they would reach in respect to their hiring practices for this year?

Hon. Mr. Parrott: I think it is difficult to say one has and one hasn't, for several reasons. Perhaps the most important one is that a university that may have had a high percentage last year may have gone down this year. I think what we have to do is look at it on a broader base than one year. I would

propose that perhaps the member himself might be able to judge that when he has the information that I am prepared to supply.

To do it on a one-year basis is a little difficult for a single institution. There are particular factors that might have affected their employment opportunities that year that are not operative the next. So I think we must look at it over not less than a three-year period, and I'll supply that information to the member.

CATALOGUE OF STATISTICAL FILES

Mr. Sweeney: A new question of the Minister of Colleges and Universities, Mr. Speaker. My question refers to the catalogue of statistical files for the government of Ontario, which we referred to a little earlier.

Given the widespread public concern about the confidentiality of their personal files within the government, and specifically given the new requirement that parental income tax must be available in student award files, can the minister explain why student award files in the catalogue are defined as "Not confidential within the government"? Does this not mean that any government official could have access to those files?

Hon. Mr. Parrott: Mr. Speaker, I feel like the Hon. John Clement did one night: It is my turn in the barrel this afternoon.

Mr. Reid: In fact he didn't know what he meant.

Mr. Makarchuk: Darcy is on the outside.

Hon. Mr. Parrott: Not at the time he said it. That is the trouble, you grow on these experiences and they are no fun.

Mr. Reid: Relax Harry and enjoy it.

Hon. Mr. Parrott: I don't think I would like to answer that without giving that question some considerable thought and research. I would therefore ask the member to permit me to reply in the next two or three days.

Mr. Sweeney: While the minister is examining that, could he also look into this question, because I think it really ties in?

Could the minister explain why one of his top officials in the data systems section has admitted that no standard definitions of confidentiality guide officials in the ministry in designating the accessibility of files and, further, that definitions used by the ministry are arbitrary and vague by intention?

Hon. Mr. Parrott: Yes, I will be glad to do that, but I think I should point out to the member even before I look at it that I am sure that each member of the civil service is sworn to an oath of confidentiality; and I am sure—I think it is important—that we can

accept that that is a statement made in good faith.

I don't recall an incident as long as I have been minister, in two and a half years, where there has been a breach of that confidence. I don't know whether the member has reference to a specific case or not where there has been such a breach.

[3:00]

In the new program we will not have in our possession the income tax data from the parents. I think, as I have said in estimates, we will try to cross-reference them to see whether the information fits, but we will not ask for the specific income tax file or to seek them from the federal government. We don't need that much information. I think with three or four macro indicators we can give a certainty to the people of Ontario that their tax dollars are being protected and the confidentiality of the records maintained. But I would like to respond in more detail as I promised in my first answer.

SAULT STE. MARIE CORRECTIONAL FACILITIES

Mr. Wildman: Mr. Speaker, I have a question of the Minister of Correctional Services. In view of the comments contained in the Ombudsman's report on the Sault Ste. Marie jail, pointing out the present overcrowding at the current official level of 64 inmate beds and the outdated facilities there, and the recommendation that an 80-bed centre be constructed, as well as the minister's comments in the Sault Star last month that he couldn't think of a single coherent logical argument why he should oppose that report, can the minister indicate when construction will begin, or failing that, can he indicate when an inmate work program with MNR in the Thessalon area will begin?

Hon. Mr. Drea: Mr. Speaker, first of all, that statement is taken out of context. That statement was made about the Ombudsman's report as a whole. If I recall specifically, I referred to the Sault situation and I said we were not in a position to build there, that the same solution would be applied to the overcrowding in the Sault Ste. Marie jail as would be applied in the Sudbury district jail—that is a forestry camp.

We are now negotiating in two directions for such a camp north of Thessalon. One proposal is being advanced and spearheaded by the community, in conjunction with members of the Ontario Public Service Employees Union stationed at the institution. The other

one is being discussed between senior officials of the Ministry of Natural Resources and my regional director for northern Ontario, Mr. Tegman.

Mr. Wildman: Supplementary: Could the minister indicate whether or not such a work program would be centred on a specific camp or is he thinking of some other kind of setup?

Hon. Mr. Drea: Mr. Speaker, it would be centred on the former operations done for the Ministry of Natural Resources in conjunction with a defunct camp called McCreight's Camp. I want to make it quite plain that we cannot refuse McCreight's Camp because it has deteriorated rapidly in the last two or three years. However, the work project—which will be forestry, access roads, environmental development and conservation protection—will include and be adjacent to the work done in years past at McCreight's Camp north of Thessalon.

Mr. Makarchuk: Supplementary: I have a question of the same minister. Can the minister indicate what he is going to do about the overcrowding in the Brantford jail?

Mr. Speaker: That's not supplementary.

Mr. Makarchuk: Well, he was talking about overcrowding.

Mr. Speaker: That's not supplementary. It was a specific question about Sault Ste. Marie.

STAFF LEVEL

Mr. Reed: I have a question of the Treasurer referring to his statement today regarding one Peter Branch. Included in that statement was a statement regarding the reduction in the number of employees in his ministry. Did he mean to indicate that the workload that is in his ministry now is redistributed over fewer people and that each one of those employees is now taking on a greater share than he or she was before?

Hon. Mr. McKeough: Yes, I think that is correct, other than the transfer of certain responsibilities from my ministry to other ministries.

Mr. Reed: Supplementary: Would it be fair to gain the impression that if this reduction could take place and still maintain the level of services, that actually before these efficiency measures were introduced, there was indeed a relatively low workload or low challenge load for these employees?

Hon. Mr. McKeough: No, I wouldn't say that. Obviously that may be part of it, we attempt to make sure that everyone is doing what I refer to as an honest day's work.

What also has happened is that there has been a better organization of time, perhaps just better organization generally—perhaps in some instances more supervision; in other areas there may well be less supervision. There's been some of that as well—less committing to paper and less hierarchical control, if there is such a word.

Also there has certainly been a reduction in things which we have decided and the statistical services branch is an area in particular which I would single out as an example where we have decided that some things we have been doing simply aren't as necessary as they once were and we have discontinued them.

SELECT COMMITTEE ON HIGHWAY SAFETY

Mr. Young: A question of the hon. Minister of Transportation and Communications: First of all, might I offer on behalf of the select committee on highway safety our appreciation for the statement of the minister this afternoon and for the status report which he gave us, indicating the very significant work that has been done here.

I would like to ask the minister, however, in view of the measures which are going to be introduced and the very large amount of matter which is under consideration, whether he has in mind any time-frame when further legislation might come and when some of the matters under consideration might be resolved one way or the other? Is there a time-frame in the mind of the minister, because in my mind this is a matter of very great urgency.

Hon. Mr. Snow: As I said in the statement, many of the recommendations of the committee fall under other jurisdictions. We are following those up with consultation with the other jurisdictions—other ministries and in some cases the federal government, railroads and so on.

The one that comes to mind immediately, and perhaps it is the one the hon. member is thinking of, is the one on driver education. As far as I am concerned personally this has a very high priority. As I said in the statement, we are preparing a white paper which I hope to table in the House during this spring session. There will then be an opportunity for the next few months for members of the House and the public to consider it. I hope to get their comments with a view to having legislation in the fall.

That's the only recommendation I can think of at the moment that I've set a time schedule for in my own mind. We will be

continuing to work on others and as we have legislative action to take, if that is necessary, we'll be bringing forward further amendments. But I want to give a high priority to the driver education matter during this summer.

SOUTH NATION RIVER WATERSHED PROJECT

Mr. Conway: My question is to the Provincial Secretary for Resources Development and relates to that portion of the Speech from the Throne which makes reference to the fact that: "Work will be started on . . . a large-scale drainage, reclamation and resource development project covering the 1,500-square-mile South Nation River watershed. This will enhance the economic productivity of 900,000 acres of agricultural and forest land in eastern Ontario."

I would ask the provincial secretary if he can at this time indicate whether or not any of that project will, in the first or later stages, bear upon that portion of the South Nation River watershed which is part of or related to the Edwardsburgh land assembly?

Hon. Mr. Brunelle: I think so, Mr. Speaker, but I'll be pleased to look further into it and give the hon. member additional information.

Mr. Conway: Supplementary: Can the provincial secretary then comment upon remarks made in this chamber last week by the government member for Carleton-Grenville (Mr. Sterling), who said: "Part of the Edwardsburgh land site is located in the South Nation watershed and no doubt will become part of this overall program"? I would like the provincial secretary to comment upon that when he gives us a report and I would be appreciative at that time also if he could give us an indication as to what kind of staging there will be for this major project for the benefit of eastern Ontario.

Mr. S. Smith: One poplar tree at a time.

Hon. Mr. Brunelle: I'd be pleased to do so, Mr. Speaker.

Mr. Roy: I would like to ask a supplementary on that. I would like to ask the minister whether in his plans for that site he is consulting with the member for Ottawa South (Mr. Bennett) because that member originally said to him when he first got involved that one had to have rocks in his head to get involved in that in the first place.

Mr. Stong: He still says so.

MASSEY-FERGUSON

Mr. Makarchuk: I have a question for the Minister of Labour. Can she indicate if she

has had any discussions with the Massey-Ferguson operation in Brantford regarding the possibility of some large layoffs at this time or in the near future?

Hon. B. Stephenson: Mr. Speaker, to my knowledge there have been no discussions with Massey-Ferguson about this, nor have I received any information at this time.

Mr. Makarchuk: Supplementary: Does the minister have some understanding with the corporate sector in this province that she would be notified of major impending layoffs at any time, or is this left to chance?

Hon. B. Stephenson: Mr. Speaker, it is not left to chance at all. As the hon. member knows, the employment standards legislation in this province requires specific length of notice for layoffs of various sizes. I must say that employers of this province have been extremely co-operative. In most instances we have been informed shortly before the required time, but usually before any public announcement is made or any discussion is held.

Mr. Wildman: Would the minister comment on the recommendation from the select committee on Inco and Falconbridge layoffs that there be a system worked out whereby the emergency team could deal with the question of mass layoffs so that we can avoid the similar situation that occurred in Sudbury?

Hon. B. Stephenson: The system which has been developed, I think, has been reasonably effective. It has worked in a number of instances in rather discouraging circumstances this year, and it worked to the benefit of employees specifically within this province. I think the program which is established, whereby there is immediate consultation between the ministry which is informed and the Ministry of Labour or the Ministry of Labour and the Ministry of Industry and Tourism, and in which there are ongoing discussions and activities, has been particularly effective. I do not think there is any need to replace that system with any other at this time.

NICKEL INVENTORIES

Mr. Haggerty: Some questions for the Minister of Labour: Could the minister advise what steps the government is taking now to monitor the huge inventory stock of Inco, and perhaps even Falconbridge? Is the government going to monitor it now so that we will have some indication of what we may look forward to in the industry?

Hon. B. Stephenson: Mr. Speaker, I think it is entirely possible that either the Ministry of Industry and Tourism or the Ministry of

Natural Resources may do such monitoring. The Ministry of Labour is not monitoring the amount of stock which is presently available, but we are monitoring the situation of the employees in that area who have moved or are considering moving.

EQUAL PAY

Mrs. Campbell: Mr. Speaker, my question is to the Minister of Labour. Does she realize that there are many of us in this House awaiting her statement on the matter of equal pay for work of equal value—a study which I believe was undertaken some time ago? Is she not yet prepared to give a statement to this House as to the policy of this government on that issue?

Hon. B. Stephenson: Mr. Speaker, the information which was developed as a result of a conference on equal pay and equal opportunity, which was held in the middle of January of this year, is being compiled at this time. When it has been entirely collated then I shall be pleased to make some relatively more definitive statement than that which I have made today.

Mrs. Campbell: I am glad the minister referred to that conference. Could we understand why the ministry indicated so little interest in this conference that the minister herself was not able to be there to hear what the women were saying and that her deputy was only there for a very short period?

Hon. B. Stephenson: The deputy minister was there for at least one-third of the conference, to my knowledge. Certainly Ms. Marnie Clarke, who is probably the most knowledgeable individual in this province—in fact in this country—on the subject of equal pay for work of equal value, was the major co-ordinator of the conference. I shall be very pleased to tell the hon. member that it was as a result of the insistence of one of her kissing cousins that I had to be in Victoria on those dates. I had already explained that the two dates that I could not be available for federal-provincial meetings of Ministers of Labour and ministers with responsibility for manpower, were January 23 and 24 and January 16 and 17. But of course, my colleagues in the federal departments arranged both the conferences for those two dates and insisted that I attend the one on the subject of manpower.

[3:15]

Mr. S. Smith: It's a plot.

Mr. Nixon: You shouldn't be such a shrinking violet, Bette. You've got to build up your confidence.

Hon. B. Stephenson: I am sorry that my responsibilities did in fact remove me from Toronto at that time, because we had spent a great deal of time arranging the conference on equal pay and equal opportunity, a subject about which I have a great deal of interest and a good deal of concern.

Mr. Peterson: You can't hide yourself under a bushel, when a pork barrel will do.

Mr. Cassidy: Supplementary: In view of the unanimous recommendation of that conference on equal pay and equal opportunity, is the minister prepared now to announce a date for the introduction of legislation which would guarantee equal pay for work of equal value?

Hon. B. Stephenson: No, I am not.

Some hon. members: Why not?

Mr. Cassidy: The minister's excuse about Victoria doesn't carry water.

TEACHERS' SUPERANNUATION FUND

Mr. Swart: My question is to the Treasurer, before he leaves, Mr. Speaker. Is it not true that the additional \$107 million paid into the teachers' superannuation fund, as announced by the Minister of Education (Mr. Wells), will be deducted from the transfer payments to local government, whether it is next year or the year after, and therefore the slip-year payment for superannuation is being eliminated at the expense of assistance to local government. Is that not true?

Hon. Mr. McKeough: No, Mr. Speaker.

Mr. Deans: Tell us about your slipshod financing.

Mr. Peterson: Supplementary, Mr. Speaker—

Mr. Speaker: Order. The hon. member for Welland-Thorold gets the first supplementary.

Mr. Swart: By way of supplementary, is it not true that a supplementary estimate of \$102 million for payment into the superannuation fund was approved last fall? Is that not considered as part of the superannuation payments which are to be deducted from municipalities? Would that not be in the same situation as the \$107 million and, in fact, be deducted?

Hon. Mr. McKeough: No.

Mr. Peterson: In view of the fact that the Treasurer promised at the PMLC meetings last fall to deduct superannuation payments to the extent of about \$331 million from next year's budget, is it not fair to increase that in terms of grants this year, because he has abandoned slip-year financing and in fact put that money into 1977; and, in fact, if the

Treasurer doesn't do that, isn't he taking advantage of the municipalities?

Mr. Nixon: Again.

Hon. Mr. McKeough: No.

Interjections.

Mr. Speaker: Order.

Mr. Cassidy: Supplementary: Will the Treasurer explain how the municipalities will raise the \$107 million, for which they now will have to be responsible in view of the fact that this money is being put into teachers' superannuation payments rather than into grants to municipalities, and is it not correct that the municipalities in fact will have to raise property taxes by that amount of money in view of the way the Treasurer has been handling this in the past?

Mr. Grande: There is no other way.

Hon. Mr. McKeough: What the members are suggesting is that, had the change not been made, the money might have been added to the general legislative grants. General legislative grants have been increased by more than \$90 million or roughly five per cent. If the members are suggesting that the general legislative grants should have been increased by another \$102 million or roughly 10 per cent, instead of five per cent, that was never in the works; that was never in the cards.

We had no intention of increasing the general legislative grants by that amount. Therefore, the fact that we have taken the teachers' superannuation commission money into account in the amount that we transferred to the municipalities makes no difference to the local taxpayer in this year or in the year beginning April 1 next. In terms of subsequent years, those are matters which we have given an undertaking will be discussed when we are through the exercise of market value assessment, property tax reform and grant reform.

Mr. Cassidy: That's the shell game you've always played.

Interjections.

Mr. S. Smith: Supplementary: Is it not a fact that the Treasurer told the municipalities at the PMLC meeting that the teachers' superannuation fund for 1978-79 would amount to \$331 million and that this would be taken into account when the government calculated the amount of money they're going to get; and that assumed, at the time, slip-year financing? And since the government did without it, and had to put into this year's budget \$107 million, which obviously it now doesn't have to meet next year, why doesn't the Treasurer recalculate the amount of

money that the government owes to the municipalities next year, taking that into account?

Hon. Mr. McKeough: Mr. Speaker, the amount will have to be met next year, the year beginning April 1. A similar amount is in the minister's estimates.

Mr. Martel: It's not there to help you.

Hon. Mr. McKeough: Let me state as clearly as I can, whether two payments were made into the teachers' superannuation fund during fiscal 1977-78, or one or none, does not change the amount which cabinet determined for the general legislative grants for 1977-78 or in the year beginning April 1 next.

Mr. Cassidy: You're playing games, you know.

Hon. B. Stephenson: Only you play games.

Hon. Mr. McKeough: We are not playing games. We feel that with declining enrolments, a \$90-odd million increase in general legislative grants is what the taxpayers of this province can afford. If the members opposite want to put in more, let them say so. Let them go right out and say, "Let's give the school boards another \$100 million." That's what the members opposite are saying.

Mr. Warner: You're the one who created the huge debt, not us.

Mr. Speaker: The time for oral questions has just expired.

Mr. Makarchuk: Saved by the bell.

INTRODUCTION OF BILLS

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 22, An Act to amend the Highway Traffic Act.

Motion agreed to.

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 23, An Act to amend the Highway Traffic Act.

Motion agreed to.

ORDERS OF THE DAY

STANDING COMMITTEES

Hon. Mr. Welch moved resolution No. 5. (Reading dispensed with).

(See Votes and Proceedings).

Motion agreed to.

SCHEDULE FOR COMMITTEES

Hon. Mr. Welch moved resolution No. 6.

(Reading dispensed with).

(See Votes and Proceedings).

Motion agreed to.

STANDING MEMBERS'
SERVICES COMMITTEE

Hon. Mr. Welch moved resolution No. 7.

(Reading dispensed with).

(See Votes and Proceedings).

Motion agreed to.

SUBSTITUTION ON
STANDING COMMITTEES

Hon. Mr. Welch moved resolution No. 8.

(Reading dispensed with).

(See Votes and Proceedings).

Motion agreed to.

SUBSTITUTIONS ON PROCEDURAL
AFFAIRS COMMITTEE

Hon. Mr. Welch: Mr. Speaker, would the House agree to this at this time? We have some substitution on procedural affairs.

Hon. Mr. Welch moved that Mr. J. A. Taylor (Prince Edward-Lennox) replace Mr. Rollins, Mrs. Scrivener replace Mr. G. Taylor (Simcoe Centre) and Mr. Sterling replace Mr. Turner on the procedural affairs committee.

Motion agreed to.

Mr. Breithaupt: Mr. Speaker, with respect to those government motions that have been placed before the House, is it the intention that even though they have not been read they will be formally printed in Hansard so we would have that record? I would think it would be most useful if such, in fact, occurred.

Hon. Mr. Welch: They will appear in Votes and Proceedings, as a matter of fact.

THRONE SPEECH DEBATE

(concluded)

Resumption of the adjourned debate on the amendment to the motion for an address in reply to the speech of the Honourable the Lieutenant Governor at the opening of the session.

Mr. Speaker: The hon. member for Wentworth.

Mr. Haggerty: The mayor of Hamilton.

Mr. Nixon: How about the federal member?

Mr. Deans: Thank you very much, Mr. Speaker. I have made a number of these

speeches. Perhaps the next time someone else might do it.

Mr. Nixon: Just run over one of the old ones again.

Mr. Deans: I thought I might just run one of the old ones through again, since most of the members don't listen to them, in any event. Nevertheless, there are two or three things I want to say about the budget and a couple of things I want to say about the province of Ontario.

Before I do so, I want to say, as is traditional but as it is felt by me and by many others in the House, that we are certainly pleased with the way that you, Mr. Speaker, conduct the office of the Speaker. We feel very proud in this party that the Speaker comes from the NDP and is representative of all the things that we would like to see happen in the government of the province of Ontario and in the way the government ought to handle the affairs of the province of Ontario.

Mr. Nixon: If the NDP were a little more like the Speaker, it might happen.

Mr. Deans: I can't help feeling that the government would benefit immensely if the province of Ontario were ever to decide to elect a New Democratic Party government because they could therefore then have the benefit of an entire government that acts in such a fair way towards the affairs of people, as does the Speaker representing this party.

Mr. Nixon: There's only one Jack Stokes.

Mr. Deans: I want to take a few moments—and luckily enough I have a few moments this afternoon—to talk about the way I feel about the province of Ontario, and what I think about the Throne Speech.

I want to start off by saying to the House that I think today's Star headlines—the red banner headline—probably best describes all of the things that I think are wrong with the province of Ontario; not only with the province of Ontario but all of the things that I think—

Mr. Nixon: NDP has 16 per cent federally?

Mr. Deans: —are wrong with the system in which we live, the system in this country, the way in which the North American continent is changing its emphasis and its focus. The headline pays some reference to the fact that a not bad, I suppose, not particularly brilliant individual, a football player is going to sign to play football for a quarter of a million dollars a year—plus. When I look back over the last few months and I think—

Mr. Nixon: Play for Hamilton?

Mr. Deans:—of all the furore that was raised, all the comment that was made in the province of Ontario when this party spoke about the need to pay people \$4 an hour for a job of work. Then I pick up the newspaper and I find a football player who contributes absolutely nothing to Canada, who contributes absolutely nothing to the economy, who has done nothing yet for us or for anyone else, who is lining his own pockets. We find that somehow or other our system has become so twisted that we are prepared to pay that individual a quarter of a million dollars a year for some 16 football games in the year, to run up and down a field, to be applauded for running 100 yards if he makes 100 yards, yet we can't afford to pay working people in this province \$4 an hour.

I have got to ask myself just exactly where are our priorities? I look around me and I see 900,000 people unemployed in this country—900,000 people unemployed; and I see a football player going to be paid a quarter of a million dollars a year—a quarter of a million dollars a year to do something that, in fact, contributes absolutely nothing to the economic well-being of the province of Ontario or of the whole of the Dominion of Canada.

I am not blaming the government for that, not for the fact that he's getting the quarter of a million bucks. But I have got to think, as I look at it, that there's something perverse about the system in which we live, that there's something terribly wrong with the system in which we live, when you have acceptance by the general public of that kind of payment. It's not only in that isolated case. There are a number of other instances where that is occurring, where people with some God-given talent who are able to produce something physically are able to get that kind of remuneration when we can't afford to spend money to produce employment for the average person trying to raise his or her family in this province.

[3:30]

I start my speech in that way because it's about that that I want to talk. Mr. Speaker, I want to talk to you for a little while this afternoon about what's wrong with this province.

What is wrong with this province? I don't intend to pretend for one minute that it's all the fault of the members sitting on the other side, because it isn't, although they have the wherewithal to change it, they have the capacity to change it, they have the mandate to change it. But what is wrong with this province is a sense—a sense among

people—a sense of futility; a sense of greed in some instances; a sense of a lack of purpose, an inability to recognize the goals or to set goals and to recognize what those goals are and to strive to achieve them.

I think a great deal of what has gone on in this province over the last few years and the deterioration of people's ideals and the fact that they accept that headline and many other headlines similar to it all across this province, all across this country, is a reflection. It's a reflection on the lack of political leadership. It's a reflection on an educational system which places unfair, undue emphasis on that kind of achievement over and against the achievement that can be derived from working together to create a better society on behalf of people now and people in the future. It's the inability of the population at large to be able to see, here in the Legislature, the honest efforts of people trying to come to grips with very difficult, very complex problems in a fast-changing society.

As I look at that, I can't help feeling that what we are seeing has to be detrimental to whatever it is we hope to accomplish over the long haul—over the period of many years and through a number of generations. We've got to stop it.

It's the signing of Tiger Williams for \$100,000. It's the same kind of thing. It's the Jimmy Edwardses of the world who come to Canada to produce some kind of entertainment and then who demand from the consumer of Canada far more than we can afford. You've got to wonder at the ability of people to meet that kind of commitment, about the sense that they rave about what's right and what's wrong in a society like ours.

In any event, I want to take a moment or two. I've made a number of speeches in the Legislature over the last 10 or more years, sometimes winding up debates, sometimes just simply making comments in the midst of debates. I can recall a number of years ago in a windup speech speaking about the cabinet—talking about them individually, their strengths, their weaknesses, and it wouldn't be difficult to talk about them individually right now given that there is but one in the House.

Mr. Haggerty: Pretty weak.

Mr. Deans: In fact, the only one I hadn't intended to speak about.

Mr. Lewis: Because there was nothing to say.

Mr. Martel: Nice fellow.

Mr. Makarchuk: Talk about his haberdasher.

Mr. Deans: It's unfortunate, but I was thinking to myself, I look back over the last five or six years, the years in which the present Treasurer (Mr. McKeough) has been at the helm of the expenditures and revenue of the province of Ontario. I was thinking back. I thought, well, back in 1967 when I was first elected I recall the budget of the province of Ontario was \$2.6 billion. I remember us standing here in 1968 and suggesting a number of areas into which we could go to expend some money in order to meet the legitimate needs of a number of people in the province and how the government held their hands up in horror that we would want to spend any more money. How could they ever raise any more money? After all, \$2.6 billion was the absolute maximum that we could afford. That was back in 1968 and 1969.

Lo and behold, the years go by, and as the years go by, elections come up. As the elections come up and you find you're beginning to lose a bit at the polls, Mr. Speaker, you have to look for ways to spend more money in order to get yourself back in again. So the budget has risen over that 10 years from the \$2.6 billion of 1967 to the almost \$14 billion of 1977.

Mr. Makarchuk: The deficit is almost as large.

Mr. Deans: The deficit in 1977 was almost as large as the budget in 1967. I listen to the Treasurer speaking. He travels across the province and makes speech after speech in which he talks about the terrible condition of the economy of the province of Ontario and how we have to make cutbacks. We can't afford this high level of expenditure after all, he says, and we don't raise the money that we need in order to spend at the level we are spending it, and we simply have to come to grips with this fiscal mismanagement that we are now faced with. There is no doubt about it—he said it again today—the taxpayers of the province can't afford to spend any more money. They are going to have to tighten their belts, he says. You would swear to God, Mr. Speaker, that somebody else had done the spending. You would swear that we on this side of the House or somebody outside had taken on the job and had decided the budget, and decided that tax rate and had decided the distribution of taxes, that somebody other than the Treasurer had been the person or the people responsible for the current state of affairs in the province of Ontario. In comes the Treasurer and, by God, he is going to solve it.

Mr. Haggerty: Four years of forecasting.

Mr. Deans: You can hear him, Mr. Speaker, as he charges in, sabres rattling as he goes through there cutting and chopping.

Mr. Makarchuk: Frothing at the mouth.

Mr. Deans: "Here I am, Darcy McKeough, the saviour of the economy of the province of Ontario," he says. You have to ask yourself as you applaud, how can he save us from that which he inflicted upon us?

Mr. Martel: He is the architect.

Mr. Deans: How can it be that this man who has spent the better part of 10 years undermining the economy of the province of Ontario now thinks he can save us from his own mistakes—

Mr. Makarchuk: It boggles the mind.

Mr. Deans: —and all of these errors he has made? Tomorrow night he is going to stand up, he is going to posture, he is going to puff and he is going to tell us about his slipshod budgeting method—I mean slip-year budgeting method.

Mr. Swart: You were right the first time.

Mr. Deans: He is going to tell us how he has now devised new and better ways of saving us money. The best way he could have saved us money was to get the devil out of there because as long as he is at the helm we will continue to expend funds in the province of Ontario in exactly the wrong ways. We will never come to grips with the need for economic planning.

Mr. Martel: He is too doctrinaire.

Mr. Deans: We will never come to grips with the value of the resources of the province of Ontario and utilize them wisely. We will never be able to understand the function of government. We will never be able to come to grips with what it is that a government should be doing at a time when there is some severe economic dislocation, where there is unemployment, when there are major problems in our manufacturing sector, when there are major layoffs in our resource sector and when the public sector is under pressure. The reason for all of those things is that the Treasurer of Ontario, having had the opportunity over 10 years—and that particular Treasurer personally having had the opportunity over at least six of those years—has been the architect of our destruction.

Mr. Makarchuk: He is the Dracula in charge of the blood bank.

Mr. Deans: That is why it is very difficult for me to sit and listen to a Throne Speech such as the one that was brought forward, because the Throne Speech that was brought in the other day was one of those political documents aimed at touching all bases. They

wanted to make sure that anything that moved or breathed in the province or anything that might have had some political significance in the province was at least mentioned, just in case the group that was most concerned with it happened to read the Throne Speech and was looking for some indication from the government that they knew they existed.

The problem is that the Throne Speech doesn't speak about any new initiatives. It doesn't speak about the province of Ontario as it now exists. It doesn't talk about it in terms of how we are going to remould it. It doesn't talk about how we are going to deal with that economy that is in some considerable difficulty, although even yet very strong in spite of the government but still in difficulty. It doesn't talk about how we are going to take that economy and how we are going to get a handle on it and use it in the best interests of people now and in the future.

Therefore when you look at the most recent Throne Speech, you can't help feeling that it is simply a lot of idle rhetoric. It has no substance; it has no direction; it has no meaning; it has nothing of any consequence within it; it doesn't speak to reality; it doesn't talk about the problems; it doesn't begin to set out new paths or new directions; it doesn't even recognize that the reason we are in this mess is because of the doctrinaire, hidebound attitudes of the Conservative Party of Ontario. That's what is wrong with it.

Any idiot could have written such a Throne Speech because it was simply a recognition of problems. It wasn't a new definition of goals and ideas and ways of meeting those problems. So you have the Treasurer, who I happen to believe is incapable of bringing us out of the mess, simply because he is so doctrinaire, so ideological—

Mr. Martel: It goes with the help.

Mr. Deans: —that he firmly believes—

Mr. Makarchuk: He is the mess.

Mr. Deans: —that somehow the private sector in itself, by itself, left to its own devices, will be able to solve the problems of Ontario and Canada.

For the better of 1,960 years the private sector was left to its own devices. There was poverty the likes of which you've never seen. There were people who were deprived, taken advantage of, who were made to work in conditions that are almost unmentionable, who were given absolutely nothing, whose stake in society was unrecognized. That's what the private sector did for 1,960 years.

It's only since the government became involved in trying to do some planning, it's

only since the trade union movement became involved in trying to bring about some equity, that the average person working for a living had the opportunity to gain some kind of economic return that would enable him to live at a reasonable level.

Now we are going to go back to the private sector. We are going to say to the private sector, "It's up to you, it's your responsibility. You do the job." That's Darcy McKeough's economics. Back out; back out; back out. If you have to give money away, give it to the private sector. If you find people in need, hope that they will find jobs. If you find people who don't have an income sufficient to meet their needs, as with the Ministry of Labour and the Workmen's Compensation Board, send them to welfare. That's the attitude that prevails throughout the front benches of the government and it is an attitude that is destructive. It is destructive of all of the worthwhile things that people in society have to have and that people are prepared to work for.

Then, of course, when you mention the Minister of Labour (B. Stephenson) you can't help feeling the frustration of putting a doctor in charge of health and safety. Doctors by their very nature are interested in making people well, not keeping them from getting ill. How often do you find them out there in the forefront beating the bushes trying to help preventive medicine programs develop? Very rarely. So you shouldn't have a doctor in charge of health and safety in the workplace.

What we need is someone in charge of health and safety who believes it is better to keep people from becoming ill, better to keep people from getting injured, than it is to find ways to pay them after they become ill and injured. Yet that is not the attitude within the Ministry of Labour. The attitude that sort of leaks out of the Ministry of Labour is one of, "We'll do as little as we can." When I read that the Minister of Labour is reported to have said she is considering abandoning the health and safety bill because she doesn't like the amendments brought in by the opposition, I've got to think to myself that certainly is—

Mr. Lewis: Yes, that's right.

Mr. Deans: —a clear indication of the attitude of that ministry and that minister towards a democratic system.

Mr. Lewis: And towards the labour movement.

Mr. Martel: Towards working people.

Mr. Deans: Here is a minister who doesn't even understand that in a minority government the majority rules just as in a majority government. Just as we have had, for the better part of 30 years, to put up with inadequate legislation from majority Tory governments, now that the shoe is on the other foot and people who have at least an equal sense of what's wrong in the workplace and want to make it different and better, the minister says that she'd rather withdraw the bill. Then go ahead.

Hon. B. Stephenson: I did not.

Mr. Martel: You were quoted as saying that.

Hon. B. Stephenson: I did not say that.

Mr. Deans: She is reported to have said she would rather withdraw the bill.

Mr. Lewis: Is this another misquote of the week? That's three in a row in the last 10 days.

Mr. Deans: One has to wonder whether it mightn't be better if she were the Minister of Consumer and Commercial Relations.

Mr. Swart: Or on the backbench.

Mr. Lewis: She didn't say she might abandon the bill?

Hon. B. Stephenson: I said that was one of the alternatives we would have to consider.

Mr. Lewis: She is too much.

Mr. Deans: There are only two alternatives. One is to abandon it and one is to go ahead with it.

Mr. Warner: The worm is wriggling on the hook.

Mr. Deans: Since we assume automatically that a bill introduced will be gone ahead with, when the minister says one of the two alternatives is withdraw it, we've got to assume she's thinking seriously about it.

Mr. Lewis: The only person who moves from S to U in the alphabet for fear that T will mean "truth."

Mr. Deans: I feel very strongly that when the Minister of Labour says she may be prepared to withdraw that legislation because there have been amendments brought about that resulted from discussion with people in the workplace, representatives of those people, and people in the Legislature, when she says, "It isn't what I wanted as a health and safety bill, and therefore we might not go ahead with it," it's a clear recognition by her of the fact that she does not believe in the democratic process.

Hon. B. Stephenson: What absolute balderdash!

Mr. Lewis: That's right.

Mr. Deans: That's exactly what she said.

Mr. Martel: The Minister of Agriculture and Food (Mr. W. Newman) defends farmers. When does this minister defend workers?

Hon. B. Stephenson: Constantly.

Mr. Deans: If she believed in it, she would have made the commitment when she took the bill to committee that whatever that committee determined should be done with the bill would be what she would bring forward in the House.

Mr. Haggerty: She can always resign.

Mr. Deans: That's the clear implication of saying she wants the bill to go to committee, that she wants it to have public discussion and that she wants to afford the opportunity to people who are concerned to bring forward their objections and their changes.

Hon. B. Stephenson: I am more concerned about the health and safety of workers than with the political process.

Mr. Martel: Oh, yes, right.

Mr. Lewis: That's why she talks about possibly withdrawing the bill.

Mr. Martel: Then she should allow the bill to go through.

Mr. Makarchuk: When did she become a private consulting firm?

Mr. Deputy Speaker: Order.

Mr. McClellan: Let her open her own firm.

Mr. Deputy Speaker: Order.

Mr. Lewis: As a minister of management, she'd be comfortable in the consulting field.

Mr. Deans: We have a minister who frankly does not think that health and safety in the workplace is the responsibility of the people in the workplace.

Mr. Lewis: That's right.

Hon. B. Stephenson: That is a prevarication.

Mr. Deans: That is true. She may call it that. Why doesn't she call it what she really thinks?

Hon. Mr. Rhodes: It's a big lie.

Mr. Deans: There you are. It happens to be a reflection—

Mr. Lewis: That's what "prevarication" means.

Hon. Mr. Rhodes: He doesn't understand that.

Mr. Deans: I understood. I just wanted to get it out.

Mr. Cassidy: That's not only wrong. It's unparliamentary.

Mr. Deans: It happens to be true.

Hon. B. Stephenson: It is not true.

Mr. Deans: Her difficulty is that she cannot see past her medical doctor's degree.

Mr. Lewis: That's right.

Hon. B. Stephenson: That's terribly wrong.

Mr. Lewis: It's good to hear it said.

Mr. Deans: She is so tied up in solving ill health that she can't see the need to prevent the accident from occurring or the health problem from occurring in the workplace. And that's the difficulty.

Hon. B. Stephenson: Mr. Speaker, I rise on a point of privilege.

Mr. Lewis: What privilege?

Mr. Deputy Speaker: What is your point of privilege?

Hon. B. Stephenson: My point of privilege is that as a family physician for 30 years, I practised preventive medicine the entire time.

Mr. Lewis: So?

Hon. B. Stephenson: I was much more concerned with preventing illness than with curing it.

Mr. Lewis: That doesn't mean she can see past her nose.

Hon. B. Stephenson: I still am, in spite of the allegations of that individual.

Mr. McClellan: What's the point of privilege?

Mr. Makarchuk: What's the point of privilege?

Mr. Deputy Speaker: Would the member continue?

Mr. Deans: I always feel, Mr. Speaker, that the minister's statements are measured by her actions.

Mr. Lewis: That's right.

Mr. Deans: Her actions of the last few days are that she's not prepared to accept what the people themselves want. That seems to be what she is saying.

Hon. B. Stephenson: That is your interjection only.

Mr. Lewis: Minimum wage, workmen's compensation and welfare, one after the other.

Mr. Deans: As my colleague says, it's evidenced in everything that the minister does.

Interjection.

Hon. B. Stephenson: That's exactly what he meant.

Mr. Lewis: It's so much balderdash I am surprised that the minister would believe that.

Mr. Deputy Speaker: Order.

Mr. Martel: That's the Minister of Industry and Tourism there.

Mr. Deputy Speaker: Order. The member for Wentworth has the floor. Would he please direct his remarks to the Chair?

Mr. Johnson: Why doesn't he make a speech then?

Mr. McClellan: Why don't you go back to sleep?

Mr. Deans: I want to tell the member for Wellington-Dufferin-Peel, I'm always happy to get advice. That's one of the benefits of being on this side of the House. One can accept advice.

Mr. Haggerty: Good sound advice, though.

Mr. Deans: In any event, I want to tell the minister that when she's got to reach to those depths in order to try to find means for aborting the bill then there's something perverse about her thinking.

Mr. Martel: Right on.

Mr. Deans: And I suggest to her that she rethink it.

Hon. B. Stephenson: If you think I've been abrasive so far, just wait, Buster.

Mr. Deans: No, you haven't been abrasive. You have been very pleasant.

Mr. Martel: My friend's name is Ian; it's not Buster.

Mr. Deans: The fact that the minister has been pleasant does not take away from the fact that she also has been destructive.

Mr. Lewis: And wrong.

Mr. McClellan: And incompetent.

Mr. Deans: And that's the difficulty with it. I said some weeks ago that one of the most useful things the Premier (Mr. Davis) could have done in his cabinet shuffle was to have moved that minister. She could probably have done an excellent job in one of the other portfolios.

Mr. Martel: Government Services.

Mr. Makarchuk: Industry and Tourism.

Mr. Deans: She might have done a better job in one of the other portfolios. I am firmly of the belief that no matter what she may claim her background makes it extremely difficult for her to deal with the problems that confront the people of the workplace.

Hon. B. Stephenson: I've been in the workplace all my life.

Mr. Deans: I have listened to the minister's explanations of how she attempts to

seek out the medical information required and you see, Mr. Speaker, the problem with being a doctor is that it doesn't take into account the human element. It doesn't and I will tell her the reason why.

Hon. B. Stephenson: Such maligning.

Mr. Deans: I deal with physicians every day in workmen's compensation cases and every single day they say to me that that man or that woman is fit to return to light or modified work, and they haven't the faintest idea what is going on in the workplace.

Mr. McClellan: Absolutely right.

Mr. Deans: And the minister, unfortunately, has the same problem. And that's what's difficult about it. I don't suppose it's anything intentional. I suspect it is something to do with 20 years of practice and being removed from coming to grips with having to go into that kind of environment.

Mr. Rotenberg: Bette, at least you're popular over there.

Mr. Deans: In any event, enough said about the Ministry of Labour since the Minister of Labour obviously doesn't understand what it is that is being said.

Hon. B. Stephenson: Did you land on your head when you came down the pole once in a while?

Mr. Lewis: That was positively un-nice.

Mr. Rotenberg: Look who started to be un-nice.

Mr. Philip: If he had, he wouldn't collect any compensation from your ministry.

Mr. Deans: I'm talking about things that are real, though. I'm not talking about her in herself. I'm talking about real things.

When it comes time to judge between whether the worker in the workplace deserves to have the final say and whether the say should be made by the employer, the Ministry of Labour will inevitably come down on the side of the employer.

Hon. B. Stephenson: Hogwash.

Mr. Deans: That is true.

Hon. B. Stephenson: Hogwash.

Mr. Deans: True. There is evidence in the bill, evidence in the fact that the minister is going to withdraw it; evidence in the fact that she has not been able to change the Workmen's Compensation Board payments; evidence in the fact she can't deal with the inadequate level of minimum wage—

Hon. B. Stephenson: Hogwash.

Mr. Lewis: That's right.

Mr. Deans:—evidence in the fact that, she, even at this point, still says that if someone is on pension from workmen's compensation and can't make ends meet, it is not her responsibility to solve it now because she is studying it and so therefore they should go to welfare.

Mr. Lewis: That's right.

Mr. Deans: It's a clear indication of a lack of understanding—unfortunately.

Mr. Lewis: And why do you have to correct every statement that is attributed to you? You are always doing that. Always.

Mr. McClellan: Doesn't that strike you as odd?

Mr. Lewis: More than any other minister, you are always having to do this.

Mr. Deputy Speaker: Order. Order.

Mr. Lewis: Maybe she should ask herself why she is always misinterpreted.

Hon. B. Stephenson: Well then, I won't correct them any more.

Mr. Deans: In any event, Mr. Speaker, the Throne Speech didn't deal with that in any detail. Unfortunately for us it didn't.

Let me return for a moment or two to some things that the Throne Speech might have said and didn't. To begin with the Throne Speech might have dealt with the state of the economy. It might have dealt with national unity and the problems that we are faced with in Quebec. It might have said something more intelligent about the way in which we in the province of Ontario are going to try to deal with the difficulties confronting the people of Ontario.

The Throne Speech speaks about the advisory committee on the quality of working life that has on it a number of very eminent people. The purpose of the committee is supposed to be to identify and study and evaluate innovations in the working environment in Ontario. We called the ministry to ask them what's happened. We called to ask if they could give us an update on what they have been doing. They couldn't provide for us one single detail of anything that committee has done since the day it was formed. Not one detail.

Hon. B. Stephenson: I shall be pleased to.

Mr. Deans: Yes, the minister should be pleased to because she could make it up, but they couldn't.

Hon. B. Stephenson: No, I can't make it up. I can only give you factual information.

Mr. Deans: We called the Ministry of Labour and we said to them, "We read in your Throne Speech that there is going to be

a labour market information program. Tell us about it."

"Well, it was given cabinet approval last fall but nothing has been done yet." Nothing has been done yet.

Not one single thing could they tell us about that had been done by this labour market information program. Let the minister tell us about that when she is on her feet in a moment. Let her tell us what she has done in the field of trying to evaluate the jobs, trying to evaluate the training requirements, trying to evaluate the capacities of people who are unemployed in the province of Ontario, trying to make some judgements about what training is necessary in order to bring them up to standards that would enable them to enter the workplace and become useful, productive citizens, because while the Throne Speech speaks about the establishment of this committee, the fact of the matter is that the committee is in place in name only—and in no other place.

The Throne Speech speaks about buy-Canadian and adjustment for industries program—a buy-Canadian program. All it is talking about is the—

Mr. Warner: Always for sale.

Mr. Deans:—final communique from the first ministers' conference. Let me tell the House what the final communique from the first ministers' conference said. It deals with two items in particular, item one and item five. Item one says: "Trade and industry policy." This is what we signed and this is what is in the Throne Speech and this is what we're talking about in terms of trying to provide some economic stimulus for the province of Ontario. First: "Canadians should be encouraged to buy Canadian-produced goods where quality and price are comparable to imports. A joint federal-provincial advisory committee campaign based on the slogan 'Create A Job—Buy Canadian' should be developed in an overall program of import replacement."

Where are the initiatives? What good does it do, in heaven's name, to put out a slogan? We have had slogans—Buy Canada, Buy Canadian—for the better part of the last 20 years. They've been on stickers, they've been in the newspapers—

Mr. Haggerty: On every lunch pail.

Mr. Deans:—they've been on the radio. What good, in heaven's name, has that done? Absolutely none. When the government had the opportunity to do something useful, something productive, something that Canadians could have seen as being an initiative on the part of this government to guarantee that there would be jobs in Canada, to guarantee

that there would be the opportunity to buy Canadian, to move into and to make very strong representation on behalf of Canadian manufacturers in all of those things related directly to the production of the pipeline, where was it? Absolutely nowhere. Nowhere.

It can't produce a single paper, it can't produce a single initiative, it can't produce a single thing that was done by the government of the province of Ontario, on behalf of the steelworkers of Ontario, on behalf of the electrical workers of Ontario, on behalf of the producers of all of the other subsidiary products in the province of Ontario, to say to the federal government that there should be, in fact, a clause contained within the pipeline agreement which says that Canadians are entitled to receive first consideration. That could have been a positive action. That would have been an action on behalf of Canadians, on behalf of our economy, which would have produced many hundreds of thousands of man-years of work.

That's an initiative that could produce, here in Ontario, many tens of millions of dollars in value. That's an initiative upon which we could have built the changing economy in the province of Ontario. That's the kind of initiative which would have reaped for the province of Ontario the benefits in the long and short term which would have made us much more productive in world terms.

But where was the province of Ontario? Sitting nodding its head. Sitting, saying: "Well we think the Canadian industry can be competitive." How can we tell if we're being competitive? How do we know what kind of subsidies are being afforded to the many other steel industries in other parts of the world? How do we know whether or not they are being provided with assistance from the governments? And even after we find out, what kind of action do we have available to us in order to bring about the change necessary in order to afford our economy the protection that it deserves?

Where is this government speaking on behalf of the many tens of thousands of people who work in those industries, whose families are directly dependent upon the capacity of the industry to produce? Why is it that we don't feel the urgency, the necessity in the province of Ontario to say clearly and without any equivocation that we believe that since the United States stands substantially to gain economically from being able to get that natural gas at rates that are considerably cheaper than they could otherwise get it from any other source, that we surely are entitled to consideration, given, incidentally, that we are prepared to run the environ-

mental risks associated with having that particular pipeline go through our country?

Why is it that we can't say, on behalf of Ontarians, that we think that, consistent with those two things, we are entitled to priority consideration in the production of the materials necessary to build that pipeline in order to assist our economy at a time when it desperately needs it? Why is it that that can't be done, yet we sign a communique that talks about "buy Canadian" and adjustment for industries affected by GATT?

[4:00]

What kind of adjustment can we make after we find out we've been bilked? What kind of adjustment can we make after we discover the companies producing the steel and the pipe outside of Canada have been subsidized in one form or another by the governments of their countries? How do we hope to recover? How do we produce jobs for them? What do we say to those people who are unemployed and who can't afford to keep their families?

What kind of government is it that, having right within its boundaries the major portion of the steel industry, doesn't stand up on a day-to-day basis and speak to Ottawa and say:

"It's time you listened to us. It's time you heard what we're saying. We're speaking on behalf of our people in our jurisdiction. We're talking about something that will be beneficial not only to Ontario but to the rest of Canada. We're talking about making sure that that which will benefit another nation, from which we can derive considerable detrimental effect, will at least be offset by economic benefits which are set out in the contract that is signed between the two countries."

Where is this government? Where is this government in its Throne Speech? Where is this government in its actions in trying to bring about that kind of guarantee for the people of Ontario?

Then, of course, there is the fifth item. The fifth item in the trade and industry policy signed by the first ministers is an interesting one: "There was a general agreement that new arrangements resulting from trade negotiations will require some adjustment for particular industries. Government should move with dispatch to indicate the type of assistance for such adjustment which will be available. The process will be facilitated if changes in the tariff policies were announced gradually."

What in heaven's name is the government talking about when it signs these kinds of

things? What kind of assistance does it mean? What kind of rationalization is it prepared to see? What kind of destruction is it prepared to reign over in the province of Ontario? How much of Ontario's manufacturing sector has to go down the drain before the government understands that we're already faced with an uncompetitive situation?

What kind of destruction has to be throughout the Ontario manufacturing sector before the government of the province of Ontario appreciates with action the fact that we are dictated to by the parent companies outside of this country and that the very thing which has created the problem for us, the branch plant economy, is the very thing which these kinds of agreements help to shore up?

For heaven's sake, is there no one in the government who understands that the very nature of the economy in Canada, and in Ontario in particular, is so branch plant that as we eliminate the tariffs—and I recall the Treasurer (Mr. McKeough) talking about their gradual reduction to the point of elimination—we allow the parent company outside of this country to attach on to its productive capacity the needs of Canada and that it will be able to produce for our needs in the end run of its main production schedule? Does no one in the government realize that then there will be no need for those companies to have any manufacturing here in this province or this country; and that the very things the government is doing and the things it is signing and the agreements it is making are, in fact, in the long run destructive? They're destructive to the very economy that everyone else is talking about trying to build up.

I can't help feeling, as I read this kind of ridiculous statement in the Throne Speech and then read what the trade and industry policy is that this government attached its name to, that it doesn't understand the nature of the branch plant economy and the nature of manufacturing in the province of Ontario. And, in fact, it doesn't really care to understand it. And that its interest is simply in getting through the next election and that its long-term interest has nothing to do with the best interests of the province of Ontario.

That is evidenced, incidentally, by the actions of the government that were taken some years ago. The Minister of Labour (B. Stephenson) sits and shakes her head. I don't blame her for shaking her head. I understand that she disagrees with everything I've said but that's their goal. That's what makes her wrong.

The interesting thing is to look back over the last seven years and remember the state-

ment of the Premier (Mr. Davis) as he spoke about the machinery tax rebate and how we were going to give this rebate and how it was going to help build up the industry and how it was going to create jobs in the province of Ontario and then take a look at what really happened. What we have seen is, of course, the expenditure of at least \$100 million a year of taxpayers' money that could have been used for other means and that has been used simply for the purpose of providing for increased profits for many of the companies that are involved in claiming it.

There hasn't been a new machinery manufacturing plant set up. The production levels in all of those companies have risen but they haven't been able to find markets for their products. They employ fewer people today than they ever employed and the reason is simply because this government doesn't understand what happens when you begin a program of subsidizing as they did back in 1970.

I think what we are saying really is this, that the mismanagement of this economy has been clearly evident over the entire last seven years; that the mismanagement, begun with a misunderstanding, has been compounded by the simple pure inadequacy on the part of the Treasurer and the Treasury; that the Treasurer and the Treasury have never stopped to measure the impact of their programs in the long run, and that even their giveaway programs—their new car tax rebate, their home building rebate—all of those were so hastily conceived and so ill thought out that in the long run they were destructive.

They were aimed at garnering votes at election time without any consideration for the impact on the economy, the capacity of the province to generate wealth, or the purchasing power of the people involved. Now we have people who took advantage of the home ownership program, who took advantage of the subsidized mortgage program, and who now find themselves, at the end of five years, in a position where they can no longer afford to pay the mortgage. The subsidy has run out and they can't afford to live in the economic conditions that this government encouraged them to get into.

In any event, I think what we have got happening in this province is a clear indication by the government that it doesn't have the will to come up with some new and more innovative programs. It doesn't understand its responsibility. It doesn't appreciate, for example, that the province of Ontario's future depends to a great extent on the way in which we: (1) Develop our energy program; (2) develop our natural resource program; and

(3) use those programs to develop our manufacturing sector.

If we are not prepared now to see clearly that energy and natural resources are the two tools available to us that can be used in order to develop a manufacturing sector that will have the capacity to deal in world terms, then there is something drastically wrong with the advisers to the government.

It is clear to me, and I think to most other people, that the future of this province and this country depends almost entirely on whether or not we are able, firstly, to have an integrated energy program, one that speaks about conservation, that speaks about the need to utilize resources in the way they are best fitted to be used, that doesn't allow for waste and discourages it in every single aspect, and that talks about making sure that energy is used to the optimum; and secondly, that takes the natural resources while we still have them in the province and while they are still valuable worldwide, and uses them as the catalyst or the lever for the secondary manufacturing that must be developed if we are going to maintain an economic presence in the world.

We will not be able, within the next 50 years, to develop secondary manufacturing in this province—simply because our consumer market is too small—we will not be able to develop the secondary manufacturing necessary unless we utilize the resources while they are still valuable, while we still have them, while they can still be used as that lever for secondary manufacturing and the development of secondary manufacturing and the diversity that must take place right across the province.

That's not happening. That hasn't happened under this government. This speech has been made a dozen times before. It doesn't happen under this government. This government doesn't realize the degree to which you must be involved as a government in order to bring about rational planning, that planning cannot be something that is done in the corporate boardrooms and there alone, that planning cannot be simply who can get access to whatever it is that's available as cheaply as possible, use it for their own ends and then walk away and leave us with the dregs.

That's what's been happening right across this province for the better part of the last 30 years at least and appears to be what this government is bound on doing over the course of the next 30 years, given that they were given the opportunity to do so.

I want to suggest to the government that the very fact—and this is a personal opinion—that it would sign away to Denison the re-

sources of this province at such exorbitantly high rates is clear evidence to me that the government doesn't intend to use that resource as a catalyst for development. It's clear to me from the very fact that the government would sign the Onakawana coal contract over for, I think it was, \$1 an acre. For \$1 an acre we signed over the rights to develop that coal. The payment per year was \$12,800 for the lease of 12,800 acres in the province of Ontario. The contract was signed without any consideration for the use to which that coal can be put; without any consideration for the future needs of the province of Ontario; without recognition of the fact that Ontario Hydro said quite clearly they did not require it at the moment and therefore there was no need to develop it right now; without any consideration for the fact that the companies involved, once they have the thing under way, undoubtedly will sell it outside of the borders of Ontario and probably outside of the borders of Canada; without any consideration for the economic impact on the communities in the area; and without giving the Hartt commission the opportunity to complete its study. Without any understanding of the future needs of the province, to turn around for \$1 an acre and allow someone the right to develop that resource at that ridiculously low price is a clear reflection of the incapacity of this government to be able to understand what is going on in the province and what the future holds.

Most of us feel frustrated and angry that the government seems to feel, for some reason or other, that this is a never-ending well and that we can go there continually, as we have done over the past 50 years, and draw out of it whatever we wish or give it away in whatever way we please. That may well have been true back in the days of Leslie Frost, but in today's highly competitive society, with the needs growing as dramatically and rapidly as they now are, to alienate both the uranium and the coal from public sector planning really doesn't make good sense—and good sense is what we're talking about. If we were in business to make money, and if we wanted to guarantee our sources of supply, the first thing we would look at would be acquisition. The trouble here is that the government already had acquisition within its grasp. The government owns the Onakawana situation; it could have had the Denison situation within its grasp.

Mr. Warner: The member for Prince Edward-Lennox knows that. He understands that. No wonder he quit.

Mr. Deans: The government refused to come to grips with that and recognize it as

one of the major planning tools for the development of the province of Ontario in the future.

What I'm saying, to be quite frank, is that I don't think the government has any great concern in the long run for what will happen to the province of Ontario. The government speaks about it as if, somehow or other, it was a bottomless pit from which everything could be taken and nothing must be given back. The government seems to feel that the need to plan as a government function is non-existent.

The government's job surely is to co-ordinate that planning. The government's job surely is to make the kind of careful analysis of future needs that will guarantee future generations that they will have available to them that which they will require in order to provide for the lifestyle that we've thrust upon them.

Surely there is the need on the part of government to assume its rightful function—and it has changed over the years. There was a time when the Conservative brand of do-nothing government was the right brand. That was back in 1920 and 1930. That was the brand of government that people needed. The problem has been that instead of keeping pace with the change, instead of recognizing that government now must be the single primary body responsible for planning purposes, instead of recognizing that that's what government ought to be doing, the government is still trying to play the shell game and hoping that all these individual plans of all these individual groups in society somehow or other will mesh at the end and produce a lifestyle that people can live in. That doesn't happen any more.

That's what's wrong with the government and that's what's wrong with the Throne Speech. The Throne Speech doesn't speak about anything that matters in the province of Ontario in the long run. It doesn't address itself to any of the major problems in the province of Ontario. It doesn't even begin to talk about what people have the right to expect. One of the reasons, I suspect, is that probably—and this is probably true of most, if not all, of us—we have been too long out of the workplace. Most of us here, most in the cabinet, most in the Legislature, haven't been down a mine, haven't had to work in a blast furnace.

[4:15]

Mr. Lewis: That's true; that's the problem.

Mr. Deans: We haven't had to go down and stand on the edge of a dock and unload

a ship; haven't had to go and plow a furrow. Most of us in the Legislature have been politicians too long and we have long forgotten what it is like not to have that personal experience that enables us to bring reality into the debate.

Hon. B. Stephenson: Speak for yourself.

Mr. Deans: The Minister of Labour, for example, has never worked in a coke oven; has never been in a place where there was a fire; has never seen what it is like to work where you can't see your nose in front of your face—

Hon. B. Stephenson: But I have.

Mr. Deans: —no matter how short it is.

Hon. B. Stephenson: I have.

Mr. Deans: No you haven't; not in the last 30 years you haven't.

Hon. B. Stephenson: Yes I have.

Mr. Deans: And there is not one of your colleagues in the front benches—Darcy McKeough doesn't have to give a damn where his next dollar comes from to pay his taxes.

Hon. Mr. Rhodes: You'd better not be too loud on that—

Mr. Deans: Well, it is true.

Hon. Mr. Rhodes: —because I have been in places you have never even heard of.

Mr. Deans: Have you? I don't doubt that for a moment. I wouldn't be seen dead there.

Hon. Mr. Rhodes: You wouldn't be let in the place. Don't talk about who worked where.

Mr. Deans: I want to tell you that I said by far the vast majority.

Hon. B. Stephenson: That group over there should never talk about working in the real world. Not one of them. Teachers; social workers.

Mr. Deans: By far the vast majority of people in this Legislature—and I am not talking only of the government—have not been in the circumstances of the people for whom they must make decisions and about whose future they must decide.

Mr. Lewis: The whole front bench with one possible exception.

Hon. B. Stephenson: You don't know what working is all about.

Hon. Mr. Rhodes: No possible exceptions.

Mr. Deans: It is true; and there is no point in denying it for heaven's sake; it is a fact of life.

Mr. Rotenberg: It is the same with you guys.

Mr. Lewis: That's quite true of me.

Mr. Deans: And that is one of the difficulties with being in politics. It is one of the difficulties with being enclosed in this place for such long periods of time.

Mr. Rotenberg: You should resign.

Mr. Hodgson: Why don't you try a new country for a change?

Mr. Deans: I suggest it may be useful if we could cut down on some of the debates, and some of the discussion that goes on here in isolation from everything that is happening outside; and maybe, as members of the Legislature, we should spend some time out in the province of Ontario. Not walking door-to-door asking for votes, not walking door-to-door trying to show what great people we are; but going into the plants of the province of Ontario; going and working in the factories of the province of Ontario; going down the mines—not for a visit, with an expensive lunch afterwards; but to go down and spend a week or two working beside the people involved in order to try to come to grips with what is happening in those places. Maybe then—

Hon. Mr. Rhodes: I have done that.

Mr. Deans: I am talking about everyone. Maybe then when we came back, we would understand why the health and safety bill is not adequate; maybe then we would understand why the Workmen's Compensation Board doesn't meet needs; why the housing problems of the province of Ontario are so terrible.

Because as the former Minister of Housing (Mr. Rhodes) would know, we build a lot of houses, but they are not at the prices people can afford; those are difficulties that we in this Legislature—most of us in this Legislature—no longer encounter personally. So therefore it is difficult to see clearly, and to feel for yourself, the kind of agony you go through when you find you can't make your payments because the government program when it was put in place didn't take into account that your income won't rise rapidly enough in order to absorb the additional payments if, as and when the government program ends.

Those are the kinds of things we have to do. You have to go out and attempt to raise a family by yourself to see what it means to be on mother's allowance, and not just simply to get the odd call at two in the morning. You have to try to take a look at these people and live with them; look them squarely in the eye and hear what they have got to say and stop listening to Darcy McKeough.

If we do those kinds of things—all of us—then maybe this place would be a damn sight more relevant; because at the moment it is not terribly relevant. And that is what is wrong with the Legislature; it is not terribly relevant to the people of the province of Ontario. They don't know what we do, because much of what we do doesn't relate to anything they understand. And when they do come and give us some first-hand experience we are too stubborn to listen.

When the people of Ontario said: "We don't want the additional cost of regional government," we were too stubborn to listen. When the people of the province of Ontario say that the health and safety bill is not adequate, you are too stubborn to listen.

Mr. Rotenberg: When they say they don't want the NDP, we listen.

Mr. Deans: I'm talking about us all. I'm talking about the Legislature. I don't know how often I have to say it to you. You are obviously deaf as well as dumb.

The problem is that unless we can see our way clearly to bringing about a great deal more relevance to this place, then there is no question that the view people have of politicians is a view that they should rightfully hold—that they don't serve the public of the province very well. Thank you, Mr. Speaker.

Mr. Roy: Thank you, Mr. Speaker. I participate with a great deal of pride and pleasure in the closing of this Throne Speech debate—if I can call it that. I look at the Minister of Industry and Tourism and—I guess we got here at the same time, back in 1971—

Hon. Mr. Rhodes: Yes, but I spend more time here.

Mr. Roy: You spend more time here? I wouldn't be too sure.

Hon. Mr. Rhodes: I am sure.

Mr. Roy: But you make a lot more money than I do.

Hon. Mr. Rhodes: I am worth more.

Mr. Conway: He had a change of heart along the way, Albert.

Mr. Reed: It's a good thing we don't tell you what you are worth.

Hon. B. Stephenson: We couldn't afford it.

An hon. member: If you were paid what you were worth, you would starve.

Hon. Mr. Rhodes: I am not prosecuting drug cases in Ottawa.

Mr. Roy: I have heard over this period of time a variety of closing comments. I

suppose the best ones are usually in the evening after the dinner hour. I don't know—

Mr. Hodgson: That's when you make a better speech, Albert.

Mr. Roy: —if that has to do with the attendance here or with the consumption between the dinner hour and the time of the speech, but some of the better ones have certainly been at that time.

But in any event, coming down from Ottawa today in the bright sunshine I thought, what the heck, it's a good day for making speeches. It's nice out. There's no use being overly negative. One must be positive and have some optimism about the future. It's remarkable what the sun will do to one's disposition, and this is the disposition I have this afternoon.

First of all, as is traditional, I want to say I feel that you are performing your task extremely well and I hope, through the methods of communication that we have available, that thought will be conveyed to the Speaker.

I want to say to him as well that in my years here, since 1971, I have the perception that this Speaker, more than any other that we have had here—and I don't want to detract at all from his predecessors—but I clearly have the evidence I think, and the impression, that he truly understands his role as the servant of the Legislature, of the members and not of the government. As long as we proceed in that fashion I think the members of this Legislature will be given an opportunity to perform their role adequately, which is of course the purpose for which they were elected.

I always found a great difference between the roles performed by the Speaker in the federal House and the Speaker here. I have always felt that some of this Speaker's predecessors were a bit more apprehensive about getting a frown from the Premier. My colleague from Brant, I think, used to tell me that in bygone days it was even worse; a frown from Leslie Frost or George Drew meant instantaneous banging of the gavel with dissolution of the House, or whatever, on the part of the Speaker.

But I do want to take this opportunity to say to the Speaker that I think he is moving in the right direction. We on this side are very grateful for it. We have our moments of disagreement, of course. I think he will understand, because sometimes it is difficult for us in our exuberance to be curtailed by certain rules and regulations.

Mr. Conway: He misses the Sergeant at Arms.

Mr. Roy: But aside from that, we think that his rulings are fair. With a bit more co-operation, at least on this side of the House, from our House leader, I think we'll get on with our questions fine.

While I am commenting on various individuals, it struck me as well, in discussions with some of my colleagues around here, that the Premier (Mr. Davis) has changed a lot, and especially since the minority government of 1975.

It always amazed me that between 1971 and 1975 the Premier, for a man who had been in the House all that long, didn't seem to be comfortable in this place at that point. His speeches, his comments and his interjections in the give and take across the floor of the House were not evidence of one who was at ease in this place or who was familiar with the surroundings.

I must say to him, however, in a friendly and hands-across-the-floor gesture, that since 1975 he seems to be a bit more at home. I don't know whether it's the fact of minority government or what, but certainly with age, as he is getting greyer, his performance keeps improving—and it is noticed on this side.

In fact, the Premier's performance runs contrary to that of most athletes, whose physical fitness seems to deteriorate with age. The Premier seems to be able to get more sentences, and even paragraphs, into the same breath—something he was not able to do in his first years, at least as Premier in this House.

Mr. Nixon: Sometimes he doesn't get a verb in there.

Mr. S. Smith: And he leaves out the punctuation.

Hon. B. Stephenson: Now, teacher.

Mr. Roy: But he gets it all across. That performance has been noticed, as have some of the other performances that are characteristic of this Premier. His cabinet shuffles, for example, are done with a lot of fanfare and make for interesting comment. For instance, I see the Minister of Industry and Tourism here. I don't know if it's through luck or competence—

Mr. Nixon: Mismanagement.

Hon. Mr. Rhodes: Give me the benefit of the doubt.

Mr. Roy: I'll give the minister the benefit of the doubt.

Mr. Breithaupt: You're going to choose one, are you?

Mr. Roy: He has managed to put out many fires. I must say in all candour to that minister that accepting that portfolio and taking

the place of the member for Ottawa South (Mr. Bennett), I think will be a helpful step even in the area of Canadian unity because of some of that member's comments. In fact, I must say to my colleague from Ottawa South that he should be thankful to us in the opposition for having taken most of the other seats around Ottawa, because if the Premier had any choice out of Ottawa, the member probably wouldn't be in the cabinet any more. So he should be more sympathetic—

Mr. Nixon: You don't think that was a promotion?

Mr. Roy: No, and there will be disappointments, I'm sure, in the family of the member for Ottawa South—

Mr. Conway: He may end up being sheriff yet.

Mr. Nixon: The sheriff of Carleton county.

Mr. Roy: That could be. I don't think his former campaign manager is about to give up that job.

But the disappointment I refer to, when I talk about my colleague from Ottawa South, is that I can recall that his wife went out to meet the constituents in the riding after their wedding; she was quoted in one of the Ottawa papers as saying that she wanted to be married to the Premier in five years.

Mr. Nixon: Oh, oh. Aren't the Davises getting along?

Mr. Kerrio: Did she tell Bill's wife?

Mr. Roy: With the last cabinet shuffle, that may be difficult.

Mr. Hodgson: Maybe Trudeau's looking at her.

Mr. Breithaupt: Does it matter who the Premier might be?

Mr. Nixon: She may have to be a Liberal.

Mr. S. Smith: What if Bette's Premier by then?

Mr. Roy: I want to say that, apart from this cabinet change, which I certainly welcome, it is interesting to note some of the bodies that have been shifting around. As you see different ministers changing positions—they're the same faces but in different portfolios—it brings to mind a story told by my colleague from Niagara Falls. He says the cabinet shuffle reminds him of the army general who faced all his men after a long and arduous campaign. He looked at them and he said, "Things have been tough, men, but I have some good news for you. There's going to be a change of underwear. Company A, you change with Company B, B with C, and so on." There's some similarity there—

Mr. Nixon: Very similar in more ways than one.

Mr. Roy: —with the cabinet changes that we've noticed.

Hon. Mr. Rhodes: You guys have changed a little dirty laundry over there too, I noticed.

Hon. B. Stephenson: No, they just keep washing it.

Mr. Nixon: We wash all our laundry in public, you know that.

Mr. S. Smith: I'm afraid Hansard will lose some of your timing, Albert.

[4:30]

Mr. Roy: Mr. Speaker, we on this side, my colleagues and I, feel that one of the most interesting and encouraging prospects for us in Ontario has been what has happened to our left.

This is unbelievable but I am sure the Minister of Industry and Tourism will fully understand.

I must comment a bit and congratulate the new leader of the third party—I shouldn't miss the occasion for saying that; I've never used that word before, the third party—at any rate, I wish him well.

I know him well. We were elected here at the same time—in 1971. We have neighbouring ridings. We know each other very well. We don't associate that often but we know each other extremely well.

Mr. Reid: No intimate dinners.

Mr. Roy: When the leadership race started, I said publicly and privately and on every occasion I had that I was a strong supporter of Michael Cassidy for the leadership; and I said that I would even be quite prepared to contribute to his campaign. I didn't want to take it further than that, because I felt it may have had counter effects, so I kept relatively quiet. But as I watched the leadership campaign unfold and saw the results, well I have to tell you that it was more than I could have hoped for; more, I think, than most of us could have hoped for. This is really too good to be true. It's beyond our wildest expectations; we sit here and we say it could not have happened; the inevitable did happen; and, I am sure, to the great concern of that party.

Mr. Conway: They're now called the "new demolition party."

Mr. Roy: You recall the support that he had originally from the caucus. The member for Port Arthur (Mr. Foulds) was originally one of the supporters, and of course I think he was banking on a long shot to try to get closer to the leader. His horse came in, and he has moved off now over there; to our

pleasure and great satisfaction actually, because we felt he was awfully loud next to us.

And then, of course, I think he had the support of the member for Lakeshore (Mr. Lawlor).

Mr. S. Smith: That's because he's quitting.

Mr. Roy: I suppose the old philosopher was entitled to one last moment of folly before he retired and went on to his books, his Thomas Aquinas.

So there was his support.

Mr. Bradley: There is a third one.

Mr. Roy: Was there a third one?

Mr. Bradley: Oh, there was.

Mr. Roy: Who would that be, pray tell? Who would that be?

Mr. Nixon: The member for High Park-Swansea (Mr. Ziembra).

Mr. Roy: Well I suspect that he wanted to stay close to the member for Lakeshore because of his legal experience. I don't know.

Mr. Reid: The question was—why would the member for Lakeshore want to stay close to Mr. Ziembra?

Mr. Roy: I won't comment any further. I don't want to be nasty. But one thing that strikes me—and I find it most encouraging—is that now they say the caucus is behind him; he's got full support. All I can think of is that if that caucus gives the same support to Cassidy in his quest to become Premier of the province as they gave to Deans to become leader of the party, we have nothing to worry about.

Mr. Nixon: Not much room for Ian.

Mr. Conway: Why do you think your colleague the member for Carleton East (Ms. Gigantes) didn't support him?

Mr. Roy: Well I don't know, especially as he got her to run. But I don't want to get into petty details with this. All I can say is that it was beyond my expectations. I am pleased, and I think that when the people of the province look for an alternative there won't be any problem.

Cassidy—the leader of the NDP—has not in fact disappointed us. His performance is true to form. His first statement, in fact, as leader of the party, was that the Premier was nuts.

Mr. Nixon: Good start.

Mr. Roy: Well, Billy Davis is a lot of things, but nuts he's not.

And then his latest pronouncement; my God, that's been something; when he attacked Hydro as being strikebreakers. That's something that has an awful lot of depth, and it's something that is becoming of a future Premier of the province of Ontario.

Mr. Nixon. Heaven help us.

Mr. Roy: I just wonder where it is going to lead us. What's going to come next? Is he going to tell us that by using the phone and not writing letters, we will hurt the postal workers? Maybe this is what is next. Who knows? I feel somewhat vulnerable myself. I'm one who likes to keep fit and active and that sort of thing. By so doing, am I going to be hurting the hospital workers?

What's next? He's probably going to tell us—I shouldn't say this—but he may go as far as saying that mothers who are nursing their babies are hurting the dairy industry. I don't know, it may go that far.

Mr. Nixon: We dairy farmers provide some quality stuff actually.

Mr. Roy: Is it any wonder, with the support which he originally had, that with this type of pronouncement the former leader, the member for Scarborough West (Mr. Lewis), wants to head for the back benches. One can't blame him for that.

They have brought forward a no-confidence motion. I want to say, apart from the posturing and all that's involved in making it easy for us to vote against it, there is some strategic significance in our vote because it is important that we allow the province to get to know the new leader of that party as we know him here and as we know him in Ottawa. The public of the province should not be given an opportunity to vote without knowing who this individual is. That makes it easier for us not to have an election at this time. We'll give him a year or so to let the people of the province get to know him. Then we'll take him up on it if he wants to bring forward some no-confidence motion.

Mr. Davidson: We'll hold you to that.

Mr. Roy: We wouldn't want to give him too long.

Mr. Nixon: He might get out if we gave him two years.

Mr. Roy: Given the proper circumstance, we would oblige.

I want to say that fact is encouraging to us, but the most encouraging aspect is the performance given in this House since the election in 1977 by our leader. They should be concerned across the way because it is going to become exceedingly obvious to this province and the people of Ontario, when the old scene comes around for this tired old government which again has failed to give leadership in the Throne Speech, when people are looking for a responsible alternative, the responsible alternative will be obvious this

time. It will be right here on this side of the House.

Is the Minister of Labour saying something?

Hon. B. Stephenson: The member was saying nasty things about his former leader and I don't think he should.

Mr. Roy: Our former leader? No, not at all.

Mr. Conway: Did the Minister of Labour have some kind of informal political courtship here with the Liberals?

Hon. B. Stephenson: No.

Mr. Roy: I watched some of her interchanges with the member for Wentworth (Mr. Deans) earlier and I think she is annoyed about something today. I suspect that it is because Manthorpe—did you read the Saturday Star?—said she was elected in 1971. Did she read that?

Mr. Nixon: And that you're four years older.

Hon. B. Stephenson: No, I am not. No, I didn't see it.

Mr. Roy: I hope she will get up and make a statement in the House and correct it.

Hon. B. Stephenson: I shall be pleased to correct him.

Mr. Roy: He was saying something about the fact that the minister looked tired and weary; didn't have near the spunk and was edgy. He said that about her. Maybe she should bring her couch.

Hon. B. Stephenson: I don't have one. Only the Leader of the Opposition (Mr. S. Smith) has one. I just go around and see people.

Mr. Roy: No, he's leading the province. If the minister brings her own couch, she will get free service here.

Hon. B. Stephenson: No, thanks. I don't need it.

Mr. Roy: All we need is her OHIP number.

Mr. Sweeney: We provide the advice, but not the couch.

Mr. Roy: There is another significant aspect. Apart from the performance of our leader, there is the performance, the hard work and dedication given by my colleagues. I want to say since 1971 this reformer-line party has been attacked repeatedly as being fractious, as being lazy, as not working and all sorts of things.

Mr. Nixon: Poor attendance, et cetera.

Mr. Roy: I won't talk about some of the more recent trips or anything of this nature. I don't want to get into that. When things

are working well, I suppose the best evidence of how effective this caucus is under the leadership of Stuart Smith is the fact that the press aren't talking about it any more. The press used to love to write stories about how they were fighting and how they weren't working and things of that nature. But with the quality of the members that we have now, which was proven in the 1977 election, these people have the confidence of their constituents in all of their ridings. With the effort that they're putting here, we have a base, certainly, to build on. That's not to say we don't miss some of our colleagues—the Singers, Bullbrooks, Spences; I'll leave it at that.

The people who have come into this House in 1975 and in 1977 have made a tremendous contribution and will continue to make a tremendous contribution. The NDP often likes to pontificate about how they're the opposition, but in many, many instances the responsible opposition rests right here.

I'd like to deal briefly with—

Mr. Nixon: The issues.

Mr. Roy: God help us, my colleague from Brant-Oxford-Norfolk said the issues. I don't want to talk about issues now.

This is something a bit parochial: a school problem in Ottawa. I thought you would be interested to know of some recent headlines in the papers. In fact, Manthorpe—was it Manthorpe who talked about the Minister of Education (Mr. Wells) as Mr. Clean?

Mr. Conway: The man from Glad.

Mr. Roy: Yes, I'm sorry, the man from Glad.

We've had a traditional problem in Ottawa, as many large urban centres have had, where the enrolment is decreasing in Ottawa proper and at the same time it's increasing in Carleton, in the outside riding. We have a situation where the Ministry of Education says, "No, we won't give you any money to build schools. Carleton and Ottawa must get together and you must share school space and so on."

But it's not been exactly that easy. For the last five or seven years, we have not been able to reach an agreement. The parents in Carleton, in many instances, are in a situation where their children are going to school in Ottawa and yet they have no say to the trustees as to what happens to their children in school. Anyway, they've finally thrown up their hands and said to the Minister of Education, "Come on over. We need some help. We want you to solve this problem."

He did come over, and I want to read to you some of the headlines that were in the Ottawa papers: "Wells gives school but little else to the boards." That was on the front page. Then it states: "Wells angers, frustrates, disgusts the board trustees." It goes on to say: "Parents barred from meeting"; and "Wells' suggestion irks school officials." He left then.

The editorial in the Ottawa Citizen is great when it talked about this. It stated: "He came, he saw, he collapsed."

Mr. Reid: Which minister was that?

Mr. Roy: The Minister of Education. "Ontario Education Minister Thomas Wells came to Ottawa-Carleton this week. He came, he saw, he collapsed."

"The minister failed miserably in his mission to resolve the tenacious problem of housing of school populations within the respective jurisdictions of Ottawa and Carleton boards of education."

What he said, in effect, was "resolve it yourself." That's basically it. He was going to come down and solve this long-standing problem. He came down and I was at the meeting. He sat there and put his foot up on the desk—the whole bit—and said: "Okay, how do we solve it? What are you going to tell me as to how to solve this problem?" You've got the four boards there who have not been able to reach agreements for five to seven years, and the minister is not prepared to accept his responsibility under the guise that he believes in local autonomy.

When I hear that from this government, which has so trampled on local autonomy for so many years—when there's a serious problem in Ottawa-Carleton and they're not prepared to face it, they talk about local autonomy—I want to put on the record that I think that sort of performance is not conducive to the type of leadership and the type of government that the people of Ontario expect.

[4:45]

It seems to me, Mr. Speaker, and most board trustees—and as one of the parents who got up said to him: "Why don't you show a bit of gut?"—that's what is needed in this province. In fact, he was given suggestions by the Mayo report as to how he might be able to resolve these problems. One of the suggestions put at that time was about having a homogeneous French language system in Ottawa-Carleton. He could then look at establishing one board for the English separate schools and one board for the English public schools as well, or it could have two boards, as Mayo suggested.

But the minister is not prepared to grapple with and solve that particular problem. In the meantime it's the taxpayers and the parents of Ottawa who are suffering.

I think the member for Carleton (Mr. Handleman) got up the other day to laud his performance in Ottawa-Carleton. I want to put on the record that that type of leadership or that type of abdication of leadership is not what is needed in this province at this time. What in fact we do need is somebody who is going to make a decision, especially when you are dealing with the taxpayers of this province.

Of course, that whole performance was indicative of what we have seen in the Throne Speech: a lot of pious statements on every conceivable topic. Some of my colleagues here have dealt at length with some of these topics and I just want to deal with a couple of topics I found interesting, because I certainly can't cover all of them at this time.

I wondered what one of these statements was doing in there. The statement about the family and about the children in this province. There was mention made at that time that they are working in the direction of the emphasis of the family unit in Bill 59, which hopefully will be passed shortly in this House. Typical of this government was the fact that here we have these pious statements and yet if you look at Bill 59 there is a contradiction in the bill of these statements in the Throne Speech.

Mr. Conway: The member for Oriole (Mr. Williams) winced.

Mr. Roy: It seems to me—and that member will understand this—that when you are talking about enhancing the family unit the way you do it is by having a type of partnership and equality within marriage. Marriage is really the way. When I talk about a fair and equitable partnership within marriage, that is the most effective environment in which a family can prosper. But we have more than this in Bill 59 and it seems to run contrary to the Throne Speech.

In Bill 59 they are talking about giving status to another type of relationship which I am sure is not the most conducive to maintaining the family unit. That's the common law relationship.

I have said this in committee and I have said this in the House before, but I personally have concern about this, especially when people in the common law relationships don't want any legal status or obligation or whatever. Of course, that's not affecting the

children because the question of children is already dealt with under our present law, but it seems to me contradictory that the government talks in such fashion about the family unit and yet it is giving status under Bill 59 to the common law relationship and in fact it is allowing them to have contracts. That concerns me and I find that somewhat contradictory.

Mr. Conway: Typical Tory double-talk.

Mr. Roy: But it seems to me that when Ontario is facing an uncertain future—and I am sure some of my colleagues have seen some of the programs on TV Ontario about Ontario's economic future; it has been on in French and English and we have had much discussion about it—but there's no doubt that Ontario faces an uncertain future in the area of manufacturing, which has always been our base, in the area of resource industry, in the area of farming, in the area of jobs for our young people—and where is the response? As my leader said, where is the vision? Where is the leadership in this Throne Speech?

We can't rely on the government saying, "Although we have our problems new manufacturing concerns will be set up here and there." Unfortunately that is not the case. Unfortunately what has been happening is that much of the manufacturing sector has not been locating here but has been locating in the US, because of the environment that's been created by this government. The finding of new mines or new mineral resources is not something that is automatically open to us as well. A lot of these companies are going into other areas to do their exploration and so on. In the field of competition we have problems as well.

In other words, we have always had the luxury in this province and in this country of saying that if we have a problem, we'll just have to sell more oil, more wheat, more uranium, more this or more that. This is not a luxury that more competitive nations, like the United States, Japan, Taiwan, Germany and others, have had; so they have put their emphasis on people. Surely this is the greatest resource that Ontario has.

Mr. Wildman: You'd better talk to your friends in Ottawa.

Mr. Roy: We've drawn from all over the world. Our greatest resource, in fact, is people. But to motivate people we need leadership and vision, and we're not getting it in this Throne Speech.

Mr. Wildman: Tell that to Trudeau.

Mr. Roy: It seems to me the Throne Speech is most lacking in reference to the

unity of this country itself. At a time when the separatist government has been in power since 1976, at a time when there is great dissatisfaction in the west—I was just reading in today's *Globe and Mail* about Prince Peter, as they call him out there in Alberta, and what he may want or what sorts of conditions or changes or transfers of power he would like to see in Alberta—at a time when even the eastern provinces feel they're not getting a fair share out of Confederation, and especially at a time when Ontario has so much to lose out of all this, again there is the lack of leadership.

I'm not the only one saying this. For instance, in today's *Star* there is talk of this: "Ontario may be losing Constitution game," reads a headline. No less an authority than a former Premier of this province is quoted in this article as saying he "won't say what constitutional changes he plans to recommend, but even he agrees that Ontario's ability to shape policies in Ottawa probably will be cut back.

"I wouldn't be at all surprised if Ontario lost some of its pre-eminent position. It's an historical development and it doesn't much matter whether Ontario is willing to lose power or not. It's what's going to happen."

These are some of the challenges facing us in the future. This is John Robarts, a former Premier of the province, who is talking in this fashion. It's not some wild-eyed radical.

Where is the leadership, especially in the area of our relationship with the province of Quebec and the leadership that could be given there? I've said in this House before, and I'll repeat it again, that I feel terrible about the lack of English leadership that is given in this debate in this country.

I don't limit my comments to what happens in this province. At the federal level there is a lack of leadership. I have said to my colleagues up there, "Where is the leadership?" I get told that the English-speaking cabinet ministers do make speeches occasionally but they're not reported. I'm not so sure. But there is a vacuum there; and there is a tremendous opportunity for the Premier of the leading province to fill that vacuum and to give leadership in that area.

There is the perception—and you can just feel it in this province—that this squabble is between Trudeau and Levesque. The unity of the country itself is more important than two individuals, as capable as these two are, and the debate about the future of our country shouldn't be limited to two personalities. It seems to me that the Premier of

this province is missing an opportunity to give leadership in this area.

I want to clear up certain wrong assumptions which people make about this province. A lot of people say—and it has been the approach traditionally taken by this government—that time will solve many of their problems; they hope that, with time, things will work themselves out. I say to those people that is an option or a luxury that is not open on this occasion, if for nothing else than that the majority of Quebecers—and I'm not talking about the separatists; I'm talking about the majority of the people from Quebec—are not satisfied with the status quo. The separatists have given another option; they want to separate completely. But the fact is that the majority are not satisfied with the status quo. The people in the west are not satisfied with the status quo. And this is not a problem that is going to go away with time.

Some people feel if the separatists are beaten, if the referendum is defeated, there will be no further problems. They feel we will just go back and it will be the ball game as usual, the same old way of operating. That again is a fallacy. If some people look at the options offered by some of those running for the leadership of the Quebec Liberal Party, which is the alternative in the province of Quebec, they are likely to get an awful surprise because these candidates are not satisfied with the status quo either. Even though the referendum were defeated in Quebec, there would still be pressures from the west about changing some of the power and about changing some of the rules of the game that presently exist here.

It seems to me that the response of Ontario has been totally inadequate. It has been inadequate because the Premier—and I see him coming in now—seems to put a certain emphasis on things. He has been down to the Quebec Carnival on two occasions. I'll read a little clip from a paper of February 2, 1978, where it said: "Ontario Premier William Davis plans a return visit to the Quebec City Carnival. Davis, a guest of honour last year, said he would make a goodwill visit to Quebec City on February 10 and 11. The Premier promised last year Ontario would have a float in this year's parade for the first time. He said: 'I thought at the time that a float from Ontario would be one way of demonstrating the affection the people of Ontario have for their neighbours in Quebec.'"

I think that is great too. We should go to the Quebec Carnival and we should have a float. But surely our response must have more

depth. It has to be more meaningful than that.

What has concerned me is the response or the strategy of late on the part of the Premier and certain cabinet ministers. I am being cautious here because I don't really understand what is going on. All I know is that there has been a serious attack on the bilingualism policies of the federal government.

I have his speech to the Canadian Club here. I won't refer to it because of the time constraint. But on so many occasions he refers to the bilingualism policy of the federal government. I will only say, because this policy has been referred to by other cabinet ministers here, that they should read Webster's column in the *Globe and Mail* this morning so that this whole question be not taken out of perspective. I agree that in some of its policies the federal government has made mistakes and that it has been divisive on some occasions. But to write it off and say it has been a divisive program and that it hasn't accomplished anything is distorting the facts.

What has concerned me is the Premier's approach towards the francophones in this province. I have here his letter of December 15, 1977 to the Franco-Ontarian Association. I apologize that I only have the French copy of this document. I'll just read an extract here and I'll translate afterwards. It says: "Le gouvernement de l'Ontario n'a cependant pas l'intention à ce moment de prendre la moindre mesure visant à faire du français une langue officielle dans la province."

Basically, what he is saying is that the government of Ontario has no intention of taking the slightest step in making French an official language in this province. That in itself is somewhat misleading because in the Throne Speech that we have just had there is a step forward. We're talking about changing the Judicature Act, and that is a step that we applaud and think is in the right direction.

Mr. Nixon: It's certainly official.

[5:00]

Mr. Roy: That is something. The minute the government has a law it is giving some status. I am just trying to understand the strategy. Why did the Premier's response have to be so categorical and in a sense brutal? The reason I say this is that there is some complaint that although we have had progress in this province—we have had tremendous progress—often people don't know about the progress; they don't talk about it. Surely when he takes an approach like this, this is what makes the headlines. This is what makes

the headlines in the province of Quebec. This type of approach is what makes the separatists in the province of Quebec pleased indeed, because their whole strategy is to say that there is no hope left for negotiation.

Some people in this province say, and I can understand this, "Why should we be moving one way when Quebec is in fact moving the other way?" I say, "Careful! It's the separatists who are moving the other way, not the majority of the people of the province of Quebec." The separatist strategy, and my leader has talked about this before, is one of frustration and annoyance. If they can annoy and frustrate the anglophone majority in the rest of the country so that they will throw up their hands and say, "Well, hell, let them go," that's what they would like. It is important that we keep our cool and that we not let the radicals, be it on the one side or the other, win the day, that they not be perceived as being in fact the majority.

The reason I am concerned about this situation is that a lot of the people who could be strong allies in the cause of Canadian unity are starting to act in sort of a funny way. I just mention, for instance, that last week a francophone association from outside Quebec made representation to the Quebec government. Some of the things they said were about the separatists in Quebec, or the government in Quebec—the PQ government, a separatist government—which was to them a natural ally. One starts saying, "Well look, careful here." But there is a perception on their part that they have only been able to accomplish or make strides for their rights in other areas of Canada when the Quebec government or when the separatists started shaking the bushes a little bit. That's what they perceive as a natural ally.

It's a policy or it's a brief—I will read some of the comments here. They are frustrated and there's a feeling of desperation for many of these minorities across the country. That's why they are taking this approach. They talk about the fact that they want some money, they want some help from the government in Quebec. They talk about the fact that they don't want to play what they call the unity game.

I want to say to you, Mr. Speaker—and Norm Webster in the *Globe and Mail* commented about his concerns about this—that as Webster said, it's a self-defeating policy. Obviously for the francophone minority outside of the province of Quebec, their hope lies not with the separatists. As Webster said, once they separate, the only thing protecting

them would be the game laws. It's not quite that way. That is what I want to make clear.

They are going on the basis—and Levesque has not been afraid to play that game—that there would still be a minority of anglophones in the province of Quebec. Levesque has talked about reciprocal agreements and things of this nature. So they are working on the basis that even though they separate, because Levesque can bargain with the anglophone minority in the province of Quebec, the minority outside of the province of Quebec will have better bargaining power. I wouldn't want to get into that game.

I want to say publicly that I disagree with that approach. When they say that the federation of francophones has no intention of playing the game of Canadian unity, I say I disagree with that. And I'll continue playing the game of Canadian unity if that is what they want to call it. But it gives you some idea, Mr. Speaker, that these people who should be natural allies are expressing some desperation and in fact some frustration.

It brings us to the suggestion that has been made by my leader as to how we can resolve this problem. I say to the Premier, we want to co-operate in this. Why doesn't he accept the suggestion made by my leader about having a select committee of all members of the Legislature to look at this problem? Why doesn't he accept our suggestion made in good faith, because I think the minorities of this province will not benefit by some shouting match—the leader of the NDP calling the Premier nuts and then some people saying the government has changed its policies—that's not going to advance anything. Surely this is something that is more important than policy. And surely the resources, the good will that exists in this Legislature, could be channelled into that select committee that's been talked about by my colleague.

I mention, for instance, the editorial which appeared on March 1 in the *Globe and Mail*, saying how "its mandate should be to review such programs as now exist, assemble the information gathered in a clear statement of services now available in French, decide what further services should be provided and propose a timetable for getting them in motion." Surely that is reasonable. Surely we have sufficient goodwill, sufficient talent and sufficient resources here to have a common front for this. And I think this is something the Premier should give strong consideration to.

For instance, my leader has asked me to take on responsibility for federal-provincial relations and I have accepted with enthusiasm and willingness, because I see, for instance,

as I understand it, the Provincial Secretary for Resources Development has that role to play. I have here a bulletin from the Franco-Ontarian Council which states that the member for Cochrane North (Mr. Brunelle), the minister in charge of bilingualism—I'm surprised they are using that word, "bilingualism," knowing the shots that have been taken recently by the government on this—

Mr. Conway: The Minister of the Environment (Mr. McCague) wrote it.

Mr. Roy: —discussed his mandate and that of the cabinet committee on Confederation, for which he is responsible. And so I have accepted willingly and with enthusiasm the challenge offered by my leader in the field of federal-provincial relations. And I want to say that it is going to make it a lot easier if we clean up our act here, if we take a cohesive approach, for people like myself to go into the province of Quebec and prove to them that I, as a francophone, can benefit. There's a certain amount of pride in being a member here, in having the rights and the privileges of my colleagues. I'm living evidence that Levesque is not absolutely right in what he's talking about. And we should say that to Quebecers.

It seems to me that the message that can be taken to the majority in the province of Quebec is simply this: "We in Ontario are prepared to understand the threat to your language and culture—we understand that—or the lack of economic opportunities that have existed in the past; we understand that. But we in Ontario are in fact prepared to fight for that."

Having said that, it seems to me that separation at that point becomes a negative force. I think that the people of Quebec realize more and more that separation, or that a separate Quebec, will not be a Camelot, that separation will not automatically make everything right in that province. We can show them that as an equal partner with the rest of Canada that it is to their advantage, that they need a stronger partner and a buffer against the larger anglophone mass existing here in North America.

We can say to them that once they have certain guarantees, why should they not benefit from all the economic aspects of this great country, whether you're talking about the oil and gas in Alberta or you're talking about the wheat out in the prairies or the ore or the minerals in BC and Ontario and so on? Certainly these are some of the things that we can talk about.

A final thing I would say to them—and I would say it very simply to my confreres

in the province of Quebec—is simply this: “Why would you abandon us like France abandoned you after the Plains of Abraham?” Which in fact did happen. It was Voltaire who after the Plains of Abraham said simply, “Well, why should we fight for a few acres of snow?” They abandoned their colony of 50,000 or 60,000 people and they’re prepared to do the same to us.

I think it’s important that they know how we feel. I think the majority can be made to understand once they know that goodwill exists in this sister province here in Ontario. That is the type of message and the new role that some of us would like to take to the province of Quebec. We want to be active participants in this. I’m sure that each of us has a message to take to his constituency in this area.

Hon. Mr. Davis: Mr. Speaker, it is—

Mr. Eakins: Where are the troops?

Hon. Mr. Davis: Oh listen, they’re busy.

Mr. Conway: You don’t mean they have better things to do?

Hon. Mr. Davis: As a matter of fact, in terms of ultimate government productivity, the answer to that probably is yes.

However, it is a privilege to rise and speak in support of the Speech from the Throne, Mr. Speaker, and also to express once again my congratulations to you for the very objective manner in which you handle the affairs of this House.

Both the leaders of the opposition parties spoke rather directly and forthrightly against much of the program contained in that excellent speech, but in fairness also associated themselves with certain initiatives which the government has put forward. It is their responsibility, under our system as we know it, to point out what they consider to be poor judgement, miscalculation on occasion, weakness or, in few instances, failure. I say with neither rancour nor sarcasm that they both served the system well with their remarks on that particular occasion. I have reviewed their comments with some care. It wasn’t all easy reading. They were in fact good critical speeches which the government will study and assess.

First, I must admit that in looking over Hansard, I was moved by the metaphorical and textual citations that bolstered some of the remarks of both my colleagues opposite. The Leader of the Opposition said in the midst of a careful but, I think it is fair to state, an opinionated assessment of Ontario’s economic prospects, and I quote, “No wind blows in favour of a ship that has no destination.” I hope I am quoting him

accurately. Some who are more nautically capable than I, there would be some, would probably observe for the benefit of the Leader of the Opposition in the light of some of his party’s changing positions that the quotation should be, “No wind blows in favour of a ship that tries to steer in two directions at the same time.”

Hon. Mr. Grossman: Are they down to two now? That’s an improvement.

Mr. Laughren: It’s called the doldrums.

Hon. Mr. Davis: But being sometimes less than a nautical expert and wishing sincerely to be less than overtly partisan today, I wouldn’t say that sort of thing, nor would I want to say it.

Mr. Wildman: But are you wont to say it?

Hon. Mr. Davis: The leader of the third party, who has just arrived, moved to cite John Stuart Mill in his rendition on profit. I want to ask what John Stuart Mill ever did to him to deserve being included in such an account, but that would be a very unfair question to ask.

I would say to the new leader of the New Democratic Party that Mill wrote his great essay on liberty in 1859. That is right in the middle of the 19th century and to me that is an appropriate source indeed for a 1978 economic critique by the leader of that particular party.

Mr. Reid: Well, he’s dealing with a 19th century government.

Hon. Mr. Davis: I tell you, Mr. Speaker, as a 19th century government we don’t believe in cutting our neighbours off from food, electricity or coal.

(Applause.)

Interjections.

Hon. Mr. Davis: Those people opposite want to help the Third World countries but when their next door neighbour is in trouble they want to cut him off. I will never understand that.

Mr. Renwick: What about the miners in the coal mines?

Mr. Laughren: While you cut off the residents of Ontario.

Mr. Conway: The question is are you really nuts?

Hon. Mr. Davis: Well, Mr. Speaker, I think that’s a question for which only history will provide the answer. I have my own point of view on that but I really am not prepared to share it with the rest of the members.

Mr. Nixon: Don’t go out on a limb.

Hon. Mr. Davis: There are some days in here when I really think perhaps I am. I am not sure.

I was prepared to admit though, after reading that particular quotation and after some extensive coaxing, that the previous leader of the New Democratic Party had brought that organization beyond the tired and doctrinaire perceptives of the thirties. I think he did. I now realize—and I want to warn all of us, including members of that particular party—that we are dealing with an absolute purist who takes comfort in the analysis of bygone times and bygone ideas. He is, and I say this with both awe and respect, developing a new slot for the political spectrum of the left—a slot for pre-history.

Mr. Roy: You are going to hurt Jim Laxer's feelings if you talk like that.

Mr. Conway: Have you got anything to say about Stanley Knowles?

[5:15]

Hon. Mr. Davis: I did listen to both of those who summed up the positions of their parties in this historic debate. Would the new leader please convey to the member who wound up for his party that I can assume and understand criticism of myself—I am prepared to accept it. I am prepared to accept criticism of my cabinet colleagues, that's part of our system. But when he starts to criticize the Toronto Argonauts he's gone a shade too far, and I hope the leader will convey that message to him.

I sense something of a total lack of objectivity on his part. He may be concerned that at long last the Argonauts will do the Hamilton Tiger Cats in because of the signing as they did of—

Mr. Reid: I'll make you a wager on that one.

Hon. Mr. Davis: A dollar?—you're on—of this very able football player.

Mr. Handleman: One halfback does not a season make.

Hon. Mr. Davis: I have a horrible feeling that one of my very distinguished former colleagues in cabinet, now a loyal member of caucus, is getting upset about what I am saying. But I would say to the member for Carleton, the Rough Riders had better look out too.

However, I really didn't come here to comment on that important part of his observations. He did get a little bit personal as it related to a couple of my cabinet colleagues and I don't really need to leap to the defence of either of them. The members

will be hearing from one tomorrow evening at 8 o'clock and all of us are eagerly awaiting that particular event. As it relates to the Minister of Labour one might say to the member, who really should know better, that we have one of the great ministers of labour in the history of this province in our present ministry.

Mr. Grande: The kiss of death.

Hon. Mr. Davis: And the member's leader should tell him this for me, that in terms of organized labour, they have somebody who understands, somebody they can talk to, and if they're right, she will listen. They are sometimes not always right and so there will sometimes be differences of opinion. But I have to tell the House that I thought his attack on the Minister of Labour was totally unjustified and unwarranted, and that's all I will say on this subject.

Mr. McClellan: It was long overdue.

Hon. Mr. Davis: I listened with some interest to the distinguished member for Ottawa East—have I got the right geographic location—

Mr. Roy: You've got to be careful now.

Mr. S. Smith: The only distinguished member from Ottawa.

Hon. Mr. Davis: I would say that is questionable.

I listened to him—I understand he doesn't think we should have had a float in the Carnival parade in Quebec City. I have to tell him I was there and I enjoyed it. It was really not all work, although in some respects it was fairly arduous if I can describe it in that fashion. I can tell him that for the people who were there—and I saw the reaction from a number of them when the Ontario float for the first time was in that parade—that it did have some significance. I'm not going to suggest it is going to solve a problem.

I would say to our friend who was quoting extensively from what I thought was a somewhat questionable column this morning that there are some misunderstandings. The member quoted from a letter that I wrote to AFCO in reply to a letter from them that contained a number of specific requests. One of those requests—so there is no misunderstanding on anyone's part and so we won't get into any semantic terminology—was for the declaration of this province to have French as an official language. That is a very real distinction from what I have been saying and what I now understand the member's leader shares with me—and I read that word "share" several times in his contribution in the Throne Speech debate. I would say it's

great for columnists to write some of these things, but the members opposite might say something to people to whom they're much closer than we are—

Mr. Conway: I'm not so sure about that.

Hon. Mr. Davis: When federal ministers come into this province, and when they start attacking as they have, I would say, for totally partisan interests—

Some hon. members: Oh, no.

Hon. B. Stephenson: Absolutely.

Hon. Mr. Davis: Sure they were. If the members opposite think Marc Lalonde and Roberts et cetera, and now more recently Mr. Danson, are helping this debate and this discussion, they're wrong. And it's quite obvious from their own leader's observations—

Mr. Bradley: And the Minister of the Environment.

Hon. Mr. Davis: —that he disagrees with that which they were saying, and it's time the members got up and said as much. Tell these fellows from Ottawa, who are trying to really focus the attention on issues other than the economy where they know they're highly vulnerable. They know they're highly vulnerable and they'll sense it when the Prime Minister issues an election writ.

Mr. Roy: What about yourself?

Hon. Mr. Davis: I would suggest, Mr. Speaker, that perhaps some form of communication should be made to those cabinet ministers who make those observations from time to time—

Mr. S. Smith: Look, I've made a constructive offer, and I'm waiting for an answer.

Hon. Mr. Davis: I would just suggest that that is the place. I have rarely talked about the federal government's program in bilingualism. Perhaps I have two or three times in the past year.

Mr. Conway: Sidney ran a campaign on it in 1975.

Hon. Mr. Davis: I referred to it in the Canadian Club speech.

Mr. Speaker: The hon. member for Renfrew North doesn't have to react to everything that's said.

Hon. Mr. Davis: I identified our position on official language which I did in my letter to ACFO. But what has been neglected by some of the media, less so now in the province of Quebec than was the case before because of the report of the Council of Ministers, was the positive things, not under any constitutional obligation, not because of any desire in terms of the law, but because the

people of this province were in support of government programs to assist those citizens of this province who are francophone by birth or by whatever reason. I've explained this to the Premier of Quebec. I told the Premier of Quebec, Mr. Levesque, "We will not sign a multilateral agreement in terms of educational rights because there are some Franco-Ontarians who do not want their future educational rights in a position where they are part of an agreement with a government whose political objective is to separate from the rest of Canada."

Mr. Roy: I agree with that.

Hon. Mr. Davis: It's great to say these things, but I just wish those who comment on this issue and who write about this issue would really tell the whole story when they do so because no government—and I don't say that I can, in any way, help solve this problem, but I try and I do my best—but no government has been more committed—

Mr. Roy: Oh, no.

Hon. Mr. Davis: —no Premier has been more committed in terms of endeavouring to help resolve this problem in a way that is not going to make it further complicated than it presently is. The members opposite can disagree with some of it, although I notice that their leader has really come out in support of it, which I found encouraging.

Mr. S. Smith: Will you accept my suggestion to de-politicize it?

Hon. Mr. Davis: However, Mr. Speaker, I'm digressing and I'm to finish by 5:45. I'm digressing, because I intended to stick pretty much to what I wanted to say today. I hope both members opposite and my own colleagues will excuse a departure from the partisan ritual that usually dominates the tenor of Throne Speech debates in our House and in our system of government. I enjoy it as much as anyone. I guess it's, for me, the most stimulating time in the House. But today I would like to ask for the indulgence of all members in pursuing a broader concern about the shape and scope of public attitudes and anxieties in the times that we are facing together.

Some of us have been in this Legislature—I look across the House—for longer periods of time than others. We have served opposite one another on committees here in the House and we have been side by side in caucus and in the inner councils of party and government. I'm sure there are times when each and every one of us, either when we are reflecting privately or reviewing events with our families and friends, as we tend to on occasion, wonder about the nature of

what we are doing, its ultimate purpose, its value and the reason that underlies it all.

Mr. Nixon: It comes with a certain age.

Hon. Mr. Davis: And you're there before I am, I've got to tell you.

Mr. Nixon: That's why I know about it.

Hon. Mr. Davis: We are all aware, Mr. Speaker, of the time and effort it takes to get elected or even to gain re-election in today's Ontario. We know that it is not easy to support one's fellow caucus members all the time, or to serve one's party faithfully all the time and of course, about all, to serve the people to the best of our ability. The pressures are great on all of us in this House and the risks are always high. The satisfactions, despite what some may think, often seem to be relatively few and far between. Yet we return here day after day—most of us—to battle ideas that we oppose.

Mr. Roy: It's not on camera. They don't know who you are talking about.

Hon. Mr. Davis: We advance those things that we care about and we seek the best way of both governing and serving the people of this province.

Each member probably does as I do and wonders about history and whether it will notice or care about our contribution. Sometimes we wonder about the people we serve, the parties we serve and the causes we champion. We wonder as well whether our effort and commitment as members is ever fully understood. During what I think are difficult economic and political times, the kinds of times we are currently facing as Canadians, I am sure that every thoughtful member of this House speaks inwardly about how well, in fact, he or she is serving and how effectively we are helping to shape solutions rather than to deepen problems.

On many issues, friends—and even those who are not so friendly—have called me an incorrigible optimist. That criticism is not totally out of place. I confess to that. In many respects, I cannot help myself.

Mr. Wildman: That's true.

Hon. Mr. Davis: Optimism is a part of why I am in politics, and I would submit that it is a large part of why most in this House are in politics—at least I would hope that would be the case—and yet we are often very hard-pressed to maintain that optimism. International currency fluctuations, massive transfers of wealth to Arab and other oil producers, North American economies that are out of synch with changing developments and trends—these factors combine with an older population and reduced economic output to

create greater economic difficulties, to create real economic challenges in a period when governments and those who serve within them are not always able to accomplish as much as they would like.

Mr. S. Smith: What is this leading up to?

Hon. Mr. Davis: I would submit that the kind of structural economic problems we face today defy either ideology or management theory. To suggest otherwise would be to expose naivete and simple-mindedness which I would hope most in this House would find embarrassing.

Mr. S. Smith: Let us have a try.

Hon. B. Stephenson: We have more concern for the province than that, Stuart.

Mr. Turner: Convince the people first.

Mr. S. Smith: Let us have a try.

Hon. Mr. Davis: Mr. Speaker, if the Leader of the Opposition didn't think he would be better, he shouldn't be in that position. I am one of those who happens to believe that he couldn't, but I would be disappointed if he didn't.

Mr. Ruston: Arrogant as ever.

Hon. Mr. Davis: Nevertheless, politicians of all persuasions are faced by many—whether they be in the bureaucracy, in the media, in the academic world or wherever—who argue for greater and more massive government intervention. These arguments are sincere. They are well-meaning and stem, I am sure, from a view of government which is progressive and humane. I believe nevertheless that they are quite overstated.

Throughout this whole continent, from the coal fields of Kentucky—which concern my friend—and West Virginia to the oil fields of Alberta, from the farms in the great region of Peel—and there still are a few—

Mr. Martel: Under asphalt.

Mr. Wildman: Not many.

Mr. Nixon: Are you going to set this to music?

Hon. Mr. Davis: —to the high-rises of our urban cities, we are facing some unalterable economic realities—realities to which government must adjust while providing basic guarantees and basic underpinnings on which people can depend.

Mr. Nixon: Amen.

Hon. Mr. Davis: Real leadership will emerge from the sensitivity that governments exhibit to the new realities and their results. Government, after all, is composed—I hope I am not criticized for this—of quite ordinary people who group together—

Mr. Makarchuk: This sounds like a swan song, Bill. Are you retiring?

An hon. member: It sounds like an obituary.

Mr. S. Smith: Be a little more modest.

Hon. Mr. Davis: Well, I know the Leader of the Opposition doesn't consider himself as ordinary. I have no hesitation in confessing that I am.

An hon. member: Ordinarily arrogant.

Mr. Martel: Just plain Bill.

Hon. Mr. Davis: In fact, on a certain television program I was described as being— [5:30]

Mr. Kerrio: Just plain Bill.

Hon. Mr. Davis: That's right, that's me.

Mr. S. Smith: Since you gave up that cigar something has happened to you.

Mr. Reid: He's a working man.

Mr. Speaker: Order.

Hon. Mr. Davis: I find that I consume less pipe tobacco. It's part of my restraint program.

But it is composed of ordinary people who group together at the political or administrative levels to provide service; to protect people, law and order; to combat injustice and to provide the basic framework within which a free society and free individuals can function.

In a free society, criticism of government is part of the daily appetite. So, too, is government criticism of the opposition. One can add to the diet a healthy media cynicism for politicians and public servants alike. I have to tell you people in the opposition that you don't escape that cynicism any more than do people who have the responsibility for government.

That is a form of freedom for which there is a very real price to be paid. In totalitarian countries where governments are not open to criticism, where cynicism in the media is tightly controlled and directed towards the ideological enemies of the state, where opposition parties are just so many flights of fancy, they have in fact achieved lower standards of living and far less progress for their people than we have through that form of jungle warfare that we call open democracy.

This means that every debate in this House, every question that is asked and sometimes answered—

An hon. member: That's very honest.

Mr. Reid: Name one.

Hon. Mr. Davis: —every political campaign has somehow combined to help bring

society in this province to where it is today in terms of its successes and in terms of its failures.

Mr. Martel: The Treasurer is responsible for that.

Hon. Mr. Davis: What I am asking for today in setting our gaze firmly on the future—

Mr. Bradley: Is forgiveness.

Hon. Mr. Davis: —is a clear commitment—no, no. I would say to the very distinguished member that I never look back.

Mr. Reid: I don't blame you. There's a whole crowd chasing behind you.

Hon. Mr. Davis: Well, if I wanted to tell you of the history of your own rate of success over the past 34 years, it is very dismal indeed, very dismal indeed.

Mr. Haggerty: That's why we look to the future.

Hon. Mr. Rhodes: Now who are the optimists?

Hon. Mr. Davis: So what I am suggesting today is really a clear commitment on the part of members in this House that we shall continue to advance the values of social and human progress that will in the long run see this province and this country through this present period of challenge. We should do so with both some real pride in what we've achieved and some real determination with respect to those gains that remain to be made.

Every citizen in this province is entitled to hope for personal realization and advancement, and to the extent that that citizen is prepared to do his or her fair share towards that goal—

Mr. Makarchuk: Particularly if his name is Steve Roman.

Hon. Mr. Davis: —it is the duty of government to provide the framework within which those hopes can become realities.

Mr. Peterson: Bill, you picked up the wrong speech. This is for your daughter in grade seven.

Hon. Mr. Davis: No, no. It's very simple. I know the member for London Centre already believes all of this and understands this; but it's the kind of thing I feel rather personally. I don't think it hurts to restate it from time to time.

Mr. S. Smith: Or to read it?

Hon. Mr. Davis: Good health care is no longer a prerogative of the rich; it is something that is available to all the citizens of this province.

Mr. Martel: Thank God there is a Tommy Douglas somewhere.

Hon. Mr. Davis: That accomplishment is not negotiable and never will be. Education, economic opportunity, security in our communities—local autonomy—do you understand that phrase?—social compassion—

Mr. Nixon: I have heard you use it before.

Hon. Mr. Davis:—these are values that Ontarians want preserved, and no political party, much as we'd like to, can claim unique authorship of any of these. All political parties have a duty to advance these values in the best way they know how.

This province must always value humanity in government. It must value compassion and concern as the heart of our political and administrative body. It is what government is for, why government is here, and what government must continue to pursue. Those who would have government outbusiness the corporations, outorganize the unions or outdevelop the developers miss the point. Government is not a competitor with any corporation or any union. It does not compete with any citizen or group of citizens. It belongs, in my view, to all of them, and fairness and compassion are the only ways governments can respond to these pressures today, a fairness and compassion based on intrinsic judgments and careful assessments.

I believe that a government can have a sort of central vision providing it has no illusions about forcing that vision on a free society as some who seek simple solutions to our problems would have governments do. In a free society all are entitled to the sovereignty of their own personal views for themselves. And none in this House, I am sure, would want to challenge that.

I met recently with the 10 first ministers, each of whom obviously has his own vision for his part of Canada. Some of those are perhaps more shortsighted than others, but they have visions nonetheless. While agreement was neither total nor as spectacular as some would have liked, some common perspectives were put together, perspectives which will in and of themselves solve nothing but which will, if pursued, provide the common ground from which real solutions can emerge.

I have to admit that like most conferences I found a sense of unreality about the perceptions of that meeting, a sense that our administrations were somehow not part of the mainstream of Canadian life but just part of the political game as the politicians had chosen to play it and the media had chosen

to portray it. I would submit that the mainstream of Canadian life is not really political at all. It is rather more basically to be found in the families and individuals of this country working in our mines—and I don't know that you have to work in one to understand it, but perhaps you do—

Mr. Nixon: Here comes motherhood.

Hon. Mr. Davis:—and in people working in our homes, our offices, schools, hospitals and everywhere else where people are trying to build their own lives for themselves. Most people—at least I believe this—don't really come into this world asking for very much. They want things that are simple as self-respect.

Mrs. Campbell: Jobs.

Hon. Mr. Davis: They want dignity; they want love; they want some purpose that can motivate them and something or somebody they can believe in.

Mr. S. Smith: Leadership.

Hon. Mr. Davis: They would like to avoid sickness and if they can't avoid sickness, as some of us can't on occasion, then they want to be treated. They would like to fend for themselves even when that task has become extremely hard. I have always believed that for every welfare recipient who dotes on the welfare cheque, there are thousands who would give anything and have tried everything to break away from welfare support.

Mr. Wildman: Give them jobs.

Hon. Mr. Davis: For every two people who seek unemployment insurance as easy street, there are a thousand Canadians who would do everything and anything to support themselves despite handicaps of many varieties.

Mr. Makarchuk: I am glad you recognize that fact.

Mr. Martel: All they want is a job.

Hon. Mr. Davis: I would say to the members of the New Democratic Party, I know they think they have a monopoly on concerns about people in attempting to solve problems.

Mr. Martel: You have got the power.

Hon. Mr. Davis: I want to tell them something and it is time they understood it, we may disagree on how these things are to be done, but they are making a fundamental political error if they ever try to tell the people of this province that their party is any more sensitive to their needs than this government on this side of the House that has done so much for so many years. They are making a great mistake.

Mr. Makarchuk: Forget the rhetoric and get the jobs.

Mr. Martel: Throw them another fish.

Hon. Mr. Davis: That is why I believe we can, both as Canadians and as Ontarians, do ourselves and our country great good by letting the professional purveyors of distrust and cynicism peddle their wares unheeded—

Mr. McClellan: Do you mean like the injured workers?

Hon. Mr. Davis: —while the rest of us learn to start trusting each other and have confidence in ourselves once again. The Throne Speech speaks of a crisis of confidence.

Mr. McClellan: It doesn't say anything.

Hon. Mr. Davis: I would add to that that we also have a certain crisis of trust. It is everywhere and it is the basic cancer tearing at our political fibre. We would do well to begin by believing in ourselves in this Legislature. Every member of this House along with every Ontarian has a real contribution to make towards national reconciliation and economic recovery, contributions which cannot and must not be underestimated. In shaping and guiding our society, which is our responsibility to do, I would rather be counted among those who search for those who need help and who are not getting enough, than with those who would root out the small group who would take help they don't rightfully deserve or realistically need.

Mrs. Campbell: Tell that to the Ministry of Community and Social Services.

Hon. Mr. Davis: I would rather be associated with those who have real faith in the union leader, the corporate leader, the farmer and the storekeeper to build the economic bridges and understandings, than to submit to arbitrary government measures as a means of breaking out of economic disorder. I would rather be associated with those who would build a new Canada on respect and on trust rather than on suspicion and defensive guarantees.

Government, during tough economic times and circumstances, can sometimes tax optimists and humanitarians. Fiscal realities know very little sentimentality, I know that, but difficult times need not defeat the optimists and even the dreamers. I am one of those, and I think it is shared by my colleagues, who believe that we can sustain what is important in our society by continuing to do what is right, by continuing to do nothing more complicated or more profound than advancing the human condition. I believe in this province, because she has succeeded so

beautifully in the years to date to advance the course of our people while sharing wealth with Canadians elsewhere.

It is interesting when one goes to these federal-provincial meetings that one gets some of the feelings—sometimes in jest, other times not—of how people do look at central Canada, as they describe us. They sometimes suggest that we have had more than our share, that we have been the prime recipients of the constitution and of Confederation, but I point out to them—and they not only accept it, they have endorsed the fact—that the people of this province have in fact shared in the interests of the country.

I happen to believe in this country because no nation holds more promise or justifies more faith. It is not unusual that countries have faced challenges in the past. We have been through—I have not personally—economic depressions, world wars, conscription crises, we've been through currency changes before—

Mr. Peterson: The AIB.

Hon. Mr. Davis: —we've been through high unemployment and inflation and the election of all kinds of people—we have survived that—to all kinds of public office. But we have, as a nation and as a people, not been seduced by the rhetoric of defeat. We have a duty to ourselves and to our children to resist that seduction now.

One need not be seduced by Premier Levesque, for example, to understand the depth of commitment and, I think, a genuine fear for survival that underlies some of the things he says. An open-minded Premier of one English province in a country of nine other French-speaking provinces would find himself, I suggest, with many similar concerns.

One similarly need not be seduced by the well-meaning who would respond to structural economic difficulties which beset both the private and public sectors with radical public sector intervention and involvement. One can instead provide the base for a significant leadership and an initiative within affordable and manageable limits. Above all, one must not be seduced, in my view, by those who would suggest that as Ontarians and Canadians we cannot succeed and that we will not persevere.

This province and this government and this Legislature face a future of unlimited opportunity—opportunity for innovation, for service and for accomplishment. I am asking the members opposite for the support of the Throne Speech as a basis for that opportunity and as a foundation for its achieve-

ment. What we are here to do together before we serve our parties—and I know it's not easy to accept this and it's not always easy for me to say it—

[5:45]

Mr. Reid: It's hard to disagree with what you're saying.

Hon. Mr. Davis: —is to serve our system or our ridings, and very simply and directly, to serve the people. We can, and we will, differ on how we do that; I respect those differences and, quite frankly, I relish their articulation.

Mr. MacDonald: It's a Tory opiate for the people.

Hon. Mr. Davis: But I think we can be united in our common resolve to advance the human condition, the quality of life, the self-respect and the dignity of all of our people. We can co-operate in shaping openly and honestly an air of trust for Canadians.

Mr. Lewis: Why wasn't this in the Throne Speech?

Hon. Mr. Davis: I am one of those who believe that our society needs that kind of trust as never before.

Mr. McClellan: He'll be glad when this session is over.

Hon. Mr. Davis: It is a trust I look forward to shaping together with each and every member of this House in the months, and I would say perhaps even years, ahead. It is the best reason one could ever find to be in this demanding profession of politics. It is my reason. I'm sure it is shared by all members of this Legislature.

As I said, I was nearly provoked by the member who led off for the New Democratic Party in his criticism of a certain aspect.

Mr. Speaker: I must remind the House and the hon. Premier that the debate is supposed to conclude at 5:45. Do we have unanimous consent for the Premier to complete his remarks?

Hon. Mr. Davis: I'm sorry, Mr. Speaker. I will be only two minutes.

Interjections.

Mr. Cunningham: Not as much as a semi-con.

An hon. member: More.

Hon. Mr. Davis: I said that I was going to be very non-provocative and non-partisan—

Hon. Mr. Henderson: He is getting to the point now.

Mr. Peterson: Did you deliver this on one knee?

Hon. Mr. Davis: I recognize it is not the typical contribution to the Throne Speech, but I thought I would share it with members. It's a very personal approach on my part.

Mr. S. Smith: He is breaking in a new speech writer.

Hon. Mr. Davis: Because of these views that I have expressed, and given the pressing need for all members of this Legislature to get on with the work that is presently before us, I would ask the members of the third party who have had an opportunity to assess what I have said and the debate that has gone on to reconsider their motion for amendment.

Mr. MacDonald: After this speech, it's obvious the government is in deeper trouble than I realized.

Hon. Mr. Davis: I would say to the hon. member who does so well—I have great respect for him—I just wonder what he would have done on that select committee on uranium if it had been 6-6 and he would have been totally objective. Do you know what he would have done, Mr. Speaker?

Mr. MacDonald: I know what I would have done.

Hon. Mr. Davis: He would have voted for the contract; of course, he would.

Mr. MacDonald: Is that right?

Mr. Martel: That ends any chance of avoiding the vote. The Premier just killed it.

Mr. MacDonald: This is another Tory opiate for the people.

Hon. Mr. Davis: I'm saying to the new leader of the New Democratic Party, it is not too late to join in these sentiments. It is not too late to reconsider—

Mr. MacDonald: Time.

Hon. Mr. Davis: —that questionably reasoned amendment that he has presented.

Mr. Cassidy: We thought about it for all these years and the answer is still the same.

Hon. Mr. Davis: I would urge him to join the official opposition who in a moment of enlightenment—

Mr. Martel: Hallucination.

Hon. Mr. Davis: —are going to support the government on this most important vote.

Mr. S. Smith: The Premier's speech is full of platitudes.

Hon. Mr. Davis: I recognize the Leader of the Opposition would regard them as platitudes. I regard them as truths and I tell him that they're not irrelevant in today's context. He might do well to read them sometime when he has difficulty going to sleep at night.

Mr. S. Smith: It is a valedictory address. I certainly will use it.

Mr. MacDonald: It's political sedative; enough to put you to sleep.

Hon. Mr. Davis: I know the member for York South never had difficulty going to sleep. I won't say what I was going to say.

Mr. Martel: Now you are getting nasty.

Mr. Makarchuk: It's a tranquillizer.

Hon. Mr. Davis: I would urge the members opposite to support the government in a Throne Speech that refers to the need for confidence and the need for some economic direction in terms of national co-operation and in terms of those objectives and goals that are relevant for today's Ontario society. I say to the new leader of the New Democratic Party that this is an opportunity for him to do at last something significant in his brief political tenure in this House and make the change that is necessary—

Mr. Breithaupt: Ask not.

Hon. Mr. Davis: —to support the government on the very excellent address delivered by Her Honour just a few days ago.

Mr. Makarchuk: Did the member for Oriole (Mr. Williams) write that?

Mr. Speaker: Order, The Throne Speech debate now being concluded, I shall call for the vote as follows:

Mr. McCaffrey, seconded by Mr. Taylor (Simcoe Centre) moved that a humble address be presented to the Honourable the Lieutenant Governor as follows:

To the Honourable P. M. McGibbon, Lieutenant Governor of Ontario:

May it please Your Honour: We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly of the province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us.

Mr. Cassidy moved, seconded by Mr. Lewis, that the motion for an address in reply to the speech of the Honourable the Lieutenant Governor now before the House be amended by adding thereto the following words:

"That this House regrets the failure of the government to provide leadership in rebuilding Ontario's economy and finding jobs for the province's 316,000 unemployed, its failure to bring Ontario's uranium resources into public ownership and therefore needlessly forcing the people of Ontario to pay billions of dollars in windfall profits to the mining industry, and its failure to provide leadership on the question of national unity

and Franco-Ontarian rights, and therefore this House no longer has confidence in the government."

The House divided on the amendment by Mr. Cassidy, which was negatived in the following vote:

AYES	NAYS
Bounsall	Belanger
Bryden	Bennett
Cassidy	Blundy
Charlton	Bolan
Cooke	Bradley
Davidson	Breithaupt
(Cambridge)	Brunelle
Deans	Conway
di Santo	Cunningham
Grande	Davis
Laughren	Drea
Lawlor	Eakins
Lewis	Gregory
Lupusella	Grossman
MacDonald	Haggerty
Makarchuk	Hall
Martel	Handleman
McClellan	Havrot
Philip	Henderson
Renwick	Hennessy
Swart	Hodgson
Warner	Johnson
Wildman	Jones
Young—23.	Kennedy
	Kerrio
	Lane
	MacBeth
	Maeck
	McCaffrey
	McCague
	McEwen
	McKeough
	McKessock
	McNeil
	Newman, W.
	Newman, B.
	Nixon
	O'Neil
	Parrott
	Peterson
	Reed
	Reid
	Rhodes
	Rowe
	Roy
	Ruston
	Smith, S.
	Smith, G. E.
	Snow
	Stephenson
	Sterling
	Sweeney

NAYS

Taylor, J. A.
Taylor, G.
Turner
Van Horne
Villeneuve
Walker
Welch
Wells
Williams
Wiseman
Worton—63.

Ayes 23; nays 63.

The House divided on the original motion by Mr. McCaffrey, which was approved on the same vote reversed.

Resolved: That a humble address be presented to the Honourable P. M. McGibbon, Lieutenant Governor of Ontario.

May it please Your Honour: We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly of the province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech which Your Honour has addressed to us.

On motion by Hon. Mr. Welch, the House adjourned at 6:03 p.m.

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Tuesday, March 7, 1978

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

TUESDAY, MARCH 7, 1978

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

PANASONIC EXPANSION

Hon. Mr. Davis: I have just a very brief statement. I am pleased to inform the Legislature that Panasonic of Canada is announcing today its decision to proceed with two building projects that will cost several millions of dollars and provide new job opportunities. I am personally pleased that Mr. Lew Shoskes, vice-president of Panasonic of Canada, has stated in his announcement today that our investment and trade mission to Japan last fall was influential in bringing about the expansion program. It was my pleasure to meet with officials of the parent company when we were in Japan last fall, at which time we emphasized our confidence in the Canadian economy and the many benefits offered by our own province.

Panasonic has purchased a 10-acre site in Mississauga—I thought it might have been Brampton but it's Mississauga—where the company will build a new Canadian headquarters. Completion of the headquarters and adjoining warehouse, estimated to cost about \$3 million, is expected late this year or early in 1979. Company officials suggest that further expansion could double the facilities that are being announced today.

In addition to the new headquarters, Panasonic Industries Canada, the Etobicoke manufacturing operation, has just completed an addition to its plant and is now considering an additional 50,000-foot expansion. In addition to the many jobs these undertakings will provide to the construction industry, Panasonic is hopeful that it can expand its own work force in the near future.

I believe Panasonic's announcement today is a reminder to all of us that Ontario has reason for its confidence in our ability to maintain and attract investment that will stimulate our overall economy and provide employment opportunities. I believe it also shows the type of benefit we have come to expect from our investment in trade and tourism missions.

It is difficult to put a price tag on the value of these missions but we know they have resulted in many millions of dollars in investment and sales which can only help our employment situation. For example, from a mission to Iran last year, an Ontario company dealing in forest products catalogued sales of \$2 million with a further estimated order of \$3.5 million for 1979. On that same mission, a manufacturing company reported sales of \$1.5 million. On a similar type of mission covering Brazil and Argentina, another company reported initial orders of over \$1 million.

During our mission last fall, members of the Ontario group met with executives of the Japan Automotive Parts Industry Association and, as a direct result of this, the association sent to Ontario a delegation of 63 members who are currently exploring the possibility of working relationships with Canadian automotive parts manufacturers.

We are already aware of more than \$14 million in sales made by companies who sent representatives on the various trade missions during 1977 alone. We have every reason to believe these business relationships will continue, and indeed increase, in the future. That has certainly been the trend since we began these missions some years ago. We are very proud of our successes, as they show very clearly the reason for our optimism and confidence in this province and in the capacity of its people to compete in the world marketplace.

COUNCIL FOR TROUBLED CHILDREN AND YOUTH

Hon. Mr. Wells: Mr. Speaker, since this really is the answer to a question, but assumes the proportions of a statement, I will give it now with your approval.

Yesterday the Leader of the Opposition (Mr. S. Smith) asked me a question about a Mr. Peter Wiseman and the Council for Troubled Youth and Children. I would like to reply and tell him that when the children's services division of the Ministry of Community and Social Services was established last July, this section assumed many of the functions handled during the previous two

years by the Council for Troubled Children and Youth.

This council had served its purpose extremely well. However, once the consolidation of children's services had been completed, there was no longer a necessity for it to continue in the form in which it had been constituted. The council was disbanded last September, and Mr. Peter Wiseman, who had been seconded to the Social Development secretariat as chairman of the council, returned to the special education branch of the Ministry of Education.

Following the formation of the children's services branch, we were most anxious to establish a close working relationship between the division and the Ministry of Education. Because of the valuable experience and the wealth of knowledge he had gained in his work with the council, and at the request of the officials in the children's services branch, Mr. Wiseman was immediately assigned the role of liaison officer between the new division and my ministry. In addition, he is also continuing to co-ordinate our ministry activities with respect to educational agreements between school boards and government-approved care and treatment facilities for troubled children.

During the past few months, some issues have arisen in the area of children's services which involve more than two ministries. It became apparent that there was still a need for some form of continuing mechanism to ensure interministerial co-operation and liaison. In response to this need, an interministerial committee on children's services was appointed in December 1977. In view of his previous experience on the council, Mr. Wiseman was asked to chair the committee this year on a part-time basis in addition to the other responsibilities that he has, which I have already mentioned. During 1978, Mr. Wiseman and the members of the committee will report directly to the Provincial Secretary for Social Development (Mrs. Birch).

In addition to the chairman, the committee includes regular membership at the senior staff level from the Ministry of Education in the person of Dr. Gordon Bergman; from the Ministry of Community and Social Services by Mr. John Anderson and Dr. Clive Chamberlain, and from the Ministry of Health by Mr. Don Treasdale. Other members have been assigned on an ad hoc basis from the ministries of the Attorney General, the Solicitor General, Correctional Services, Colleges and Universities, and the Justice and Social Development secretariats.

The principal terms of reference for the next year include the following: 1. To under-

take specific tasks related to children's services, at the direction of the Provincial Secretary for Social Development and cabinet committees; 2. To promote conjoint planning and to provide a focal point at the provincial level for co-ordination and liaison among all ministries in matters pertaining to policies for children's services; 3. To provide an interministerial forum for information sharing and discussion of plans and proposals of each ministry as they relate to children's services; 4. To consider the interface effects of policy and program proposals designed by individual ministries and to make recommendations regarding a co-ordinated approach to their implementation; 5. To encourage effective co-ordination and co-operation in the delivery of the total spectrum of children's services at the community level.

I would like further to assure the Leader of the Opposition that all the information gathered and the records made by the council during the past two years have been made available or given to Judge George Thomson and his staff in the children's services division.

With regard to the questionnaire referred to yesterday, it was developed two years ago as a means of gathering information requested by the members of the council concerning the variety of programs and services available to emotionally disturbed children. The data were collected and made available as a reference document for the use of the council members only. In a few cases, respondents requested that some of the information remain confidential. The data collected were not destroyed but in fact were made available to the children's services division. However, it is information that this division will of necessity need to update regularly. I understand they are involved at the present time in developing a comprehensive update survey for this purpose.

I might also add that some of the data from the original council survey were released in the form of a directory of facilities for troubled children and youth, which I'm sure my friend has seen; it has been a public document. The children's services division has taken over the responsibility for maintaining an inventory of these facilities and the production of further editions of the directory.

That forms my answer to the questions which the Leader of the Opposition raised and, in checking Hansard, I find that it conforms almost completely to the way I answered him yesterday in regard to this question.

Mr. S. Smith: Absolutely not.

ORAL QUESTIONS

COUNCIL FOR TROUBLED
CHILDREN AND YOUTH

Mr. S. Smith: A question for the Minister of Education: In view of the fact that in his answer he says the council was wound up in September 1977, as I indicated, can he explain why the gentleman in question, Mr. Wiseman, is still listed in the 1978 directory as chairman of that precise council? More importantly, can he answer the question I asked yesterday as to why we have not seen a report from that council since July 1976—

Mr. Lewis: Why is he in the telephone book? Why is he in the telephone book at all?

Mr. Renwick: He should ask the Minister of Government Services (Mr. Henderson).

Mr. S. Smith:—and with regard to the matter of the information from the questionnaire of all the children's services, which he says is in the hands of ComSoc, will he admit that apart from the directory with the address and so on, which is a public document, all the other information he claims needs to be confidential is not, in fact, being shown to members of this House and, furthermore, does not at present exist?

Hon. Mr. Wells: First of all, dealing with the last question, the other information does exist and it is available and in the hands of Judge Thomson and the members in Community and Social Services. My friend should know the answers to all this. I think it should be very clearly stated that one researcher—I think a Miss Oppen—has talked to Mr. Wiseman and he has informed her of all these things. Why the member persists in twisting these things around in this House, I do not know. But she has talked to Mr. Wiseman personally. Indeed, yesterday or at some past time, he informed her of all the information that I have indicated today in the House. Why my friend will not believe what Mr. Wiseman tells to his people, I don't know.

Mr. S. Smith: Supplementary: To make sure we can all believe that those data exist, why will the minister not table them in this House—the data from the survey of children's facilities, taken under that council, which we have reason to believe are not, in fact, available and in the hands of certain people in ComSoc? If he has them, why doesn't he let us see them? What's so confidential about them?

Hon. Mr. Wells: As I recall yesterday, one of the member's colleagues was talking about the confidentiality of other government information concerning student loans.

Mr. Reid: That's income tax.

Mr. S. Smith: Income tax.

Hon. Mr. Wells: This information that was collected impinges, in some cases, upon children and the records of institutions concerned with them—

Mr. S. Smith: That's really nonsense.

Hon. Mr. Wells:—and was given to us on the basis that it was confidential. I can assure my friend that the information exists. It was taken and collected on the basis that it would be for the use of the council for troubled children and there is really no useful purpose that can be served by tabling it in the House. I suggest that my friend ask my colleague, the Minister of Community and Social Services (Mr. Norton), if he, in fact, has the information.

Mr. Roy: He's not here.

Hon. Mr. Wells: The vital part of the information—

Mr. S. Smith: No, that's not the vital part.

Hon. Mr. Wells:—for this part and for the public is this document which will be updated and continue to be updated. If my friend has any particular part of the information that he would like to know about, if he would specifically ask me about it I would perhaps see if it's possible to get that information. But the total document was collected on the basis that it would not be made public. Some of the information was given to us from the institutions on the basis that it would remain confidential. I think he, above all, he who's always talking about protecting the confidentiality of personal information, would understand and respect that.

Mr. Conway: You sound like Tom Cossitt.
[2:15]

Mrs. Campbell: Supplementary: In view of the fact that the Premier yesterday made such a plea for our trust in government, would the minister at least trust the rest of the members of the Legislature and perhaps let us see the questionnaire; or is it confidential too?

Hon. Mr. Wells: I am sure a copy of the questionnaire that was used two years ago could be provided to the member. I think more pertinent perhaps would be the fact that she would want to talk to the Minister of Community and Social Services, who is now engaged in an updating process with a much more involved questionnaire in the same particular area in the ongoing work of the children's services branch.

My friends don't seem to understand that this whole process has led to very significant developments on this side in the provision of services to children.

Mr. Mancini: The minister doesn't understand.

Hon. Mr. Wells: Rather than harping away and nitpicking at this, they should be concerned about the total process.

Mrs. Campbell: The minister doesn't give us any information.

ROBARTS REPORT

Mr. S. Smith: I have a question of the Premier. In view of the fact that changes in legislation affecting polling subdivisions would have to be known in the very near future in order to be applied for as far as a municipal election in Metro Toronto would be concerned later this year, which I guess is scheduled for November 13, can the Premier tell us when his government's policy on the Robarts report will be made known before this House?

Mr. Nixon: The present mayor will be available to run, I understand.

Hon. Mr. Davis: I understand the present mayor probably by that time will be sitting in a cabinet position in Ottawa, and I am only presuming that.

Mr. Conway: The Premier said the same about Pierre Benoit.

Hon. Mr. Davis: I said the same thing about a number of people for many years.

Mr. Foulds: The kiss of death.

Hon. Mr. Davis: I have said the same thing about people opposite for a number of years, and it has proved to be correct.

Mr. O'Neil: You should hear what we say about you.

Hon. Mr. Davis: I know what you say about me in public. I also know what you say in private.

Mr. Speaker: Order. Will the Premier address himself to the question asked by the Leader of the Opposition.

Hon. Mr. Davis: I certainly will, Mr. Speaker. I will address myself to the question immediately.

Mr. Makarchuk: What is it?

Hon. Mr. Davis: We will have a statement on this matter at the appropriate time.

Mr. S. Smith: By way of supplementary, since the Premier and his Treasurer (Mr. McKeough) are already on record as rejecting the boundary proposals made by the Robarts royal commission on Metro Toronto, can we assume that certain other major recommendations are still being seriously considered? Can the Premier give us some indication of when we can expect a statement regarding the rest of the Robarts re-

port so that it can, if necessary, be implemented for the coming election with enough lead time for people to prepare their campaigns, their financing and their decisions as to whether they are going to run? What is the point in delaying at least on that aspect of the Robarts report?

Hon. Mr. Davis: The Leader of the Opposition has indicated that I, along with the Treasurer, have made a decision. In fact, it was a cabinet decision with respect to boundaries, which has been made public. I would gather from the question, it is a decision with which he perhaps disagrees and his caucus really would prefer to have seen some boundaries.

Mr. S. Smith: The Premier knows we agree with it. Don't be funny.

Hon. Mr. Davis: Then why doesn't the Leader of the Opposition say he agrees with it?

Mr. S. Smith: We have already agreed with it.

Mr. Speaker: Order. The question has been asked.

Hon. Mr. Davis: There are a number of other important recommendations in that report.

Mr. Nixon: The Premier is the one who has been announcing he is not implementing the recommendations of Mr. Robarts.

Hon. Mr. Davis: Some of them are really quite complex in nature and require a great deal of assessment by the government, and this assessment is taking place. As I said in answer to the first question, we will have some statement of policy on this matter at the appropriate time.

Mr. Conway: After the next election.

Mr. Warner: Supplementary in two parts: First of all, can the Premier explain what it is that takes him so long and the government so long to come forward with the necessary legislation? Secondly, in line with the budget that we are going to see tonight, would it not make good sense to bring forward that recommendation from the report that calls for the 75 per cent level of funding for the public health units in Metro Toronto, so that it would be in keeping with the budget and the people in Metro Toronto public health units would know what kind of funding to expect?

Mr. Havrot: Resign.

Hon. Mr. Davis: Mr. Speaker, I think the people of Metropolitan Toronto already know what level of funding they are to expect on the one issue.

With respect to the first part of the two questions the hon. member asked, we received the report some time ago. I am sure the hon. member would be the first one to say, if we introduced legislation that didn't really suit his own state of mind, that we hadn't spent long enough at it.

Mr. Nixon: He thinks you should resign.

Hon. Mr. Davis: We just want to make sure that when we bring a policy or possible legislation before this House it will be so thoroughly done that the members opposite will vote unanimously in favour of it. They want us to do it the right way, and we are attempting to do that.

Mr. Foulds: Like your own unanimity over the cottage lot sales.

Mr. Speaker: The hon. member for Sudbury East.

(Applause).

Mr. Martel: I'm not used to this.

LAYOFF OF NICKEL WORKERS

Mr. Martel: A question of the Premier: Because the government announced its intention not to act on the first report of the select committee considering the Inco and Falconbridge layoffs within hours of that report being tabled, can the Premier indicate which recommendations his government intends to accept from the second report, all of which recommendations deal with a long-term solution for a one-industry community? Which of those is his government going to accept?

Hon. Mr. Davis: Mr. Speaker, that report is being very carefully assessed now by the appropriate ministries.

I should explain—without infringing on the rules of the House but so the members of the gallery who are visiting us today would understand that enthusiastic outburst of applause from all members of this House—that I think this is the first time the hon. member has asked a question as House leader for his party. We not only recognize that, we recognize the three-piece blue suit and the fact that he probably wishes he had been a leadership candidate in view of the performance to date.

Mr. Martel: I might say that the opportunity presented itself to be a candidate and I bypassed it. My ego wasn't that big.

Mr. Ruston: Oh, I don't know about that.

Mr. S. Smith: What does that say about the other three?

Interjections.

Mr. Lawlor: I don't know if that was a good thing to say or not.

Mr. Martel: It was a good thing to say. It reflects on what—

Mr. Lewis: I think I am going to take over now!

Mr. Speaker: Does the hon. member have a supplementary?

Mr. Martel: There are those who need leadership, Mr. Speaker; it does them good.

Mr. Deans: Why don't you just ask your question?

Mr. Lewis: Yes, get to it.

Mr. Martel: Supplementary: Is the government prepared by the way of grants, loans or tax incentives to encourage or assist in the establishment of a mining equipment manufacturing industry in Sudbury, because we have a debt in Canada of about \$750 million a year, I think, because of imports of that kind, an expanded mining and research development at Laurentian related to a mining equipment manufacturing industry, and an auto parts plant in Sudbury which is being discussed at the federal level at the present time?

Hon. Mr. Davis: There are a number of recommendations in the report. The hon. member has referred to three ideas that he is presenting. We have looked at the whole question of import replacement for a period of time. It is something of a mystery to me why a province or a country that is so involved in the mining industry does not have a greater share in terms of the production of equipment for those particular operations.

Mr. Lewis: Bad government.

Hon. Mr. Davis: But, to answer in a specific way about those suggestions, I am sure the hon. member understands it is not as simplistic as saying 'yes'. They have to be assessed carefully and we are in the process of doing it.

Mr. Martel: A final supplementary in view of the fact that the government is considering all these things: In the report we made mention of the government's failure to respond somewhat earlier. Is the Premier aware that a document was prepared for the cabinet which stated, "Unless the markets improve rapidly in the near future, it is difficult to see how cuts in the Sudbury mine output can be avoided"? What action did the government take, when that action was presented to cabinet a year ago, to alleviate the crisis that has now struck the Sudbury area?

Hon. Mr. Davis: I don't recall any formal document. I'm not saying there wasn't one. We get a lot of documents.

Mr. Martel: Here it is.

Mr. Wildman: From MNR.

Hon. Mr. Davis: It was certainly known, because the hon. member was one of those, along with two or three of his colleagues, who asked questions during that period of time about the possibility of the market situation being such that it might lead to the situation that has developed. So I think it is fair to state that while we had no specific knowledge, we certainly shared the same concern about the possibility.

I don't think the situation then was any different from now in terms of that particular industry. This government has no control over the international marketplace, and the solution as suggested by the members opposite of the nationalization of that particular industry will not affect that situation.

What we're looking for, as I'm sure the hon. member is, are other policies or concepts for the Sudbury basin. I spent some time yesterday discussing this matter with some people. The hon. member knows very well about the conference that is being convened in Sudbury in the early part of April. I told them I thought this was one of the more encouraging initiatives that had come forward for that community. It was my hope that my timetable would allow it, and I think it will. This would be on a very non-partisan basis and that, I understand, is also the ground rule for the member for Sudbury East—that he also will be a participant at that particular conference.

Mr. Martel: I hope the Premier brings a bagful of money when he comes to Sudbury. We could use it.

Mr. Havrot: We've had enough of that.

Mr. S. Smith: Is Kelly going too?

Mr. Roy: Bill Kelly has not finished his champagne yet.

EQUAL PAY

Mr. Martel: To the Minister of Labour: The report on the status of women Crown employees, 1975-76, was tabled on October 29, 1976. Can the minister indicate when we can anticipate a followup report—the 1976-77 report—on the status of women Crown employees?

Hon. B. Stephenson: During the discussion of our estimates, the director in charge of that branch informed not only myself but also the committee that this report was in the process of being developed. I had anticipated it would be ready in January, Mr. Speaker. I gather it is not ready as yet, but I will try

to find out a reasonably precise date so that I can inform the hon. member.

Mr. Martel: Supplementary: Is the delay in tabling the 1976-77 report due probably to the conclusions in the first one which probably haven't changed some 18 months later? The first one stated: "The overall profile of men's and women's salaries has not changed substantially from 1975 . . . When average salaries by sex and ministry are compared, men's salaries exceed women's salaries in every case, and the status quo situation on salaries was the same for occupational distribution using the service-wide statistics . . . There was no significant change in the overall occupation distribution of these women in 1974-75 and 1975-76."

Is the delay not occasioned because nothing has changed?

Hon. B. Stephenson: That certainly is not any valid reason for delay and I am sure it is not the reason for the delay. The information I have is that there are certain aspects of this report which show very marked improvement. It is my wish and hope that the hon. members will be somewhat pleased with what has happened in the intervening year.

Mr. McClellan: You have the report, do you?

Mr. Martel: Final supplementary: Can the minister indicate then, whether the gaps between wages for men and women in the ministries of Energy and Industry and Tourism have come somewhat closer together? That's where the greatest gap was in the salary ranges.

Hon. B. Stephenson: I can't give that factual information today because I don't know, but it will be available to the hon. member as soon as the report is available.

Mr. Mancini: You should give back part of your minister's salary.

Hon. B. Stephenson: Oh, I would be glad to. Give me yours as well.

HOSPITAL PRIVILEGES

Mr. Nixon: I have a question of the Minister of Health: Is he considering establishing a review of the Public Hospitals Act and the continuing problem of staff privileges for doctors as recommended by the Ombudsman in his letter to the minister in connection with the complaint by Dr. Claude MacDonald?

Hon. Mr. Timbrell: No, Mr. Speaker, not at this time.

[2:30]

Mr. Nixon: Mr. Speaker, is the minister prepared to comment on the Ombudsman's letter,

in which I understand the phrase "improper discrimination" was used in reference to the possibility of the actions of the appeal board that was established by this House? Is he not aware, also, of the fact that the Law Reform Commission, by letter to the minister, has indicated that it too feels it is a matter of importance and that it was suggesting a referral to it?

Hon. Mr. Timbrell: I haven't seen the material from the Law Reform Commission, Mr. Speaker. I believe the letter from the Ombudsman just arrived in the last little while, but I will take a look at that in connection with the earlier letter.

Mr. Nixon: With your permission, Mr. Speaker, the minister is no doubt aware that the matter has been written up in the public press, which is where the information was made available to me. Does he recall, in this connection, as a member of the North York council some years ago, signing a report, to the Grange committee I believe, that was looking into this some years ago, calling for a policy with regard to open public hospitals, thus easing what has become a problem of staff appointments?

Hon. Mr. Timbrell: It depends when it was, but I don't recall personally signing such a report. If the member is talking about such a report being signed by the clerk of the council of which I was a member, that's a possibility, but—

Mr. Nixon: No, the minister voted in favour of it.

Hon. Mr. Timbrell: I'd be glad to look at that too. That's a long time ago.

PROPERTY TAXATION

Mr. di Santo: I have a question of the Premier. On November 17 the House passed a resolution calling for the exemption of a portion of property taxes for senior citizens and disabled persons; is the government now prepared to introduce the legislation to implement that resolution?

Hon. Mr. Davis: I recall the discussion, and I would just remind the hon. member of the commitment of the government, which is that we plan progressively to relieve our senior citizens of this province from the burden of real property taxation where there is need. I would remind the hon. member that, looking at averages, we have, in fact, through the tax credit system, relieved our senior citizens of a good portion of their real property tax. One can use varying percentages, but it is probably close to 50 per cent of their property tax at the present time. As a government we are

committed to extending this beyond that, and we will continue to do so.

I must say, Mr. Speaker, we don't intend to introduce a bill at this precise moment, but that is the policy to which this government is committed.

Mr. di Santo: Supplementary, Mr. Speaker: The resolution that we passed, and it was approved unanimously by this House, called for the elimination of the property taxes, the portion of the property taxes of education, for senior citizens and disabled people, and that was also a real promise in the Bramalea charter. Is the Premier saying he is dissociating himself from the vote that he made on that resolution?

Hon. Mr. Davis: All I am saying, very simply, is that it takes a period of time to accomplish these things. We set an objective—

Mr. Makarchuk: It started with George Drew.

Hon. Mr. Davis:—and I would say, with respect to the educational portion, if one were to assume that roughly 50 per cent of the tax bill on residential property is for education, if one were to apply, as I think one could fairly—

Mr. Warner: Slowly, slowly; turtles climb trees faster.

Hon. Mr. Davis:—the amount now being paid to the tax credit system, that a good portion of the educational part of the senior citizens' tax load is now being absorbed through the tax credit system.

Mr. Warner: We pass a resolution and then we back off.

Mr. Swart: Supplementary, to the Premier: Does he not realize that because the property tax credits have not been increased now for three years that in fact the increase in property taxation to senior citizens, those in the relatively low income group, has in fact increased more, percentage-wise, than to any other group in our society? Does he not think, because of this, that there should be some special concessions given to the senior citizens on the property tax?

Hon. Mr. Davis: Long before the hon. member became a member of this House the government recognized that with the introduction of the tax credit systems. It introduced property tax credits for our senior citizens, and my rough guess is that 68 per cent of our senior citizens are in fact receiving, by way of the property tax credit—

Mr. McClellan: Answer the question.

Hon. Mr. Davis:—an amount in excess of what they pay for the educational portion.

Mr. Speaker, this government is committed and will move further than that.

Interjections.

Hon. Mr. Davis: With great respect, the hon. member had better check his figures very carefully.

Mr. Swart: I have. The Premier should check his.

Hon. Mr. Davis: We are moving ahead with it and will continue to move ahead with it.

GATT NEGOTIATIONS

Mr. Sterling: Mr. Speaker, I have a question of the Minister of Industry and Tourism. Given that the textile industry in Ontario now employs 60,000 people and 38,000 of these work in the primary textile industry which is crucial to eastern Ontario's economy, and given that this industry is already suffering from serious problems in declining investments, low profit margins and the fact that Canada imported 60 per cent of its textiles and clothing in 1976—

Mr. Hall: Question?

Mr. Sterling: —and given that any cut in the tariff protection would further harm the industry and aggravate the unemployment situation in eastern Ontario—

Ms. Gigantes: What are you going to do?

Mr. Sterling: —would the minister please indicate whether he will urge the federal government to press for exemption of the textile industry, both in the primary and secondary areas, from the current round of GATT negotiations?

Mr. Cunningham: I predict the answer is yes.

Hon. Mr. Rhodes: Mr. Speaker, the ministry has been in continuing negotiations and discussions with the federal government as it relates to the negotiations involving the General Agreement on Tariffs and Trade, and certainly one of the areas of concern has been the effect any changes would have on the textile industry. I might tell the hon. member and members of the House that tomorrow I will be in Ottawa to meet with four federal ministers, all of whom will be having some involvement in the GATT discussions, and that is one of the subjects we will be discussing with them, as to what sort of position they will be taking when the discussions get going again in Geneva.

Mr. Deans: Ottawa is having enough trouble, John, without you going down.

Mr. Makarchuk: Supplementary: In view of the fact that the Premier just announced

today that Sanyo, or whoever it is, is putting up a warehousing operation in Bramalea or Mississauga which will provide employment for university graduates to load trucks, what is the minister going to do about ensuring that there are jobs in Canada in the electronics industry?

Mr. Speaker: That's not a supplementary.

Mr. Martel: It's a good question though.

Hon. Mr. Davis: I used to drive a truck.

Mr. Martel: What Saturday was that?

Hon. Mr. Davis: All summer.

PAPER MILL CONTROL ORDERS

Hon. Mr. McCague: Mr. Speaker, in response to the questions of the hon. member for Huron-Bruce (Mr. Gaunt) regarding the status of the ministry's orders on the pulp and paper mills of Domtar Packaging Limited of Red Lake and Great Lakes Paper Company of Thunder Bay, I wish to advise that Great Lakes Paper Company has submitted a letter to the ministry prior to the March 1, 1978, deadline, in which it states that the closed cycle system on the new kraft mill has, in its opinion, been sufficiently successful to warrant proceeding with plans to install this system in the old kraft mill.

At present, the closed cycle system has not been totally closed because of technical problems still to be overcome. However, the information provided by the company suggests that, even at the present stage of incomplete closure, the effluent which might be expected from the two mills with this system installed would be at least equivalent to that which could be achieved in similar conventional mills with conventional secondary effluent treatment.

This information is being reviewed to ensure that the company's achievement, in fact, demonstrates essential compliance with the terms of the requirement and direction. If ministry staff determines the company is not in compliance, then the order indicates the company would have to provide biological treatment for both A and B mills.

With regard to the order on Domtar Limited to install a mill sanitary sewage collection system and connect it to the municipal system by March 1, 1978, this system has been installed and the connection to the municipal system was made on February 28, 1978. However, because of delays in constructing the municipal system, it has not been possible to make final internal connections which will cause the sewage to flow through the mill system into the municipal system. The municipality has advised the company that

as soon as its consultant has the municipal treatment plant operating to its satisfaction, anticipated to be about March 15, it may start to complete the required internal mill connections.

Under the circumstances, the company is being required to complete all but two minor lateral connections within three weeks of advice from the municipality to proceed. The two minor lateral connections represent less than five per cent of the total wastes. These connections require outside excavations and permission has been given to delay them until ground conditions are more suitable, but not later than January 15, 1978. Domtar Packaging is in compliance with the requirement and direction.

Mr. Gaunt: I have a supplementary with respect to Great Lakes Paper in Thunder Bay. They were asked to submit a written report demonstrating that the Rapson-Reeves closed cycle water system would substantially free their discharge of any contaminants that would harm or would be likely to harm the quality of the receiving water. I presume from what the minister has said that they haven't done that. All they've said is that the effluent is no worse than it would be with conventional systems.

Mr. Speaker: Question?

Mr. Gaunt: What further steps beyond what the minister has said is the ministry going to take to make sure that this system does comply with the order?

Hon. Mr. McCague: Mr. Speaker, there is one paragraph here which says: "If the ministry staff determine that Great Lakes Paper Company Limited are not in compliance, then the order indicates that the company would have to provide biological treatment for both A and B mills."

Mr. Foulds: With regard to the answer to the question raised about the Great Lakes mill, could the minister indicate exactly what technical difficulties the company has in meeting the requirements? Can he give us an assurance that we will not have our annual pollutant fish-kill on the Kaministikwia River this summer?

Hon. Mr. McCague: I can't guarantee the second part of the question at this point. As far as the first part of the question is concerned I'll get the technical data for the member at a later date.

Mr. Gaunt: I was wondering, Mr. Speaker, does this mean that the Rapson-Reeves system is not as effective in controlling pollution as was once thought?

An hon. member: He'll check into it.

Hon. Mr. McCague: Mr. Speaker, as I indicated, the staff are investigating this matter and will be checking on the compliance.

CABINET COMMITTEE ON CONFEDERATION

Mr. Roy: I have a question of the member for Cochrane North who is, as I read it here, the minister in charge of bilingualism in Ontario and in charge of chairing the cabinet committee on Confederation.

I would like to ask the minister, first of all, whether he is prepared to accept the suggestion made by my leader on this side of the House regarding establishing a select committee in this area? I think he heard his speech on this.

Mr. Hodgson: Not another one.

Mr. Roy: I'm sorry. I apologize if I woke up somebody over there. I didn't want to do that.

Interjections.

Hon. B. Stephenson: It's all right, Albert. We enjoy having you once a week.

Mr. Roy: Secondly, might the minister take us into his confidence and tell us what his cabinet committee on Confederation does, or what it has done so far?

Hon. Mr. Brunelle: In answer to the first question, I think the hon. member will agree that presently we have several select committees and there's quite a problem in select committees meeting when the House is sitting.

Mr. Conway: Land drainage is more important.

Hon. Mr. Brunelle: I think the exchange of members going to Quebec is a very good one and I'm sure this should be encouraged. I don't think much could be served by a select committee at this time.

Mr. Roy: You don't?

Hon. Mr. Brunelle: With reference to the second part of the member's question, the cabinet committee met this morning with the Pepin-Robarts commission. That committee is very active. There has been, for instance, the Destiny Canada conference last June, that the hon. member is familiar with. That's an example. There have been many initiatives taken by the cabinet committee in conjunction with the advisory committee.

Mr. Roy: May I ask the minister a supplementary, Mr. Speaker? How does he rate it in order of priority that he does not see fit to have a select committee of this nature at this time? How does he rate his priorities over there? Secondly, regarding the cabinet committee on Confederation, is he going to

make statements occasionally to the House about what it's doing, so that we on this side of the House can have some input in its discussions with other provinces so that we can be of assistance to the committee on this?

[2:45]

Hon. Mr. Brunelle: In due course of time there will be a report on the cabinet committee.

Mr. Conway: Supplementary: has the cabinet committee on Confederation considered the remarks ascribed to the former Premier in yesterday's Toronto Star, in which Mr. Roberts indicated that, like it or not, Ontario and presumably the Ontario government, under new arrangements within Confederation, will have to accept a markedly reduced role within the brokerage of Confederation politics? Has the minister seen those reports and has his committee considered them perhaps as late as this morning in conversations with the Pepin-Robarts group?

Hon. Mr. Brunelle: I haven't seen those reports.

OPP ROLE IN STRIKE

Mr. Deans: I have a question for the Minister of Labour: Does she think it appropriate that the Ontario Provincial Police should be used by a private company to undermine and destroy the collective bargaining system?

Hon. B. Stephenson: I would think that is what most of my legal friends would call a very leading question. I would really like to know the circumstances of the case which the hon. member is describing.

Mr. Lewis: Answer the question.

Mr. Deans: Can I assume the answer to that was yes?

Hon. B. Stephenson: No, the member can't.

Mr. Deans: Now I will go on with a supplementary. Then does the minister think it appropriate that a private company, whether the name is Fleck or otherwise, should be allowed to use plain-clothes Provincial Police to come in to lecture the workers, who are attempting to get a first contract prior to their going on strike, about the possible consequences of their actions on the picket lines? What, if anything, will constitute illegality in the minds of the police?

Secondly, does she think that that company was acting in good faith when at 7 o'clock on the first morning of the strike it brought a busload of scabs across the picket line? Does she think it appropriate that the

police should arrest the union representative who was attempting to speak to the bus driver and does she think it appropriate that the justice of the peace should refuse to give that union rep bail unless he signed an agreement to stay out of the township?

Hon. B. Stephenson: These are very interesting and intriguing allegations which I have not heard before. I shall be very pleased to investigate the matter and shall report to the House.

Mr. Lewis: She is just the Minister of Labour. Why should she have heard?

Mr. Speaker: Final supplementary.

Mr. Lewis: Why final?

Mr. Deans: Final supplementary: Can I ask the minister whether she believes—

Hon. B. Stephenson: I do not know whether what the member is saying is factual.

Mr. Deans: The minister wants to find out if it's factual? Let me tell her it's factual. At Fleck Manufacturing in the London area in Stephen township yesterday, plain-clothes Provincial Police arrested a staff rep who was speaking to a bus driver. How does the minister pretend to represent organized labour? She is a disgrace.

Mr. Makarchuk: It's the deep South.

Hon. B. Stephenson: The hon. member is certainly entitled to his opinion about almost anything, including his opinion of me. I have not been informed of the so-called or alleged facts of this case. I should like to be so informed. Then I shall be very pleased to comment upon the situation.

An hon. member: The minister has no communication with her staff.

Mr. Pope: The member didn't care to inform her.

Hon. B. Stephenson: That's right

An hon. member: It is not up to us.

Mr. Lewis: Would you allow a supplementary, Mr. Speaker?

Mr. Speaker: The hon. minister has already indicated—

Mr. Deans: I want to find out what's going on in this matter. Using plain-clothes policemen—

Mr. Speaker: Order. The hon. minister has indicated she knows nothing about the allegation.

Interjections.

Mr. Speaker: She has taken the question as notice and perhaps when she replies that would be the appropriate time for supplementaries.

Mr. Lewis: I have a question which relates to this.

Mr. Speaker: Final supplementary, the hon. member for Scarborough West.

Mr. Lewis: I would like to ask the minister, can she explain to the Legislature, when an important international representative of a well-respected union in this province is arrested on a picket line at a plant in the province of Ontario and denied bail by a justice of the peace, and when the Ontario Provincial Police are involved in a series of incidents which are at best questionable, how it is humanly possible within her ministry that she as Minister of Labour wouldn't know about it? What does it say about her ministry and its staff?

Hon. B. Stephenson: I think one of the major features of the Ministry of Labour is the good, wholesome and complete communication between the staff and the minister.

An hon. member You're too busy trying to run down Bill 70.

Hon. B. Stephenson: This is one of the areas in which I think the Ministry of Labour has exceeded what perhaps has been expected of governments in other jurisdictions.

I have to confess that I have not been personally informed of this. When I have, I shall be very pleased to respond.

Mr. Lewis: That's unbelievable—incredible. What's more, he is a lovely staff rep, but it makes no sense at all. Al Seymour is one of the nicest union reps around.

Mr. Speaker: Order.

OHIP CLAIMS PROCEDURE

Mr. Conway: Mr. Speaker, my question is to the Minister of Health in reference to the minister's much appreciated statement in the House last week about the problems of a Dr. Takahashi, with OHIP and some of his patients.

With respect to the last part of that statement, the minister assured hon. members that as soon as the doctor in question submits his claims cards the patients will be reimbursed accordingly. Since it is very clear that there is little or no likelihood that there will be receipts, records or any material to allow for the proper processing of those cards and, therefore, according to this statement, there is no normal way to help those patients, several of whom are out of pocket now to the extent of several hundreds of dollars, is the minister contemplating any means by which those people—assuming that does turn out to be the case—might be reimbursed for their out-of-pocket loss?

Hon. Mr. Timbrell: Under the law, Mr. Speaker, we cannot make a payment from the Ontario Health Insurance Plan without substantiating material to support such a claim.

I am not as pessimistic as my friend would appear to be about the outcome of this. The matter goes before the college on March 13. A number of the patients have been in touch with my office and have indicated that in their view they don't think the doctor in question is being malicious in any way but that perhaps it is just a case—I don't know how his office is organized or how he organizes himself, but the prognosis is a positive one.

At this point, I will wait for the results of the College of Physicians and Surgeons' hearing in the anticipation that at some point in the not-too-distant future we will have substantiating material with which to justify processing the claims and to waive the normal six-month period.

Mr. Conway: Supplementary: In recognition of the serious time difficulties that have faced patients out of money—out-of-pocket money in this case—and going by the minister's statement that in April 1977 this matter first came to the ministry's attention, can the minister explain, to the best of his knowledge, what "the procedural problem" was that rendered the February 6 hearing essentially null and void. Does he know what that procedural problem was?

Hon. Mr. Timbrell: To the best of my recollection, it had to do with the giving of notice; the proper time required for the giving of notice was not given and as a result it had to be put forward.

NOISE LEVELS

Mr. Mackenzie: Mr. Speaker, a question to the Minister of Labour: Is the minister aware of a situation at the A. G. Simpson plant in Scarborough, a heavy-metal stamping plant, where the ministry people conducted tests? They found the noise levels too high and ordered earphones for the workers as well as moving in mobile hearing testing equipment, but a good number of the employees, who happened to be provided by the overload company, have been refused the earphones for use in the plant. Why would the ministry people not insist—inasmuch as they are working there, even though on a contract basis—that they be covered under the same situation?

Hon. B. Stephenson: Mr. Speaker, any individual who is working in an area where the noise level is above that which is permitted, is supposed to be provided with the pro-

tective equipment, whether he or she is a contract person or full-time person.

Mr. Mackenzie: Would the minister then look into this particular situation and find out why they are being denied this kind of coverage? It is bad enough that people are used to circumvent full-time employment under this method, but they should certainly have the coverage in that situation.

Hon. B. Stephenson: Yes.

COMMUNITY COLLEGE NEGOTIATIONS

Mr. Sweeney: A question to the Minister of Colleges and Universities having to do with the current negotiations with the community college teaching staff. Would the minister not agree that the 6,000 community college teachers who have not had a contract since August 1977 have a reasonable cause to be concerned by the action of the council of regents to introduce changes in the ground rules respecting workload and sick leave plans?

Hon. Mr. Parrott: I would have to remind the member that the negotiations are strictly between the council of regents and the faculty association bargaining union, and I think the Act very clearly spells out that if anyone should comment—particularly if he happens to be the Minister of Colleges and Universities—on how those negotiations are going that, indeed, he would be in violation of the intent of the Act, if not the exact wording of the Act.

I recall once in Sudbury when I made what I thought a rather brief and not too heavy comment about those negotiations that I was severely criticized for doing so. With that background and that history, I think it would be wrong for me to indicate in a public forum how I feel or do not feel about how the negotiations are proceeding and whether or not the two sides are acting in the way the member suggests. I think, to put it very briefly, I guess, there is really no comment that's appropriate for me to make at this time on those negotiations.

Mr. Sweeney: Supplementary: Would the minister at least be prepared to support the call for an independent arbitrator on these two issues, hopefully to avoid a province-wide strike?

Hon. Mr. Parrott: The only thing I'd be prepared to support at this time is that the negotiations proceed precisely as the Act calls for them to proceed.

Mr. Bounsall: Supplementary: If my information is correct, of the five people on the council of regents negotiating com-

mittee, two of them are from the ministry. Would the minister ensure that through those two officials at least and his influence with the other three members on that negotiating committee, a conclusion is reached in the negotiations as soon as possible, so that one is not ever contemplating in this province a strike of our community college teachers?

Hon. Mr. Parrott: No, I cannot assure the hon. member of a positive answer to his question.

Mr. Warner: Supplementary, Mr. Speaker.

Mr. Speaker: That was the final supplementary.

Mr. Warner: I thought it was the first final supplementary.

Mr. Speaker: No, it was the final supplementary. The hon. member for Windsor-Sandwich with a new question.

AIR POLLUTION

Mr. Bounsall: A question of the Minister of the Environment: I might say at this time that I appreciate the minister's communication that he sent to me indicating that Governor Milliken of Michigan will not relax the sulphur in fuel requirements or make any change on the transboundary pollution without involving the authorities of the Ministry of the Environment here in Ontario in public hearings. But is the minister aware of the International Joint Commission report released last week for the Windsor area, showing that there were increases in the maximum levels of certain air pollutants in Windsor as well as increases in the number of incidents of pollution in 1976, and that if the trend continues they can't possibly meet the requirements and objectives set for the end of this year? Will the minister make sure that all requirements on standards are stringently enforced and that there will be in no way any relaxation of surveillance in the Windsor area?

Hon. Mr. McCague: Yes, Mr. Speaker.

Mr. Martel: That's short. You don't take much time, George.

Mr. Cooke: Supplementary: In view of the IJC report that stated the quality of air in the Windsor area had decreased, could the minister explain why he said, in a letter that he sent to me dated March 1, 1978: "With respect to the area of Windsor opposite Zug Island, I believe it is important to recognize the very significant reductions in emissions realized in recent years by US industrial sources located on or near Zug Island. This reduction in emissions has been

reflected in the air quality of west Windsor area, as monitored by my ministry's monitoring network."

In other words, he is saying that the quality of air has improved according to his government's monitoring.

[3:00]

Mr. Speaker: Question?

Mr. Cooke: I am asking why the IJC is saying one thing and his ministry is saying another thing?

Hon. Mr. Davis: IJC can be wrong.

Hon. Mr. McCague: Mr. Speaker, I have no idea why IJC is saying what they are saying. I believe that our report is correct.

Mr. Martel: They have been known to be wrong before.

OVERTIME PERMITS

Mr. Mancini: Mr. Speaker, I have a question of the Minister of Labour. I wonder if the Minister of Labour can inform the House, if the employment standards branch is going to continue to give out overtime permits in this time of high unemployment?

Secondly, has the employment standards branch done any surveys which could be given to the House and which would tell members how many more new jobs could be created if the overtime permits were curtailed somewhat?

Hon. B. Stephenson: Mr. Speaker, we have looked very carefully at overtime permits, and I would have to report that the granting of overtime permits relates specifically to those operations in which there is a seasonal or periodical demand for the products. Rather than hiring new staff to accommodate that seasonal change or the periodic change the employees in those establishments are given the option to work overtime.

It is not done, as the hon. member knows, without the agreement of the employees; they must agree to work overtime. No employee can be made to work overtime if he does not wish to.

We have looked at the possibility of reducing overtime in certain operations; I don't know whether I can give the member factual information about those specific operations, but if we have I will be very glad to provide it.

Mr. Mancini: Supplementary question: Doesn't the minister feel that at this time we need this type of factual information? Is the minister prepared to have the employment standards branch do a study so that we as legislators will know how many thousand

new jobs could be created by curtailment of overtime? Doesn't the minister think that is necessary now?

Hon. B. Stephenson: Mr. Speaker, I think there is probably sufficient information on hand to give a fairly reasonable estimate of the number of jobs which might be created under certain circumstances.

Mr. Mackenzie: This is a supplementary. Would the minister tell this House whether or not her answer applies to the situation at the Ford Motor Company plant in Oakville—which we raised with her in the last session, and on which I am still awaiting a response to a couple of questions?

Hon. B. Stephenson: Mr. Speaker, I thought I had responded to the hon. member's questions. If I have not, I apologize. That information I shall provide for him.

Mr. B. Newman: A supplementary of the minister: Would the minister consider suggesting to the employer that he use, wherever possible, laid-off employees rather than giving the overtime to employees who are presently working the full week?

An hon. member: Why don't you just do what they did at Inco?

Hon. B. Stephenson: Mr. Speaker, I would be very happy to suggest this strongly to employers, yes. I do not know whether they would accept my suggestion or not.

Mr. MacDonald: Don't give them the overtime permit.

TRUCKING LEGISLATION

Mr. Philip: A question of the Minister of Transportation and Communications: Is the minister now prepared to admit what he refused to admit in response to my questions on December 5, that there has been a conflict between the policies of deregulation advocated by the Treasurer (Mr. McKeough), and those of regulation advocated by the minister himself and by the select committee on the highway transportation of goods? Would the minister now admit that Bill 21 is a clear indication that the policies of deregulation have won out in his cabinet; and would the minister take the honourable course of action, now that his policies have been repudiated by his cabinet, and resign?

Hon. Mr. Snow: No, Mr. Speaker.

Mr. Philip: By way of supplementary, can the minister tell us how he can set up a select committee, with all of the expense that goes into that, and then go deliberately against the major thrust of that select committee's recommendations, as he has done in Bill 21?

Hon. Mr. Davis: Are you all going to resign because your party said you shouldn't raise the drinking age?

Hon. Mr. Snow: Mr. Speaker, I don't think we have gone at all against the major thrust of that report. The major recommendation of the select committee report confirms the necessity for a regulated trucking industry in the province of Ontario—

An hon. member: Except in the north.

Hon. Mr. Snow:—and I accept that recommendation and endorse it heartily. I do think, however, that there is some room for improvement in the regulating system that would allow some greater degree of flexibility in the industry, a greater opportunity for backhauls and the saving of empty movements and the saving of energy.

Mr. Philip: One last supplementary.

Mr. Speaker: Final supplementary.

Mr. Philip: Can the minister therefore assure the House that the deregulation advocated in Bill 21 is the last of the deregulations that his ministry will be advocating?

Interjections.

Hon. Mr. Snow: Well, Mr. Speaker, it is certainly all the deregulation that I have in mind at this time—or in the foreseeable future.

Interjections.

Mr. Martel: They are your regulations; we didn't bring them in.

Hon. B. Stephenson: We've taken them out.

Mr. Martel: You've regulated everything to death.

Hon. Mr. Snow: I cannot, of course, give the hon. member a commitment that sometime in the distant future some other minister who may follow me won't decide there should be more deregulation.

I would like to say also, Mr. Speaker that within the next few days I expect to be introducing further amendments to the Public Commercial Vehicles Act. I stated when I introduced Bill 21 that there would be a further package of amendments coming forward dealing with the enforcement recommendations of the report. I think when that is introduced it will reinforce the government's intention to maintain regulation and to have a much more effective enforcement of the regulations.

GOVERNMENT SPENDING

Mr. Ruston: I have a brief question of the Premier. Since the leader of the Premier's party in Ottawa has said if he is elected Prime Minister of Canada he would allow the opposition the right to review at least

one or two departments of government each year and would allow the opposition to either increase or decrease that spending, would the Premier consider giving the opposition here the same privilege?

Hon. Mr. Davis: In technical terms the members opposite always have the option to reduce the expenditure of any ministry in government if they see fit—

Mr. S. Smith: Is that all Joe Clark meant?

Hon. Mr. Davis:—and if they are prepared to suffer the consequences that would emerge from such a decision.

Interjections.

Hon. Mr. Davis: However, Mr. Speaker, I think it's fair to state, when you assess the procedures of the federal House and the procedures here, that in fact our ministries probably come in for a more intensive review—far more open, with far more opportunities for questions and meaningful answers.

Hon. Mr. Welch: Four hundred and twenty hours.

Mr. S. Smith: And secret surveys of children's services.

Interjections.

Hon. Mr. Davis: I recognize the member for St. George (Mrs. Campbell) doesn't agree with that. I know of her great experience with the federal House and how the system works there, but my perception is that we have a much more open system here and a much greater opportunity for asking questions and really in assisting the ministers in the discharge of their responsibilities.

Mr. S. Smith: When you take over from Clark will he come here and take over from you?

Mr. Ruston: Supplementary to the Premier: I take it then he does not in fact believe in many of the things his leader in Ottawa says.

Interjections.

An hon. member: He didn't say that.

Mr. S. Smith: He doesn't think there is a leader in Ottawa.

Hon. Mr. Davis: Mr. Speaker, as I listen to some of the members opposite, I think that I am in greater support of our federal leader than those people want to be of theirs, depending on what the polls show from day to day.

Interjections.

Mr. Roy: Clark said the federal-provincial caucus was a bust, the Premier said it was great.

Mr. Speaker: Order.

SPECIAL EDUCATION

Ms. Gigantes: A question of the Minister of Education, Mr. Speaker: Will the minister table in the Legislature the analysis that led him to claim that 12 per cent of Ontario kids are involved in special education programs? In other words, will he tell us how many children are receiving—

Interjection.

Mr. Speaker: Order. I wish the hon. member for Renfrew North (Mr. Conway) would please be quiet and extend the same courtesy to other members that they extend to him when he is asking a question.

(Applause).

Ms. Gigantes: Thank you, Mr. Speaker. In other words, I'd like the minister to tell us how many children are receiving how many minutes per week of special education programs, what kind of special education programs, and under the jurisdiction of which boards in Ontario.

Hon. Mr. Wells: I can tell the hon. member that about 248,000 students in this province are receiving some kind of program apart from what would be termed the normal school program. As for the other parts of her question I'll be happy to get the answer. If she'd like it in a formal manner, it probably should be put on the order paper, but it will take a while to assemble that information.

Ms. Gigantes: Supplementary: Is the minister suggesting to us that everything that is not included in what is called "the normal school program" constitutes special education?

Hon. Mr. Wells: I'll be happy to give the hon. member a breakdown on that.

Mr. Reid: I think she has had one already. I don't think she needs any help.

Hon. Mr. Davis: She's not alone.

Hon. B. Stephenson: Stuart will help her to recover from it anyway.

Hon. Mr. Wells: I think most of the programs that vary from what would be termed "the normal school program" would be classified as special education. Certainly that includes exceptionalities of all descriptions, including programs for the gifted.

Mr. Speaker: The oral question period has expired.

WRITTEN QUESTION

Mr. Reid: Mr. Speaker, I rise on a point of order before the orders of the day. On November 15, 1977, I tabled a question concerning the numbers of public relations and

information officers in the Ontario government and Ontario Hydro, and the budget of each department engaged in information activities. On November 29, I was informed through an interim answer that the requested information would be available within 28 calendar days of that date.

The information concerning the government was only made available after I made several phone calls to the Chairman of Management Board's office. I have not yet received the information concerning Ontario Hydro and neither answer has been tabled in this House. I would ask, Mr. Speaker, if you could give direction that the government follow the rules of the House.

Mr. Speaker: There's nothing on the notice paper.

Mr. Reid: It was in the previous session.

Mr. Speaker: It wasn't carried over into this session. Perhaps the member should avail himself of the opportunity of putting it on again.

Mr. Reid: I appreciate that advice, Mr. Speaker. Am I to understand then that questions that were on the order paper and were partially answered die automatically at the end of the session and all the government has to do is wait us out?

Hon. Mr. Welch: Mr. Speaker, I think that's an unfair comment. Certainly the answer to the first part of the question is, naturally, yes, but—

Mr. Reid: Why didn't you just answer?

Hon. Mr. Welch: —the rules with respect to the questions and the period of time during which there must be either interim or full answers still apply. The hon. member can only be actually making a comment about questions that must have been put on the order paper very late in that particular session, or else they would have been covered by the rule which provides for a specified period of time during which the answers must be tabled.

Mr. Reid: Why didn't you just answer?

Mr. Speaker: Perhaps the hon. House leader might confer with the Chairman of Management Board (Mr. Auld) and see whether he's prepared to give the rest of that answer?

Hon. Mr. Welch: Yes.

INTERNATIONAL WOMEN'S DAY

Ms. Gigantes: I have a point of personal privilege, Mr. Speaker. As a member of the majority group in Ontario, I'd like to take this opportunity, seeing as how we won't be sitting tomorrow in this Legislature, of wish-

ing the members and guests in our galleries a happy International Women's Day.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 2, 3, 4, 5, 7, and 9 and the interim answers to questions 1 and 6 standing on the notice paper. (See appendix, page 457.)

Mr. Lewis: Not enough.

Mr. Breithaupt: Moving right along.

[3:15]

ORDERS OF THE DAY

INCOME TAX DISCOUNTERS AMENDMENT ACT

Hon. Mr. Grossman moved second reading of Bill 10, An Act to amend the Discounting of Income Tax Refunds Act, 1977.

Mr. Breithaupt: I am pleased to rise in support of the second reading of this particular piece of legislation. The members had the benefit of the statement given by the hon. minister on February 28, at which time he outlined certain problems that have led to the necessity of this continuing legislation. In Bill 99, which we had before us in November 1977, I recall that some eight members of both opposition parties spoke in favour of the bill. The sentiments of the House, I think, were clear at that time that the particular problem which has existed and does at present exist was something that we as legislators felt was not in the best interests of the people of Ontario.

We are informed that the average discounting that has occurred is in the nature of some 40 per cent. In the statement the minister has made he has set out certain problems that I hope he will address himself to when he responds to the comments which members have made on second reading.

The first circumstance dealt with the matter of the Ottawa-Hull situation and I would appreciate hearing from the minister whether he believes he is going to be able to resolve that problem and just what recommendations had been made to the responsible federal ministers. He also has commented upon the Borrowers and Depositors Protection Act as a piece of proposed federal legislation. I would hope he would take the opportunity of advising not only his opposite number in Ottawa in the ministry but also the opposition leaders that we in Ontario would look forward to their co-operation to ensure that that legislation is passed, in the same manner

we are working together in this Legislature to protect the people of the province.

Surely we have an opportunity to deal with the responsible officials there on both sides of the House of Commons so that their inability to proceed, or their inactivity for one reason or another, is clearly shown as something which we in this Legislature have no sympathy with.

The minister has said that the federal government should move to deal with this matter and we on this side of the House certainly agree with him.

You will be interested to know, Mr. Speaker, that even in the city of Kitchener this problem has arisen. It's not only current in Metropolitan Toronto and in the downtown part of this city where we see the various signs up in shop windows and in areas that have been rented only for a few months. We have had the problem as well in the community, part of which I represent.

There was a lengthy interview and newspaper article in the Kitchener-Waterloo Record on March 2, dealing with a particular concern which had arisen. In this circumstance, a reporter went to one of these operations and was informed that he would be given about 50 per cent of the amount which would be coming back to him based upon a pro forma suggestion as to what he as an individual would be receiving as an income tax rebate.

When contacted the manager of that operation apparently denied that that was a practice. Of course, we could say that there might just have been some confusion in the circumstance and perhaps the person at the desk or in the shop was not fully aware of what the law was. However, I think all of us in the House would find that kind of explanation somewhat far-fetched.

It's clear that there have been practices which have allowed persons to flourish in tax discount business. There have been clearly abuses of the intention of the legislation. It is certainly with all the support that we can muster that we are pleased to support the minister as he prepares to close these particular loopholes.

We understand, of course, that there are some persons who may require certain funds earlier than the tax machinery can provide them, as they have rebates which are forthcoming. However, to have a group of persons living off those requirements and discounting up to a 50 per cent figure is most distasteful. Indeed, I am pleased to see it is unacceptable not only to the minister and his colleagues but to, I hope, all members of the Legislature.

We are prepared to support this bill. I hope that it can be dealt with in all stages this afternoon, and as a result the procedures which have taken place can be stopped immediately. I hope that the bill when proclaimed can deal with this problem and avoid any further difficulties which many citizens are having as the current tax rebate time draws to a close.

We certainly will support the bill and we appreciate the opportunity that the minister has given to bring this legislation in quickly and to have it proceeded with promptly.

Mr. Davison: We in the New Democratic Party will be supporting this Bill 10, An Act to amend the Discounting of Income Tax Refunds Act. The minister will recall that for some long time, for some 14 months before the introduction of this legislation, our party asked the government, over and over, time and time again, to introduce such legislation. When November 8 brought about the minister's introduction of the original Bill 99, we thanked the minister at that time and supported his efforts to bring this situation under some kind of control.

At many times during the last 14 months, my colleagues in the NDP have put forward reason after reason, case after case, and example after example, of why this kind of legislation is needed in Ontario and why these kind of practices had to be put under some kind of control. Anybody who is terribly interested can take the time and look back in Hansard and they will find it all on the record of this House on many, many occasions. The minister will be happy to know that I won't put them all back on the record again this afternoon. I just want to speak briefly on the bill.

Mr. Foulds: Don't encourage us.

Mr. Davison: Bill 10 simply, and I hope effectively, closes the major loophole that few of us—certainly not I and the minister—perceived at the time of the introduction and passing of Bill 99. That was the fact that many of these companies continue along their course of ripping off the consumers, this time by using the route of the promissory note, and they have done so quite effectively.

There are two cases in my riding which have come to my attention. In one, the individual's tax return was calculated to be \$350 but the company offered only \$72 in what we call instant cash. The remainder of the money was taken up either by a promissory note or by the charges for filling up the income tax form. Another example I have is for a return of \$300 where the person was offered \$200 in instant cash.

This amendment will close that hole and for that we should be thankful. It may be that in the next months or next year, the companies will find new ways of circumventing the principle of the legislation that this House has put forward. If that's so then we will simply have to adjust the Bill once more to meet that new reality. Hopefully it won't happen; hopefully we will have closed the loopholes today when this bill is given third reading. But if it does, we will have to adjust the bill to meet that new reality or perhaps to consider at some point in time finding the way to outlaw this practice as we now know it.

In any event, while I find that it took some long time to convince the government of the need to bring about this kind of legislation, once we had done so the government moved quickly and effectively through the Minister of Consumer and Commercial Relations and with very good consultation with the opposition members in the House to bring about this legislation. I would like to offer my personal thanks to both the government and to the minister for their actions in that regard.

Mr. B. Newman: I rise to support Bill 10, An Act to amend the Discounting of Income Tax Refunds Act. The minister, in his visit to the city of Windsor on February 17, did make mention to the assembled gathering that he had contemplated introducing this legislation. We were very pleased when, shortly after his promise, legislation was actually introduced.

One of the things that does worry me is that this may not stop the practice. Living as we do in a border community, I just wonder if some of the unscrupulous income tax individuals would not simply transfer their operations to the city of Detroit and be able to carry on that same type of operation from the city of Detroit. There would be no problem for them in bringing the mail over to Windsor and then sending it through to Ottawa for the income tax refund and then having the refund sent to some postal box in the city of Windsor. I'm just wondering if there is some way of preventing an operation like that from ever taking hold.

Mr. Renwick: I want to speak very briefly on the bill. I was not in the assembly at the time Bill 99 was debated and passed, but I do feel, on the initiative made by my colleague, that the government did move to close up this particular fraudulent operation that's been carried on.

I do want to say to the minister that if he watches the kind of bill that is before us

now, he's going to see, over a period of time, a constant battle between the administration and those who are misusing this method of carrying on a financial business; and there will always be loopholes. There is no way in which he can close this kind of operation because it operates at a level at which it is not possible for the ministry ever to cope with the administrative problems of enforcement. This kind of so-called white-collar fraudulent operation which is legitimized by Bill 99 is a trap into which the government has walked because it believed there was a social need for this kind of discounting operation.

I want to say to the minister that I think he should be engaged in drafting legislation to outlaw, in the province of Ontario, this particular kind of operation.

I want to make a suggestion; I did make it in a short note to the minister a few days ago: There is a kind of a fundamental principle of constitutional law that all institutions in Ontario, regardless of their origin—federal, provincial or extraterritorial—must comply with laws of general application. I think, therefore, it would be possible to outlaw—except through recognized financial institutions—such a practice by any citizen who has a liquidated claim in money against the government or who has money or a debt owing by the government, which, in fact, is a liquidated claim; that all those transactions cannot be discounted by anybody in the province except through a recognized financial institution.

When you select 95 per cent, Mr. Speaker, you can be certain that the void in the law which permitted this operation to take place was not gauged upon making that kind of minimal financial reward out of the system which has evolved. But I do think it is quite possible, through the good offices of the government, to persuade the chartered banks that they can, in fact engage in this kind of discounting operation if for no other reason than to provide an additional banking service to people who require this kind of assistance. We also know that it may well be that we would see an operation through the banks which would be of some value. I don't know whether or not the loan and trust corporations would be able to engage in it, nor do I know whether or not the finance companies would be able to engage in it as a legitimate operation; but it is not beyond the wit of this government to devise legislation to outlaw this kind of operation and to provide for it being carried on only through recognized financial institutions.

I want to speak to one other point only. I listened to the minister's statement when he introduced Bill 10. I was particularly interested in the comment he made with respect to the border problem. He used, as an example, the border between the province of Ontario and Quebec. The member for Windsor-Walkerville (Mr. B. Newman) has referred to the border between Ontario and the state of Michigan.

[3:30]

It does seem to me, certainly, so far as the province of Quebec is concerned, that it would be possible for the minister to deal directly with his counterpart in the government of Quebec—perhaps with the co-operation of the federal government if that's necessary, but in any event on a mutual basis with his counterpart in Quebec—to work out a reciprocal enforcement operation that would be effective in preventing the kind of across-the-river operation that I understand the minister referred to in his statement to the House.

Perhaps the same kind of reciprocal arrangements could be made with the state of Michigan, which is an alert state, and certainly with some other states, such as the state of New York bordering on the province of Ontario, because I am quite certain that the same social problem exists in all of those jurisdictions.

I do not think it is beyond the wit of the ministry both to devise a bill to outlaw this form of transaction and, by co-operation with the adjoining states and with the adjoining provinces, to make the enforcement effective.

If the minister is going to pursue this route, the route set out in Bill 99, I cannot criticize the bill, and the amendment to close this particular gap is one method of doing it. But I would say to the minister that if there continue to be gaps appearing, and ways to circumvent, and difficulties in enforcement of the intention of this bill, he should be prepared, without any undue delay, to move to outlaw them. If they want to hire constitutional lawyers to argue the case, that's fine. The minister can always find his own lawyers to counter it or he can refer its constitutionality under the Constitutional Questions Act and find out whether or not, in fact, he can outlaw it.

Mr. Breihaupt: In his reply could the minister also perhaps enlighten the House as to what publicity he intends to give so that the people of the province will know that this legislation is clearly going to be in place and that the 95 per cent figure is a common expectation throughout the province?

Hon. Mr. Grossman: Mr. Speaker, the member for Kitchener has raised some direct questions which I would like to deal with directly in view of the fact that I will be visiting his fair city this Thursday.

Mr. Haggerty: Don't spoil it.

Hon. Mr. Grossman: I am not going to check on the tax discounters there—and I now have their address in front of me, I might add—but to do other good works in that fair city.

I would like to address immediately the efforts on the BDPA. Already I have used the occasion of a dinner meeting I arranged with Mr. Allmand to impress upon him our desire that the BDPA either go forward or die so that the various provinces will know whether we have to move into some of those voids or that the voids will be filled immediately.

I would be happy to express, certainly to the leaders of the two opposition parties in Ottawa, our desire to see that that bill comes forward quickly, although I suspect Mr. Allmand and others have other plans in the meantime which may prohibit the BDPA from coming on stream certainly for this tax season.

I think it's fair to anticipate that the new government next fall will proceed with the BDPA with our encouragement. It may be a better Act, in fact.

In any case, we have impressed that urgency on them. In fact, next week I will have the privilege of attending my first federal-provincial meeting of consumer ministers. At that time the matter of both the standing of the BDPA—is it going forward, is it dying and what changes are being made?—will be discussed, I might add, at our initiative.

Secondly, we will have some informal talks with Mr. Allmand once again about some other ways in which we may grapple with the Ottawa-Hull situation in the meantime. As well, I will avail myself of that opportunity to discuss with my counterpart from Quebec the very matters that the member for Riverdale raised with regard to seeing if some joint co-operation can't be worked out with Quebec. All that will be done literally nine days from today when we all assemble in the great city of Victoria to chat about consumer matters for a couple of days.

Mr. Haggerty: The Victoria charter.

Hon. Mr. Grossman: The member for Hamilton Centre has quite properly noted the haste with which we moved last fall, for which we don't apologize. I suppose I am not a clever enough lawyer to have anticipated all the devious moves that the tax discounters have thought of to circumvent the

legislation that was passed with the co-operation of all parties last fall. Perhaps if the member for Riverdale had been with us at that time, he would have been clever enough to have spotted them.

I might add that obviously the member for Riverdale did miss a couple of matters when he went over Hansard last fall—

Mr. Foulds: Not many.

Hon. Mr. Grossman: —or else he would have realized that the initiative came from this government, not from his colleague from Hamilton Centre. However, in the interests of time we won't cover that territory.

Mr. Foulds: That's uncalled for.

Mr. Warner: It was pressure here, and the minister knows it.

Hon. Mr. Grossman: We'll discuss it when I'm back with the next series of amendments.

Mr. Bounsall: You sounded like your father.

Mr. Warner: He may not be complimented.

Hon. Mr. Grossman: Thank you very much. I appreciate that. In any case, actually, I don't terribly disagree with the remarks made by the member for Riverdale. I do have some very real concern that I am either going to have to come back here and find a way to constitutionally outlaw the tax discounters, or I'm going to be back here regularly closing some more loopholes that they have found. I am quite aware of that problem.

I would hope that federal legislation would solve the problem in such a fashion that that might not be necessary. Unless they go the route of outlawing them, then I might be back here at a later time with such legislation. I have some hope, however. The tax discounters are in business in other provinces. In fact, the head office of the major operator is in Alberta. If we can just make it difficult enough for them to operate in Ontario, perhaps they will pack up and go somewhere else without our having to outlaw them. They have hired a very fancy, excellent constitutional lawyer. They have put us on notice—

Mr. Renwick: He used to be with the government.

Hon. Mr. Grossman: That is correct.

Mr. Kerrio: Who's the fancy lawyer?

Hon. Mr. Grossman: It shows how excellent his credentials are, and we will no doubt be hearing from him in the next period of time. I think we should be fair to the House, however. As the lawyers here will attest, passing this today does not mean they are going to close up tomorrow. As soon as we go out

and start laying the charges, the people are going to presume themselves innocent, as they ought to and as they are entitled to do under our laws, and continue to operate through this tax season until the trials and appeals that are certainly going to occur are finished. They are going to be in business through this tax season, unfortunately.

What we are going to do—and this addresses some of the remarks made latterly by the member for Kitchener—is immediately upon passage of this bill to get out in the field and make sure we cover each and every tax discounter that is in the field. Where we catch the slightest violation of our legislation, we are going to lay charges immediately.

I would hope the laying of those charges will go a long way towards alerting the public of this province to the existence of the legislation. I also would have hoped some of the sections of Bill 99, which we passed last fall, would at least have been followed by the tax discounters who were staying in business and which required some notices to be posted—I believe it is in section 8 of that legislation—in the offices of the tax discounters. They didn't obey that.

In any case, prior to spending any great amount of government funds on advertisements in newspapers and so on, we are going to go the route of laying charges immediately, pressing them rather severely and hoping the ultimate publicity does it.

Mr. Nixon: You are not going to go into all the weeklies?

Hon. Mr. Grossman: A few, on special request. Where we have closed an LCBO outlet, we will advertise in that local weekly.

Mr. Nixon: Good. You have got to keep up that flow of money.

Hon. Mr. Grossman: In any case, I want to express my appreciation to the members of the assembly for their support of this initiative. I can in turn assure the members of the assembly we are going to prosecute immediately and quickly. If there are new loopholes developed, we are going to be back here. I hope it doesn't happen, but we are going to chase them and chase them until effectively they are going to stick to the 95 per cent requirement or they are going to get out of this province.

Motion agreed to.

Third reading also agreed to on motion.

FAMILY LAW REFORM ACT

House in committee of the whole on Bill 59, An Act to reform the Law respecting Property Rights and Support Obligations be-

tween Married Persons and in other Family Relationships.

Hon. Mr. Welch: If it would be in order, perhaps the committee could record some agreement with respect to how we would handle the consideration and final determination of proposed amendments under the bill. It was hoped that, indeed, following the detailed discussion in committee we could stack all the necessary votes with respect to amendments and have a vote on these amendments at the end of the consideration of the bill.

Hon. Mr. Welch moved that following the detailed discussion in committee all the necessary votes with respect to amendments be stacked and a vote be taken on these amendments at the end of the consideration of the bill.

Motion agreed to.

Mr. Deputy Chairman: Are there any comments or amendments on this bill?

Hon. Mr. McMurtry: Mr. Chairman, before proceeding to amendments, let me just congratulate the chairman of the justice committee and the members—all parties—who worked so hard in committee on this legislation, and record my appreciation for their efforts and the extent to which we in the Ministry of the Attorney General benefited from their efforts.

On section 1:

Mr. Deputy Chairman: Ms. Gigantes moves that section 1, clause f, be amended by adding thereto the following subclause: "(iv) is a widower or a widow."

Ms. Gigantes: Mr. Chairman, as you will recall, this Legislature in the fall dealt with two other bills in the family law reform package which the government has introduced. The amendment I am making is an amendment that changes Bill 59 so as to permit a widow or a widower to receive the same treatment under the legislation now before us as would a separated person or a divorced person. As Bill 59 now stands, this is not true. In effect, there is an element of discrimination within the bill because of that.

It is my feeling that Bill 60, which was the bill which we considered and passed earlier in this session, does not adequately cover the situation of a widow or a widower, either in the intestate or the testate situation. I will attempt to explain that, Mr. Chairman. In Bill 60, section 46, there were provisions that a widow or widower, where a will was for an amount less than \$75,000, would be eligible for the total amount of the will; a

property of \$75,000. Where a property was more than \$75,000, the widow or widower would be eligible to receive \$75,000 plus a fraction—depending on the number of children—of the value of the rest of the property. [3:45]

Our feeling is that in Bill 59 the person who is a widow or a widower is being discriminated against if the value of the property involved in the will is more, for example, in the assets section, than \$150,000. If, for example, 20 years ago a couple purchased a home which has increased in value until the year 1978 when the home is now worth more than \$150,000, under this bill the surviving spouse would not be automatically eligible to the matrimonial home, if this bill is taken in conjunction with Bill 60. We feel this must be changed and this is one reason for the amendment.

This is the case without a will, the first case I mentioned. In the second case, where there is a will, the surviving spouse can apply for support under the terms of Bill 59, but there is no right under Bill 59 for a sharing of assets in the case of a widow or a widower. This discrimination leaves us in the kind of insane situation where Bill 59 would provide more protection to a spouse who has separated or divorced than it would provide to a widow or a widower.

We will be dealing later with a second amendment to section 4 which follows very much from the same kind of principle as is being introduced in this amendment. We feel strongly that this clause added to section 1 is necessary if we wish to remove discrimination against married people whose marriage is terminated due to death.

Mrs. Campbell: I would like to join in the debate with reference to this proposed amendment. I have to say that from the start it has given me one of my greatest problems with this legislation. There is no doubt that the bill which is referred to as the succession law reform bill carries out a completely different approach to the marriage and to the property rights from the theme of the bill which is before us now.

The problem that I have, of course, is if we add this particular clause to this bill, what is the effect then on the scheme of the other legislation which is also already in law? I have a very real concern that in the succession law reform bill we have faltered along, and I, as much as anyone, am responsible because I was in this House when it passed. We did falter along with the old principle basically of the Dependents' Relief Act. We haven't really changed the principle.

It is true that under this particular legislation, on an application, a judge may award a division of property—he may do, or she may do, many things—but nevertheless it would have to be by way of an application for support, as I say, in the philosophy of the Dependents' Relief Act. I would have hoped that someone in the ministry could have seen the difficulties with these two bills, and the different approach. It seems to me that the economic partnership to which we address ourselves in the bill before us is a matter which arises ab initio and not at the end of a marriage broken by death.

I personally would ask the Attorney General if he would look at this particularly strange combination. I would, I must confess, rather see him make a commitment to this House to bring forward an amendment to the Succession Law Reform Act which would bring it into the economic partnership philosophy of this bill, because I really don't know what effect this amendment would have, particularly in the face of an intestacy.

I want to accept the amendment, I really do. But I am at a loss as to how that can achieve anything other than confusion and chaos as it relates to the Succession Law Reform Act. I suppose at this point, and having in mind that we will be voting later, I would like to hear from the Attorney General. I am sure he would acknowledge that there are two basic things which have a certain dichotomy as they relate to the economic partnership ideology of this bill. Therefore, at this point I am simply going to ask him to comment and then I can make my decisions at a later time.

Ms. Bryden: Mr. Chairman, I rise to support the amendment because I think it is very important that we do establish this principle that a survivor of a marriage should be on the same basis as a person who is involved in a marriage breakup. The legislation as it is before us clearly discriminates against spouses whose marriage is dissolved by death and it puts them in a worse position in some cases than under the existing law, since dower is abolished—

Mrs. Campbell: Oh, don't mention dower.

Ms. Bryden: —and also puts them in a worse position than people who suffer a marriage breakup.

There seems to be a feeling abroad that this failure to have the present law apply in the case of death was possibly an oversight on the part of the government. But it is really quite clear, if you look at the original pamphlet which the government brought out at the time it brought out its

position paper on the legislation, that it never at any time intended to cover the case of death.

The pamphlet states, "The family asset system would apply only as long as both husband and wife are living and only when their marriage breaks down." Also, the parliamentary assistant to the Attorney General, in a letter to the Ottawa Citizen replying to some other letters written on the legislation, stated quite clearly—the member for Carleton-Grenville (Mr. Sterling)—that, "It was never intended that the Family Law Reform Act deal with the disposal of assets on death."

I don't know what the motivation of the government was in not including dissolution on death in order to avoid the discriminatory situation that has arisen. It must be that they thought that Bill 60, which is now law, the Succession Law Reform Act, covered the situation adequately, but we have discovered that it does not in any sense of the word cover the situation adequately or provide equality between people who suffer marriage breakup and people whose marriage ends on death.

Therefore, I think we must amend one or the other Act and I really think that the suggestion of the member for St. George that we amend the Succession Law Reform Act is incorrect in that it is really replacing the old Dependents' Relief Act and providing for the situation where there is intestacy and things of that sort. What it provides is not equivalent to what is provided under Bill 59, and therefore it seems to me that Bill 59 is the bill that must be amended to produce this equality.

It is true that spouses who feel they have not got their equal share of the assets can go to court, but I submit that they should not have to go to court to establish that, because under Bill 59 it is provided that in cases of marriage breakup the equal sharing of assets is automatic unless it is set aside by a court or by a marriage contract. We all know the expense of going to court, the long delays and the fact that in most cases it is the women who will be affected by this lack of provision in the law and that they will be expected then to use up some of their slim resources when they are the survivors of marriages in trying to establish what should be their right.

The preamble to Bill 59 says that this legislation recognizes that marriage is a partnership and recognizes the equality of the spouses. It seems to me that a marriage which ends in death must have that recognition attached to it if this government is going to

indicate to the women of this province that it really believes in those principles in the preamble. It seems to me the failure to put in this clause that we are recommending will mean it does not really believe that marriage is a partnership and does not really believe the spouses should be treated as equals.

Mr. Roy: Mr. Chairman, if I may be permitted to concur with the Attorney General in his earlier comments about the work that's been put into this legislation, for a period of two years now we've been discussing the bill and we've had submissions from a variety of groups. I think basically my comments are directed to the ministry and to all my colleagues on all sides of the House who have deliberately attempted to try to make the bill as workable and as balanced as possible. I think we've approached this basically on a non-partisan basis and hopefully this debate here in the House can continue in that fashion.

The proposed amendment arises because of the technicalities of the legislation that was part of the family law package. We passed legislation here in that package dealing with marriage. We passed legislation dealing with children. We passed legislation dealing with Bill 60, An Act to reform the Law respecting Succession to the Estates of Deceased Persons. As in each of these areas, this legislation was intended to deal with specific problems within a specific field.

[4:00]

I think my colleague from St. George has expressed our concern and our sympathy for the amendment but it is difficult to see how, if we are going to have a workable piece of legislation, we can possibly accept this amendment to this legislation. We must clear up what Bill 59 is about. I would say to the member for Carleton East, as I read it—and somebody may correct me here—even the question of spouse did not deal with people who are divorced.

In fact, spouse is intended to deal with people who are separated. That is the definition of spouse. This bill was intended to deal with a situation where there is a breakup and the parties are not divorced. It was not intended to deal with disposition on death as well. So that aspect of it certainly has to be cleared up.

As my colleague from St. George said, there is no objection surely to doing away with dowries. Britain, where dower originated, did away with dower back in 1925. Dower was a word that was used to give women in this province some expectation of having something, but when one got down to brass tacks

and dollars and cents, in many cases dollar didn't mean very much. What is one-third of a life interest worth when one gets down to calculate it?

Mrs. Campbell: There is a mortgage.

Mr. Roy: Yes, and all the complications of that. But there can't be any objection to that. I understand the purpose of the amendment but I look at Bill 60 and I ask the Attorney General whether it is not possible in section 69, of that bill, where the court is asked to look at various things, that one of the things the court could look at is the provision of the rights and obligations under Bill 59. An amendment might be included in the estates legislation. That's where the amendment should go.

I put that to the Attorney General and maybe we could discuss that. I have sympathy with the fact that we have decided to proceed on a basis of the partnership of marriage and that one of the spouses could do by will indirectly what he or she could not do directly during the period of marriage. I was wondering whether that would be too offensive to the principles, and I understand one of the principles of devolution and of wills is that there must be freedom given through a will.

My concern basically is in the area where there is a will, by the way, not where there is an intestacy because the estates bill sufficiently deals with that. I wonder whether it is not possible to put in the estates Act some provision where the court looks at a variety of things. I am looking at section 69 which deals with all sorts of criteria that the court can look at. One of the things the court could look at could be the provisions of Bill 59 and the intentions that we have in that bill.

Even with as much sympathy as we have for the amendment, I would say to the previous speaker, the member for Beaches-Woodbine, that my colleague from St. George is right on when she says it would be difficult for us to deal with that particular amendment in this legislation. We have to look elsewhere.

Hon. Mr. McMurtry: I say at the outset that I am quite in sympathy with the motive behind the proposed amendment but, repeating what my friend, the member for Ottawa East has said, I agree with the member for St. George that this would not be the appropriate legislation in which to introduce such an amendment. In fact, if that were to be the case, it would require fundamental rewriting of the Succession Law Reform Act.

At the same time, I should hasten to add

that the matter is much more complicated than what has been suggested. As members know, the freedom of testation is a very basic right and a basic principle in this province. We have to bear in mind that we are not only considering the surviving spouse; we're considering the children and other beneficiaries.

For example, if I might present an example to indicate that the matter is somewhat more complicated than has been suggested: Last night I was speaking in Mississauga and there was some interest in relation to our deliberations today. A woman, a widow, approached me; she was very concerned about our legislation because when her husband died she inherited the home—quite a valuable home in this particular case—and she is very concerned with what risk she is undertaking in remarrying. What's going to happen to that home if the marriage doesn't work out? To what extent are her rights in relation to that home going to be affected?

As she quite properly pointed out, there are probably many more widows in the province living in similar circumstances, living in the matrimonial home, and who are concerned about the extent to which their property rights will be affected by this bill as well as the rights of the children and perhaps the children of the first marriage.

I only mention this illustration to indicate that one should not lightly support a principle that leads to a substantial interference with the testator's rights, because there are going to be perhaps many other people adversely concerned.

Furthermore, I wonder to what extent there is a problem in this particular case. Obviously the issue is different when it arises as a result of a marriage breakdown as opposed to a death. For example, certain studies have been done in the judicial district of York in relation to matters related to the Dependents' Relief Act. I can state the happy fact is that where spouses lived together until death has parted them, it's in something less than one per cent of the cases that any issue has arisen in relation to Dependents' Relief Act applications. Those happen to be the hard statistics that are available, at least in the largest county in the province.

I suggest that in this particular matter we are dealing with somewhat of a non-problem. The extent to which children, for example, could be adversely affected by this, and the concerns of the widow who spoke to me last night, I think must be given considerable weight in such a matter.

I would like to correct the member for Beaches-Woodbine and point out that the Dependants' Relief Act does not necessarily require an application to court. In a case where a widow is deprived of any right in the house by reason of the will, and if an application went to court, the likelihood in those very small percentages of cases where this is a factor is that that the court would order that she at least have possession of the premises during her lifetime. But it need not go to court. As a matter of fact, the executors could settle the matter and it's quite likely that that would be the result.

Although I am in great sympathy with the spirit behind the proposed amendment, I reiterate what has been stated: This is not the appropriate legislation. While I am quite prepared to consider any useful amendments to the Succession Law Reform Act in order to enshrine in that legislation the basic principle, that is supported on all sides of the House, namely the economic partnership of the marriage, I will do so, but at the same time I say to my friends across the aisle that we have worked very usefully together in the interests of the public and one has to be cautious about the extent to which we interfere with the testator's right. In any event, that may be the subject for further discussion, but for the reasons I stated, it would be most unwise and not in the public interest to accept such an amendment.

Mrs. Campbell: Mr. Chairman, I wonder if I might have some clarification. Does the Attorney General realize that in the Succession Law Reform Act there is a provision, which to me seems very sinister or capable of being sinister, and that is the right of a court to take into consideration not just the will, but any statement of the testator—and I'm using that as the masculine term—that may be made by way of a reason or explanation? Does the Attorney General really feel that that gives balance to this? The court has a unilateral statement which is not the subject of any cross-examination and this could have a very adverse effect on the right of the widow to bring forward any proposition of an economic partnership. Could the Attorney General comment on that provision?

Hon. Mr. McMurtry: I'm not sure that this is a place to comment on Bill 60.

Mrs. Campbell: Indeed it is.

Hon. Mr. McMurtry: I think the section that deals with including any statement in writing signed by the deceased—

Mrs. Campbell: That's right.

Hon. Mr. McMurtry: Yes. Obviously the deceased is not in a position to—

Mrs. Campbell: To be cross-examined.

Hon. Mr. McMurtry: No, he's not in the position to give evidence whereas the applicant is, so the court is faced with a written statement of the deceased, and the court can give that statement whatever weight it might choose to, which may be very little weight, and the rights of the deceased are really very limited just by reason of his or her absence, whereas the applicant is there and obviously that evidence is going to be given greater weight simply by reason of all the circumstances. But as I read all of the many subsections in relation to section 69, I think the court is invited to take in all possible circumstances that will assist the court in arriving at a just result.

Again, I did not come here today prepared to debate that particular section of the Succession Law Reform Act but I'd be quite prepared to discuss it with the hon. member opposite as we consider whether or not any amendments should be made to this legislation. That's the best explanation that I can give at this point.

Mrs. Campbell: Mr. Chairman, may I ask one more thing? Does the Attorney General not appreciate that the woman in this case may be placed in the position of trying to prove how many people didn't get killed because we had crosswalks? Just analyse what you're asking of her.

Hon. Mr. McMurtry: I'd like to make the point, Mr. Chairman, that I don't know that it's always necessarily going to be the woman who is the applicant.

Mrs. Campbell: I quite agree, but the concern at the moment is that.

[4:15]

Mr. Bounsell: I agree with the Attorney General in his remarks about how many people worked so long and so hard on this bill, and it's obvious some of the work is still just starting, to get family law reform properly in this province.

Your sympathy is not quite a replacement for some action in this area or some commitment to fix up—if you can do it in other Acts: the Succession Law Reform Act and Estates Act and what have you—the sections which should be cleared up that this amendment speaks to. If the Attorney General does not want to have this loose end unravelling forever—and I will agree it perhaps affects only one per cent of the marriages in this province, according to your statistics, in which a spouse becomes deceased—what is he prepared to do about it?

Are you prepared to let that unravel forever? Or are you, in this Act, going to do the very simple thing as far as property and asset portions of estates go, and ensure that the surviving spouse gets no lesser rights than a person involved in a divorce, or is separated with no contemplation of divorce, or involved in a nullified marriage, would get under this Act, where that person has been willed less?

That is what this amendment is all about and the Attorney General has not made any other sound apart from being sympathetic. That's all very well but how long do we wait for the sympathetic response from the Attorney General to become some sort of concrete legislation? We have the route here to do it, which does not in any material way affect Bill 60 or Bill 59 at all. You have not covered it properly in Bill 60 or 59 for those persons who would receive in a will, with the death of a spouse, less than what they would receive if they commenced a divorce action the day before the death of that spouse.

Would you as the Attorney General or in your capacity as a practising lawyer, to which you may hopefully soon return, or as an MPP, advise a female constituent, to be really safe, knowing that her husband has a will but not knowing exactly what's in the will, the day before her sick husband's death to institute a divorce action? That's the only way you could really be assured of the same sort of equity that occurs—where it does occur—in this bill.

Certainly in looking through what we would normally call the support sections of Bill 60, it is very clearly and carefully tied down, in that a spouse can receive support from the estate. That's done very nicely in Bill 60. What you didn't tie down was the situation, as this amendment speaks to, where they are left in a disadvantaged position by a will as it relates to property and assets.

Certainly if there is no will and if the estate does not exceed \$150,000, then again the woman finds herself in no particular disadvantaged situation. But in estates of more than \$150,000, where it's a single widow only and no will, again an amendment of the type in this bill would be very useful.

I don't need to remind the Attorney General of the provisions of Bill 60 when there is no will. I am sure he has them firmly engraved upon his mind. But if there is no will and the estate is \$75,000 or less, then she gets what is there. If it is over \$75,000, she gets \$75,000. The only way under that Act that she would be in the comparable situation of a divorced person

under this Act would be if the estate then exceeded \$150,000. But if it does exceed \$150,000, then a single person—the spouse having died—would be in a disadvantaged position in that bill, relative to this one, if he or she had entered an action for divorce the day before.

That is very definitely a loose end, which I think the Attorney General should make a commitment to fix up, and not leave it to be unravelled throughout the rest of time in this province. As I have said, sympathy is no substitute for action.

Mr. Lawlor: Surely, the point has been well made. It can't be denied that, despite the somewhat prolonged gestation of this legislation, that nub issue was not, with respect, given sufficient surveillance. The only bodies that directed their remarks to it, as I recall, were law societies and law groups; and there weren't many of them. The major brief came from the Law Society itself, and we didn't spend all that much time on it.

It is probably correct that Bill 59 is not quite the proper place; but I would like to extract from the Attorney General some kind of commitment to review Bill 60, in that very narrow dimension. We have some myth abroad that this kind of legislation, generally, has some kind of Egyptian rigidity; that when it comes into being it will remain for time memorial—if not immemorial. And it is not. Here it is; we have hardly got it passed, and we can see a defect in it.

One area of defect lies on the testacy side. On the intestacy, we can argue ad nauseam among ourselves as to the numbers game, as to whether the preferred share of \$75,000, is adequate or inadequate; should it be \$125,000, should it be \$250,000; and do we bring it into line with the succession duty of the inter-spousal relationship? Who knows? As the Attorney General points out, there has to be some space left for other heirs, etc. In one instance, the wife would share the remaining half of the estate, or in some instances, the third. That basic setup wasn't profoundly argued, nor would I be prepared at this time to profoundly argue it.

But on the side of wills, on the side of exclusions, a weakness has appeared. Unless what can be derived through what was the Dependants' Relief Act, commensurate with the benefits that are derivable in other circumstances, then that balance must be rectified and made plain. I would ask you to give good consideration, coming into the fall, to introducing legislation precisely to do that.

Ms. Gigantes: I would like to comment on

a few of the remarks that have been made around the House as we have discussed this amendment. It seems to me that we are clear now, that what we are talking about is the principle involved. Let me read to you a section of the introduction to the bill. This bill begins, "Whereas it is desirable to encourage and strengthen the role of the family in society, and whereas for that purpose it is necessary to recognize the equal position of spouses as individuals within marriage and to recognize marriage as a form of partnership—" how can we support those principles in a bill that says in principle that a widow or a widower doesn't have the same right to a share of assets that a divorced or a separated spouse has?

I'm not terribly impressed. I'm sure it would have been nice for us to see ahead when we were dealing with Bill 60 and to bring in whatever motion would have been necessary to amend Bill 60 so that it would have fallen in line with the operations of Bill 59, as it's now before us, and the methodology that Bill 59 uses to ensure that these principles I've just spoken about, just read from the first part of the bill, are brought into effect in marriages in Ontario, but that did not happen. That did not happen, and it is not a difficult thing right now to make sure within the terms of this bill—totally appropriate within the terms of this bill—to say quite simply that all the rights that are given concerning the sharing of property in Bill 59 to separated or divorced spouses shall also be given to widows and widowers.

The Attorney General talks about the testator's right. How can we talk about a testator's right that is in defiance of the basic principle enunciated in this bill and spelled out as carefully as we can over two years of work that there shall be a sharing of the assets of the marriage? How can we talk about the right of a testator that goes beyond that? Surely this is the very principle that all these reforms relate to? We want to say that above all else what we're looking for in this package of reforms, and particularly in this bill, is an equality of sharing of those assets built up over the lifetime of the marriage.

I think this is our opportunity quite simply to make sure that that principle applies to a spouse whose marriage breaks up because of the death of the other spouse. It's that simple. There's nothing complicated about it. I think we should move on it now.

Mr. Sterling: I see no problem with the concept involved here. I fully support the idea that a widow would have the same rights as she would have on a separation, but

I think we're dealing with two different types of situations.

Mr. Warner: Here comes the "but."

Mr. Sterling: When we're talking about settlement on a separation we're talking about a situation where there are two people—

Mr. Lupusella: We have been trying to believe you.

Mr. Sterling:—and children to take into account. When we're talking about succession law reform we're talking about a situation where one spouse is no longer there to take care of.

Ms. Gigantes: It is just a minimum guarantee.

Mr. Sterling: The other problem that is not taken into account is the fact that this does have a very deep effect on the rest of the Act. If you change this particular section, basically you're saying, "Rip the whole Act open again, and start from scratch."

Mr. Bounsall: No, we're not.

Mr. Sterling: "Section 4 must be amended."

Mr. Bounsall: We have the amendment.

Ms. Gigantes: It's simple, relax.

Mr. Sterling: You have to go through the whole thing to provide for all of the other sections and deal with them.

Mr. Bounsall: We have. There are three in total. There are three other sections.

Mr. Roy: Listen to the legal experts here.

Mr. Sterling: I also might indicate that on the death of one spouse, if we were to put the amendment in, what would the court look at? Would it look at this particular bill or the other bill in determining what the court was going to award to the widow or the widower? If we had a situation where we have an estate of \$15,000, fine, it may reach an equitable solution; but what about the normal couple in our society who don't have those kinds of assets? Will the court interpret the situation such that they are to be given the discretion to give less than they would be entitled under the present Succession Law Reform Act?

[4:30]

I go back to the original situation. We are dealing with two different problems. In one we are dealing with succession law reform and in the other we are dealing with a matrimonial dispute. Therefore, I think we should keep them separate and apart from each other.

Ms. Bryden: Mr. Chairman, despite the rather vaunted objective of the government

in this legislation to bring equality to the spouses, it would appear that what the legislation now says, without the adoption of this amendment, is that marriage is a partnership only if it breaks up. It is not a partnership in any other sense in the eyes of the government if it refuses to accept this amendment.

The relief that is under Bill 60 for a spouse who feels a will has deprived her of the support she needs is a different kind of relief. She has to go on hands and knees to the court and say, "I have needs, and my spouse has willed away the family home or any other assets that are sharable. Please give me back some of these—whatever my needs require."

Under Bill 59, she is entitled by right to 50 per cent of the sharable assets. The principle is that she has made a contribution during the marriage to the acquisition of those assets in whatever form her contribution may have been made, either in being the person who stayed in the home and ran the home and looked after the children or in contributing work or money—in any way she has contributed to those assets—and therefore has a right to an equal sharing of them.

Bill 60 does not allow for that kind of consideration to be taken in the assessing of her needs. Therefore, it is not an answer to the question of whether or not she is receiving her share under the partnership concept.

The Attorney General mentioned that the possessory right to the matrimonial home would not have to be contested in the courts; if the will said the home which was in the deceased spouse's name were to go to some other person, she would still have her possessory right. I would concede that is probably true, but she would not have a right to 50 per cent of the value of that home which, under Bill 59, would be her right if the marriage had broken up. I would ask the Attorney General if I am correct in that assumption?

As far as the sacred rights of the testator are concerned, it seems to me that when dower rights were established they restricted the sacred rights of the testator to cut his wife out of the family home completely. It seems to me that was done as a matter of public policy and that this is what is being asked in this amendment, that as a matter of public policy the sacred rights of the testator should be restricted to recognize the principle that is enunciated in this bill, namely that we "recognize the equal position of spouses as individuals within marriage . . ." That is in the preamble to the bill, and I would ask the Attorney General how he can adopt that principle and not adopt this amendment.

Mr. Bounsall: I would like to make a brief comment to the parliamentary assistant. He mentioned that the whole bill needed to be rewritten. It may well need to be rewritten for other reasons, but for this reason there are only three other clauses that need amendment. The legislative counsel has gone through the clauses carefully; two of them, a senior and a junior I understand, looked at it in this regard. The only other section that needs amendment is, of course, the main one, section 4; but, in order to affect section 4, that is why this one is in section 1, and in sections 41 and 45 of this bill.

So it is no problem if that is the only disadvantage which the parliamentary assistant has in his mind in terms of building this appropriate concept into this bill at this time. If he has thought of a few more appropriate amendments that would put this into effect even more we on this side would accept gladly the amendments as proposed by him.

Mr. Sterling: I would only respond to the hon. member that my basic objection is that I believe it should be in the Succession Law Reform Act. I have said it would present problems within this particular Act, in other sections.

Mr. Bounsall: It's too bad the Attorney General wouldn't make that commitment to someone like yourself who is interested in everything being done properly—as a fellow engineer.

Mrs. Campbell: Since everybody is speaking two or three times to each section, Mr. Chairman, I think it is incumbent upon me, since I was the one who invited the Attorney General to give consideration to a commitment to us with reference to the Succession Law Reform Act, to recognize, *ab initio*—and I think this is where the Attorney General, if I may say so with respect, is perhaps in error because the incident of the marriage surely takes effect *ab initio*. You don't wander through a marriage to find out at what point you have an economic partnership.

I think that since the Attorney General has been prepared to accept that in family law legislation it would be very sad indeed if he were to take the position now that a testator would have the right to do whatever he liked. I don't think that is the case today even. I don't think we should be involved in that sort of dialogue. I would ask the Attorney General to give his assurances that the dichotomies between these two bills will, in fact, be corrected.

Mr. Renwick: I was hoping the Attorney General would comment on what has been

said. I understand he has already spoken about it but I need some clarification.

Wherever the dividing line between the two bills may fall, it can be done just as easily in this bill without having to deal through the succession bill. I may be quite wrong and it is with some temerity at this point that I enter the technicalities of this debate, but it does seem to me that what we are trying to say by this amendment is that it prohibits a testator or a testatrix from, by testamentary disposition or under the law of intestate succession, going below the floor that would be established by this bill. In a very real sense all that the amendment proposes is that that is the floor level below which no one would fall with respect to the disposition being made to the surviving spouse.

It does seem to me that we often have that kind of problem. I don't know whether it's the correct term but I am going to use it whether it is correct or not, it is always necessary to have notch provisions in situations such as this. The fact that while it may appear of relatively late date that the problem has been raised, I can see no reason, unless you can raise a specific insurmountable technical reason, why the change cannot be made in this bill without awaiting some undertaking from the ministry as to whether or not they will change the succession bill.

I think it is extremely important, altogether apart from this particular amendment, that the other bills that have already been passed in the package be left alone for a while and not be subject to amendment from time to time. It would appear to me—again, subject to being told that there's an insurmountable legislative drafting problem involved in it—that the amendment should be accepted and whatever notch provision is required to relate this Act to the Succession Law Reform Act should be done in this Act.

I would ask the minister to seriously consider accepting the amendment, as I would ask our colleagues in the Liberal Party.

Mr. Chairman: The hon. minister? Are there any further comments?

Mr. Bounsall: If the Attorney General is not responding—

Hon. Mr. McMurtry: I don't really wish to respond and have to hear from the member for Windsor-Sandwich on six further subsequent occasions. I'm quite prepared to respond, but since we have heard from the member for Windsor-Sandwich—I think this is the seventh time—I thought he should have another five times before I would demonstrate sufficient temerity to respond.

Mr. Bounsall: I would just like to ask the Attorney General one question. It makes me uncomfortable, it puts me in an uncomfortable spot. I'm interested to know if it puts the Attorney General in an uncomfortable spot when, giving his best advice to whoever comes to see him in whatever capacity they come, he is required to respond to them with: "In the absence of knowing what is in a will which is written, I advise you with your spouse being ill and nigh unto death to institute a commencement for divorce as provided for under subsection 3 of section 4 of this Act."

Doesn't bother you eh?

Mr. Chairman: Are there any further comments?

Hon. Mr. McMurtry: Well, I'm not going to respond to foolish questions from the member for Windsor-Sandwich.

Mr. G. Taylor: It's because he's an engineer.

Hon. Mr. McMurtry: I want to make it very clear, Mr. Chairman, that at no time do we suggest that there's anything sacred about the rights of a testator. I think the dependant relief provisions as now written in the succession law reform legislation make it quite clear that there is no such sacred right. I have been requested by my good friends and colleagues, the justice critics of the official opposition and the New Democratic Party, to review Bill 60 in this context; I have been asked to give them a commitment and in view of the fact that the request has come from these two distinguished members of the Legislature, I will, of course, accede to their request and make such a commitment, because I personally believe there are many factors to be considered, particularly as I believe that any amendment should be to Bill 60, if it's required, and not to Bill 59.

Further, although I have great respect for the views expressed by the member for Riverdale, I'm not at this point prepared to accede to his suggestion that the proposed amendment makes it clear that only a "floor," to quote him, is intended. I think it could be said, for example, that Bills 59 and 60 would be considered cumulative. I think there would be considerable problems which might arise in relation to that, quite apart from what, in my view, would be a substantial change in the law with respect to testation. I might say that I think this conclusion was recognized by the former government of Manitoba, because it's often said to me, particularly from members of the New Democratic Party, that the bill that

was proposed and passed by that government was legislation to be looked to in this area. [4:45]

I think it may be of interest to remind the members of the New Democratic Party that even in that Manitoba legislation it was not suggested that this sharing as set out in the bill should take place after death. That government in its wisdom otherwise decided there were very different principles involved. The Canadian Bar Association through the family law and wills and trusts subsections—and I don't suggest they should have the last word or be considered to be the last word—at no time has ever suggested that it was necessary to provide for a fixed share on death.

Those who practise in this area from day to day just didn't see the problem that has been suggested. Notwithstanding these remarks, I repeat my undertaking to the justice critics of the official opposition and the New Democratic Party that I would like to sit down with them and review again Bill 60 with a view to seeing whether or not we can improve that legislation in the direction that has been suggested, notwithstanding the fact that the ink is barely dry on it.

Mr. Renwick: I don't know whether there is any point, in view of the comment made by the Attorney General, in pursuing the matter further. I don't know quite what that undertaking was. It certainly was not acceptance of the basic principle that was involved in the proposed amendment. It was very far from it.

I can well understand a specified concern to want to understand the ramifications of the proposed amendment, but that is quite a different matter than to say you will reconsider it in the light of all of the principles, without indicating that you are prepared to work out on the basis of an acceptance of the principle involved in this amendment a reconciliation between it and the other bill because the other Act may well be a more appropriate Act in which to have the recognition expressed. I would like some clarification from the Attorney General about that.

I know that perhaps I am not speaking exactly consistently with my colleague, the member for Lakeshore, but in spirit we are united in what we are attempting to achieve. If I am incorrect, I am certain that other proponents of this amendment will correct me about it, but I do believe we are talking about a floor and not a cumulated assessment. It has always been very clear law in the law of inheritance that a widow had an

opportunity to choose under the Dower Act or another one. She had an election which could be made. "Do I take under one or do I take under the other?"

It would be quite reasonable for the surviving spouse to be in a position where the surviving spouse could make a choice on the basis of equality and say: "I will take under the one provision simply on the mathematical calculation of value rather than under the other." If that is the choice which is going to be made, then I suggest that my conception of what the amendment proposes with respect to the interface, if I can use that dreadful term, between the two bills is a floor and, therefore, a requirement that there be a choice. You either take under this or you take under the succession law and you make up your mind on the mathematical calculations which are involved in it.

That last point is simply a comment. If in fact there's some cumulative concern I don't think there is a problem in solving it, unless I have missed the essential point of it. I had no idea whether or not the Attorney General in his commitment to undertake a reconsideration of Bill 60, insofar as it relates to this point, was saying he accepts the principle but simply wants to work out the legislative technique to accomplish it. His words didn't mean that to me.

Mr. Lawlor: I think the understanding or commitment that I understand us to have—and I would like the Attorney General to affirm it—is simply that the two bills, Bill 59 and 60 be brought into accord, and that in my friend's sense of the term it is a floor we're after, that under Bill 60 at time of death at least as much is receivable is held as would be under the terms of this legislation. I think as things stand there is not only a possible discrepancy but as I see it a real, existing discrepancy and that the two things should be brought into accord. The sooner we sit down and close the gap there and give that basis and sufficiency, the better it will be for the logicalities of the legislation.

Mr. Chairman: If there is no further discussion, I will put the amendment to the committee.

Ms. Gigantes moves that clause (f) of section 1 of the bill be amended by adding thereto the following subclause:

"(iv) is a widower or a widow."

Shall the amendment carry?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

This amendment will be stacked.

Mr. Warner: Dragged kicking and screaming into the 20th century.

Mr. Chairman: Is there any discussion on section 2?

Section 2 agreed to.

On section 3:

Mr. Bounsall: I have an amendment, which you may have in front of you—I'll certainly be sending it down right away—that deals with a replacement for, in essence, the first paragraph in section 3(b). It does not get into, of course, the subclauses (i) to (iv) as they appear in the bill.

Shall I move it?

Mr. Chairman: I see we have three amendments to the same section. It could create a little difficulty in stacking the votes.

Mr. Bounsall: We may have to vote upon them separately, but if the Chairman would look at it, this amendment is the amendment that would occur to the paragraph part right at the beginning of section 3 subsection (b) and does not touch upon the section of 3(b) over the page which deals with the small roman numeral sections.

Mr. Chairman: Mr. Bounsall moves that clause (b) of section 3 be deleted and the following substituted therefor: "Family assets" means all property and assets including commercial assets acquired during the marriage or in contemplation of the marriage and the accrued appreciation of all property and assets owned by the spouses prior to the marriage, but does not include any damage award, insurance claim, insurance benefit, gift, inheritance or trust benefit conferred upon the spouse with the expressed or implied intention of benefiting that spouse exclusively, or the accrued appreciation of same."

Mr. Bounsall: I must admit that, on this point, I do agree with the Attorney General. I'm getting tired of making the same speech.

Mr. Roy: We're getting tired of listening to it.

Mr. Bounsall: Sometimes I wonder whether my friend ever listens. I'm sure the Attorney General does from time to time and has his disagreement in principle with the things stated.

Mr. Lupusella: He disagrees with most principles.

Mr. Bounsall: This is the section of the bill, as I'm sure the Attorney General and the parliamentary assistant know, that I feel most strongly about. I feel we have exactly the wrong approach in the division of assets in the bill as presented by the government.

We do not recognize that marriage is an equal partnership unless we say that in that partnership all assets acquired will be split in the unfortunate occurrence of a divorce or a separation without a prospect of a divorce or a nullity; and that it is not fair to take into account in an asset split, as proposed in the government bill, possibly an asset which one spouse brought into the marriage. Again, it's fair that the normal appreciation on assets owned jointly before marriage should be considered part of that asset split.

That's the philosophical reason that I support this particular amendment to this bill and would like to see this view of family assets accepted. Anything else is unfair to one or both of the spouses in an asset division.

The mechanistic reason that I am very much in favour of this approach to asset split—and, believe me, in my mind it's much less important than my feeling that what we have is unfair—is that it's a very simple, clean way of arriving at the solution. You simply put your property and assets to the evaluation of an accountant, and he arrives at the figure; and there's nothing complicated, arithmetically, let alone mathematically, about the work the accountant has to do.

Mr. Warner: Even the Treasurer (Mr. McKeough) can figure it out.

Mr. Bounsall: Yes, the Treasurer can do a little bit more than divide by two.

Mr. Foulds: He can subtract.

Mr. Bounsall: Yes, if you can add, subtract and divide by two, you've got it; and I'm sure the Treasurer can do more than that—

Mr. Swart: Mostly subtracting.

Mr. Bounsall: Mostly subtracting, as the member for Welland-Thorold suggests.

There's nothing complicated about it. What it does of course, is it prevents all the arguments that occur before a judge about whether or not this very narrow base of family assets as defined in the bill—all of that narrow group so defined—should be included in the split, because later in the section it's allowed that the judge may consider even the very narrow definition of what are family assets in this government's view of what are family assets.

It also, of course, has before the courts all of those other things not specifically defined as family assets, with all the arguments proceeding and the acceleration and continued rubbing of all the emotions involved before the courts of the province of Ontario.

[5:00]

I'm not particularly concerned that the lawyers will make a pile of money on this section. That depends upon how long the two spouses intend to argue; if they want to argue forever and ever then they should be expected to pay. But I think that's a very, very inefficient use of our courts' time.

Many legal arguments are going to be presented. A spouse who is less advantaged by the family asset definition in this bill will be trying to get a further family asset by arguing the case before the court, while the other one will be trying to remove from the family asset section in this bill some of the assets so defined here. Those arguments are going to take place, where there is contention, ad nauseam before our courts.

As I said in the committee stage of this bill, I wouldn't particularly want to be a judge in our courts in Ontario trying to make a decision on the arguments which would inevitably be placed before me with respect to property assets. I do not envy our judges the load which this bill has placed upon their wisdom and patience and arithmetic abilities. They are most certainly going to have to hire accountants, so the money is going to be spent anyway—but out of the public purse rather than the private purses of those applying for the asset split. Accountants will be needed to help them determine, in some cases, what is going to be a fair split. I really don't look forward with any great sense of enthusiasm to this section of the bill with the assets defined therein as we have them.

I could go on and on and make a whole host of appeals and emotional arguments as I have done on second readings of this bill in the past and as I have done to a lesser extent with my colleagues in the committee. But certainly if I had the immense bad luck to be appointed a judge in this province and have to deal with this part of the bill, it would be simple for me. I would simply take this approach.

Mr. Roy: They wouldn't admit you to the bar.

Mr. Bounsall: Albert, you have been so supportive of the government's position in this throughout, not wanting to change one jot or tittle, that as—

Mr. Roy: No, I have got some important amendments. I am not prepared to stand up and posture for the gathering.

Mr. Bounsall: —you do not have to be admitted to the bar—

Interjection.

Mr. Bounsall: —one really wonders what it is you are trying to get out of this bill.

Interjection.

Mr. Bounsall: You have your QC already—
Mr. Chairman: Order, order. Would the member return to the amendment.

Mr. Bounsall: Indeed I will, Mr. Chairman.

Mrs. Campbell: Mr. Chairman, he is casting aspersions et cetera on the motivations—

Mr. Mackenzie: The Liberals aren't offering much anyhow.

Mr. Bounsall: These irrelevancies from that particular member—

Mr. Roy: We are not prepared to posture.

Mr. Bounsall: —to retain only what the Attorney General wishes to have in the bill have always irritated me almost beyond belief. I would have wished he would have taken as open-minded a view as some of the rest of his colleagues with respect to this bill.

Mr. Bradley: Anybody who agrees with you is open-minded.

Mr. Bounsall: Certainly if I was a judge dealing with this bill, I would simply divide the assets of that couple appearing before me in accordance with the amendments I have suggested here. That would be my judicial decision in each case, because I have all the power, with other sections of the bill, to do precisely that. It allows me full discretion, if I were a judge, to vary what are family assets—as narrowly defined in this bill as it is—and to add other assets to family assets, and to make the splits in whatever way I deem to be fair, as a judge ruling in this particular case. So if I were a judge, this would be very simple for me. I wouldn't probably even need the accountant's help, although I may take some advice from time to time in arriving at what would be a final solution for all those unfortunate enough to come before me.

But to have it left a bill in which family assets are so very narrowly defined with everything in essence argued before the courts is basically a non-Conservative way of doing things. Historically this is a rather strange way for the Conservatives to be operating in this province as to what they expect from our courts and what they would see our courts doing. Not that they haven't put trust in judges over the years, but they have usually had a much more organized view of society and how things should take place in our society. And to leave in this Act, by their definition, an incredible array all over the place, in every direction, of uncertainties—no loose ends tied down at all—is

really not the history of the Conservative way of doing things in this province.

You are neglecting your traditions over there in this particular section of this legislation. Not necessarily, as has been said, in respect of their support of women; that's not ever been that clear. You have always been a little too paternalistic in your view of society for that ever to be anything but evident in your dealing with women in our province. Nonetheless, you have had an organized view of society which you certainly move from with the fullest possible force in this assets-split section of this bill.

Unless further impelled by remarks made by other members in the House on this section, I am inclined to leave off at this point, at about a third of the length that I usually make in speeches with respect to the family assets section of this bill, and take my seat and listen to the heartfelt feelings of my colleagues in this particular party, virtually all of whom have some of those same thoughts.

But I feel that as it stands this bill is grossly unfair at this point. You have not come to grips with the mechanistic way of best dealing with this matter before the courts. It really in no way recognizes the equality of the spouses in that marriage partnership. In fact, it is here in the bill that you have the denial of that equal partnership which the preamble so grandly lulls us into thinking we have.

Mrs. Campbell: I'm rising to speak to this motion. When I sat on the committee last year—I sat not as a member of it but I participated—at that time I was very much of the opinion that we should be extending the family assets to include much broader categories than those which were in the bill at that time.

I suppose that what I felt about this particular section and the proposed amendment is really reflected in what I am proposing under section 8. What I am trying to do by that section is to enlarge the scope of the inquiry, if you like, by the court, to give guidelines to the judges without really destroying equality for women in the province; that really bothers me.

If I can explain something of my thinking: last year I had a telephone call from someone who purported to be calling me from the Bay—the Hudson's Bay Company—asking me if I would like to have a charge account. I said I would listen to what they had to say, until I found that this person was putting me, or trying to put me, through the hoops—give all the information about my husband: his

occupation, his earnings in order that they might condescend to give me a charge account. Needless to say, they didn't get the information and I was no longer interested in the charge account.

Why am I saying this now on this particular section? It occurred to me that I've been thinking about whether or not women are really viewing this in the old stereotype and not stopping to think about the new woman emerging in our society today. I see the Attorney General nodding. I trust no one will take it that I have been in any kind of cahoots with him in what I'm saying.

What I was looking at and what I see today, for instance, is that more and more women in the law are moving into partnership. If you have a situation—and this may be the only one of its kind, but it's the kind of thing that brought me up very short in looking at this amendment—where you have two women engaged in the practice of law in partnership—let's say one is unmarried and one is married with a dependent spouse—what bothers me is that with the kind of climate that we still have, there wouldn't be a partnership unless there was some way of financing it, apart from the conventional system.

I guess my dream for women in this day and age is not to be limping along on something of this concept of attaching the commercial assets, but rather having the right and the opportunity, to stand up as free people and engage in commerce. It is this kind of concern I have. If we have this, as it is proposed in this amendment, I wonder what the climate in the commercial community is going to be when it comes to assisting women financially, if they wish to undertake some of these commitments in some of the circumstances that I foresee.

It was again basically because of my anxiety to try to reach some solutions which would seem to be more equitable that I looked to section 8 and had the guidance of some of the most forward-thinking people in this province in assisting me in looking at that section. I don't know what the effect would be. I presume that over a period of time there would be some kind of working document that you would come to grips with to try to cover these cases. But I just am of the opinion that we have to somehow protect, say, a partnership from being destroyed suddenly or even a business which could be destroyed suddenly and have a very detrimental effect on the entire family and not just on the spouse.

I am very torn. I think most women perceive this bill as a bill which gives them

roughly one-quarter and leaves the husband with three-quarters of the assets.

If you talk to almost any woman you meet—I'm not sure on Yonge Street but on some other street—you will find this is the concept which they have. It certainly is an inappropriate one if we believe in an economic partnership. I have a great concern about the possible destruction of perhaps a valuable commercial asset that can be used for the benefit of the family without totally winding it up.

[5:15]

So I would like to hear any further comments. I am certainly listening to what is being said by the third party, but I would ask them to look at my proposed amendment because I do think it gives a flexibility. I think it gives an opportunity to the court to make the kind of determination that is sought here without putting it right into a section, including the commercial assets, which I believe would have a very negative effect in the commercial community and I don't think we want to do that, Mr. Chairman.

Mr. G. Taylor: Mr Chairman, may I speak to this motion, but not in support of it? I agree wholeheartedly with the member for St. George—and I seldom do.

Mrs. Campbell: Oh George; seldom?

Mr. Warner: You'd better rethink your position.

Mr. McClellan: Look at the company you are in.

Ms. Gigantes: That is what you get.

Mr. Warner: Fine company you keep.

Mr. G. Taylor: Once you include commercial assets you have gone a long way to disruption, possibly, of our economic unions. It is difficult enough to put together marriages, and sometimes difficult enough to separate those marriages and perform a dissolution of them on economic grounds without bringing in the commercial aspects of a situation. When the member for St. George talks of bringing about partnerships, that comes to mind so quickly; I can just visualize a situation as you bring in somebody in a partnership.

Mr. Warner: Marriage is a partnership.

Mr. G. Taylor: Particularly the member for Ottawa East—if I were to discuss a partnership with him: "How would you like to come into partnership with me? How is your marriage?"

Mr. Roy: Don't get personal.

Mr. G. Taylor: That is a great way to start a partnership because that is what you

would be doing the day you put in commercial assets as an amendment. Every time you make a decision in that commercial vein—every time you make a decision in the partnership, you bring in the wives or the husbands of your partners to discuss whether you make that decision because you might be watering down the commercial assets and possibly the wife's future benefits if there happens to be a dissolution of that marriage.

So now you have not only an economic partnership within the marriage, you have an economic partnership within the entire commercial community that the spouse may be involved in.

Ms. Gigantes: That's nuts.

Mr. G. Taylor: It has been difficult enough in the matrimonial actions I have been involved in over the years as a practising lawyer to disregard the commercial assets and just deal with the matrimonial assets that are presently within the bill. They become a difficult task. But it is just horrendous when you start getting into the commercial aspects.

When the member for St. George said: "What about bringing down a financial empire?" We had pieces of taxing legislation and pieces of corporate legislation—

Mr. Warner: We can make equity a prize.

Mr. G. Taylor: —which required, in some situations where you had three shareholders—and you get some situations where for tax advantages you put shares in a spouse or somebody else in the family. I have seen situations where they can be such a lever that they could have brought down some major corporations with privately held shares. It might have done away with those businesses. I can see even more concern that this would be a problem in the future should these be included.

Mr. Warner: If it was someone like Beckers it would be worthwhile.

Mr. G. Taylor: So, Mr Chairman, when they bring forth the commercial assets in here they insert far too much in a matrimonial situation

Then when you look at what is presently taking place, more and more in these situations where you have a dissolution of marriage, the spouse says: "I'll take what I can get. I want to get rid of him. That is all I want from him." If you are going to go upon the independence of spouses you have to be independent in all respects when you finish off with the dissolution of marriage, so each spouse goes his own way and you split up the assets that are there.

There will be some that say: "I answered the phone for him. I did the books for him at night." That is taken care of in here and later sections by the judge making the decision on whether that should be included. But to include it as a general purpose under the heading "commercial assets," I think such an amendment goes too far and would cause more grief than it would take care of.

It is going to be most difficult now when they say, "Oh isn't this very interesting? An accountant can figure that out." With the way we have this present legislation going, before you get married today you will sit down with your lawyer, your accountant, your tax expert, and anybody else who can give you advice, and those relationships will become far more economic, not even having love enter into it and companionship and other things that go along with a marriage. It will become a totally economic picture from day one to the time it ends. I am sure this Legislative Assembly is not in the field of economic unions from day one to the end.

Ms. Gigantes: How is your marriage anyhow? How is your marriage?

Mr. G. Taylor: There must be something more in a relationship than that. So, Mr. Chairman, I would not support this amendment and I hope my colleagues on this side of the House would not support such an amendment.

Mr. Warner: Shame!

Mr. Chairman, I am a bit disappointed that the member for St. George (Mrs. Campbell) mentioned during her remarks that she would be interested in hearing further comments from members of the third party, and she then subsequently left the chamber.

Mr. Roy: Well, she is going to be right back. It is not as if she is missing words of wisdom.

Mr. Warner: Like her work in the committee, I suppose.

Mr. McClellan: She won't be here for the vote either.

Mr. Roy: In fact, I should tell her to stay out while you are talking.

Mr. Warner: I think it's very important that we realize a couple of things that we are about as we discuss this particular amendment that has been put forward. Not only does it pertain to the very essence of this bill but it is in effect an extremely important step in that very long, hard-fought battle for those women who throughout the centuries have been oppressed.

I choose that word very carefully, and I know you realize, Mr. Chairman, as I do and

as do others in this chamber, that for a great long time women were denied the right to vote. Women could not hold public office. Yes, we have moved from that, and women now have the opportunity to vote and they can hold public office; but surely that is not the end of it. Surely what we have before us is something that is just a step, a historic step, a step in the process to actually bring about equality between men and women.

What bothers me very much when I hear comments such as the ones made by the member for Simcoe Centre (Mr. G. Taylor) is that there seems to be an assumption that in most circumstances when a marriage dissolves, both of those people are somehow on an equal footing as to how they should proceed in their life from that point onwards. In the real world out there that is not the case, and everyone in this assembly should know that and know it full well.

Women do not receive the same level of income as men do. Women, in most cases when a family dissolution occurs, have the responsibility of raising the family but have inadequate day-care facilities and normally do not have the same academic standing as men—

Mrs. Campbell: Oh, come on.

Mr. Warner: —but find it very difficult to obtain that kind of upgrading which they require because they don't have the same opportunities in the colleges and universities. Women are placed under some very difficult and trying circumstances, more so than men in most cases, when a family dissolution occurs.

So it is too easy perhaps for some members to simply dismiss this amendment by saying we want to establish independence. Of course women want to feel they are independent, but in the real world in 1978 they don't have the same opportunity for independence that men have. What we have is an opportunity to bring some measure of balance, some measure of protection for women who under many circumstances are left with next to nothing when a family relationship dissolves.

I think that at least the member for Simcoe Centre, and probably others, should understand that in many family situations where there is a business involved, the husband has been successful in his business endeavour because his wife took over the husband's portion of that family responsibility of raising the children. She managed the family books; she got those kids to school on time and got them helped with their homework, and settled the squabbles with the other children on the street, and managed all of those affairs while

he was off running his business. But upon the dissolution of the marriage she's not going to be recompensed for all of that hard work in raising the family, because he will have the business assets.

To the Liberal member for Ottawa East—

Mr. Wildman: Is he still here? When is the plane leaving?

Mr. Philip: Tuesday.

Mr. Warner: —I think that this amendment that's before us right now, and I'll put it very boldly, is the principle of the bill. That is the principle of this bill.

Mr. Roy: I missed it until now.

Mr. Warner: I would ask the member for Ottawa East, and others, to take a look at the second "whereas" in the preamble, which says: "It is necessary to recognize the equal position of spouses as individuals within marriage and to recognize marriage as a form of partnership."

I ask the hon. members, then, to look very carefully at the amendment which my colleague, the hon. member for Windsor-Sandwich, has placed before the committee. That amendment is the principle of the bill. I don't understand how we could possibly proceed with this bill without the inclusion of this amendment.

I urge all members of the House to take another very close look at the amendment and relate it back to the very principle of the bill, because without that we're not really doing a service to the women of this province who are fighting desperately hard for some measure of equality in our society.

Mr. Roy: Mr. Chairman, my colleague the member for Riverdale was saying that this bill has me upset. It's not the bill at all. We've been discussing it now for two years. I can say to my colleague my marriage is fine, thank you; no problem.

Mr. Renwick: Never take the unsupported evidence of one witness.

Mr. Roy: I don't see any problem with the bill as regards any personal situation. I just wanted to clear that up. I didn't hear the comment.

Mr. Bradley: It wasn't worth hearing.

Mr. Foulds: He said, "Never take the unsupported evidence of one witness."

Mr. Roy: But in any event, what I am somewhat confused about is that for the last two years we've been hearing submissions and we've discussed this bill, many aspects of the bill. We've had submissions from a variety of groups, people who felt the bill was going too far, other people who felt the

bill was not going far enough. Throughout this we tried to arrive at some proper balance; as the members to my left have talked about, an equal partnership and some equilibrium in the legislation that we're going to bring forth.

My only annoyance is the fact that some of these members who are bringing forward these amendments—and in fact, the best evidence that I have that the NDP to my left is basically posturing and playing to whatever group is going to bring forward an amendment, is the fact that the NDP member for Windsor-Sandwich is the one proposing the amendment. It seems to me if they were serious, they would have their justice critic here and arguing and being in favour of this amendment; and of course he's not. He's followed the progress of this bill and he knows the pitfalls of the amendment as proposed by that member.

Mr. Foulds: So has the member for Windsor-Sandwich; far more than you or the member for St. George have.

Mr. Warner: Nonsense.

Mr. Wildman: That's a specious argument.

Mr. Bradley: Back to sleep.

Mr. Roy: It seems to me that if they're really serious about giving full recognition to the women of this province, they're going to support the amendment as proposed by my colleague in section 8.

Mr. Foulds: That is a grandstand amendment if I ever saw one.

Mr. Roy: If I may say—

Mr. Wildman: Is she the justice critic?

Mr. Roy: If I may say, Mr. Chairman, first of all we tried to have a bill which would concern the majority of people in this province. For the majority of people in this province, their assets are basically what is defined in the family assets, basically the matrimonial home.

Mr. Wildman: The majority of people in the province are women.

[5:30]

Mr. Roy: It seems to me that by proceeding in the fashion they are doing they are going to be creating work for the lawyers. They are going to be driving the absconding or male chauvinists into lawyers' offices to get involved in marriage contracts, and surely that's not something we want to do with this legislation.

Ms. Gigantes: Why would they want to do that?

Mr. Roy: In attempting to achieve a par-

ticular solution, they are creating far more problems. They talk about equality. Does the amendment as proposed only share the assets? What about the liabilities? If the bill as amended by the member for Windsor-Sandwich was accepted, what about a failure on the business side? Could they come against the other spouse? These are all things that remain unanswered. Looking at all the NDP amendments which we had before the justice committee, I know some of them are going to be presented here. The members of the NDP have already voted against some of them but they are going to present them here again.

Mr. Foulds: Voted for.

Mr. Roy: They voted against some of those amendments and the NDP members are presenting them now. It seems to me that I don't see in any of these amendments any changes in the support obligations. If we accept your amendment, are you going to change anything on the support obligation side? Are there going to be any assets to attach when you are talking about making payments for support? These are some of the things that are of concern to us.

It seems to me that the approach taken by my colleague from St. George, whose opinion I would accept about the rights, the desires and aspirations of women in this province much ahead of anybody's to my left, is such that she has accepted that if we do want to give equality, the way to do it is under section 8. There should be some discretion and there should not be a straitjacket. If we are talking about giving women independence, that is not the way to do it.

Mr. Foulds: Why don't you speak to the principle?

Mr. Roy: All I can say in closing, is that I have seen the posturing before. I have seen the amendments brought forward by the legal expert, the member for Windsor-Sandwich. He has no problem. Everything can be solved by accountants, by lawyers and others.

Mr. Mackenzie: Pretty weak.

Ms. Gigantes: Talk about posturing.

Mr. Kerrio: They ought to make him a judge.

Mr. Foulds: He'd be better than Phil Givens.

Mr. Roy: As a responsible opposition, we feel that we are going to put forward amendments. This is the reason that I agree with my colleague. I agree with the justice critic in our party that the way to achieve

this independence and equality is to proceed under section 8 and not to have a holubolus section as has been proposed and which I am sure many members of that caucus would not even accept.

Mr. Bounsal: That's not true.

Mr. Swart: I am pleased to rise to speak on this section of this bill because it seems to me, as my colleagues have said, that this is the key section to this bill. This is the section where we determine whether we really believe in family law reform. It is one of the most controversial sections because in our society it deals with assets and that sort of thing and not just human relations. It is obviously one of the most controversial and it is certainly the one most important to women.

I cannot help but mention that on the other side of the House there are two women members of this Legislature.

Hon. Mr. McMurtry: Three.

Mr. Swart: Okay, three. I would ask the Attorney General if they are staying away from this session because they disagree with the law reform bill or because are so indifferent they don't think it warrants their time to be in the House.

Hon. Mr. McMurtry: They have heard your nonsense before.

Mr. Swart: I think there is some significance that there is enough concern on this side of the House, and particularly in this caucus, that we have one of the largest turnouts, and right now they have it in that other caucus too, and that our two women members are here taking part in this debate—

Mr. Kerrio: One hundred per cent of our women are here.

Mr. Swart: —and also the women in the caucus on the right. I think that attendance on the opposite side of the House gives some indication of the priority that is given to law reform by the government and the members over there.

I said this is a key section. I think we should recognize, as my colleague from Scarborough-Ellesmere (Mr. Warner) said, that a basic principle of the bill is established here. This section sets the basis or the principles on which the spouses can expect a settlement to be made. It sets out the general principle. Of course, it can be varied by the court to almost any degree, but the court has to start from this base and, therefore, this base is exceedingly important. The preamble has been read into the record here at least twice today. It purports to establish

equality between the spouses and a partnership.

I say to you that if we pass this section as is we have legislated inequality and that, in fact, that inequality will largely be against the women in our society. If we want to talk about equality, just let me point out what this has left out in the division of assets. It leaves out any business assets, even though they may have been acquired after the marriage. It leaves out any farm; and you know most of the law reform in this nation was started because of a certain case by the name of Murdoch in western Canada where the woman was left out of the assets.

It could also mean that, on the basis of this section, every farm woman across this nation shall not have any right to the farm, regardless of what contribution she has made.

Hon. Mr. McMurtry: Read section 8.

Ms. Gigantes: It is not there as a matter of right.

Hon. Mr. McMurtry: Read section 8. Have you people read the bill?

Mr. Bounsall: Have you?

Mr. Swart: It's not there as a matter of right, not as a basis from which they start to divide the assets.

Mr. Bounsall: The member for Welland-Thorold has been to the committee more than you have.

Mr. Swart: It leaves out all shares and bonds held by either spouse as the base from which you start for the division of the assets.

It leaves out any moneys other than the family bank account, including such things as term certificates, individual savings accounts and all this sort of thing. Those are left out of the base from which the division starts. And in most families now there isn't a great deal of money kept in the individual chequing account because of the poor interest rate. It is kept in some other form of asset, in a private bank account or in renewable term certificates held by one or other of the spouses; those are left out.

Let me give you the example which might perhaps apply to many of us here who come from outside the city of Toronto and have a bank account with the Province of Ontario Savings Office. I suspect many other members have, as I do, an account here that is not a family account.

Mr. Roy: Would they share liability as well?

Mr. Swart: We keep those accounts because sometimes we need money. That would

not be divided in case of a breakup of the family.

And it leaves out pension and retirement plans. The other two are familiar to the average family; they know those are part of the normal family assets. It is a concern of the man and wife that when they come to retirement age they'll have enough in the way of a retirement plan on which to get by and live comfortably. They'll often scrimp and save as a couple to put more money into that retirement plan and yet the basis of this division of assets and liability rules out even that. So I say that this bill legislates inequality.

I say to my friends on the right that their amendment to clause 8 is in no way an alternative to writing in the principle in this section. I guess it establishes a difference between us and them and between us and the members on the other side of the House.

Mrs. Campbell: Are you going to support it?

Mr. Roy: That's the difference between reason and folly.

Mr. Swart: No, it's the difference between equality and inequality in the spouses and usually the inequality is exercised against the wife. We say the principle should be established in this section that all assets acquired during marriage be divided equally and then variations can be made if there are special circumstances. After this section, the next nine clauses provide opportunities for the judge to vary this on the application of one party or the other, but the basic principle should be that the assets which are acquired after marriage should be divided equally. It's a principle to which I subscribe and this party subscribes. Sure, variations can be made—there will be circumstances—but that principle should be established in this bill.

The government and the Liberals say, "Normally, total assets will be divided unequally." The principle of this bill says they will be divided unequally, but if there are special circumstances the court can determine that they should be divided equally, or maybe in some other manner. That is actually what this section of this bill says, and I say to you that in no way can I support this section of the bill which legislates inequality when that inequality will primarily be applied against the female partner of the marriage. That's exactly what will take place.

We hear the statement, "Yes, we're moving into a new society," and, of course, we are in many ways, "where women will go into

business." The fact still remains that the great majority of those who will suffer from inequality in this bill are the female partners in the marriage. I would plead with our colleagues on the right that they give careful consideration to this amendment by my colleague from Windsor-Sandwich because it makes the only sense if we really believe in family law reform.

Mr. Roy: You are paternalistic towards females in this province.

Mr. Kerrio: Mr. Chairman, almost everything has been said in regard to this amendment.

Ms. Gigantes: No, not all.

Mr. McClellan: Not at all. Only by your party.

Mr. Kerrio: I think there may be one scenario that may be drawn here. I have the greatest respect for my two colleagues who have taken the lead for us in this particular bill, the member for St. George and the member for Ottawa East. I'd like to say that my concern is, if I were to draw a scenario that would very much concern me, it would have to do with a relationship where a family acquired assets over many years and later on in life one member or the other passes away. They have, through their whole existence—and I think many of us are in that same category—worked to one end, and that is to see their family proceed in a way that would make them better for having been here.

[5:45]

I would suggest that in a relationship where people are past middle age and one member of that relationship passes away, it would be the full intent of those two people to pass on to their children what they have acquired and worked for all their lives, and a marriage of convenience in later years for the association and companionship that it would have to offer certainly would jeopardize what the two original people in that matrimonial contract had expected of life. The children of that first marriage, to whom the two people had dedicated themselves and wished to pass on some of their lifetime's work, certainly would be disadvantaged by such a bill as the one we have before us today.

I can't by any stretch of my imagination support any such bill, and I don't think good-thinking men and women anywhere in this province would support it either. As has been said already by our responsible people and by the people in the government, they will address themselves to a fair and equitable consideration of either spouse having contributed to that relationship by

way of effort, money or in any other way where a judgement could be made that they should share beyond what is considered the family assets.

Today we have women who are very concerned and are addressing themselves to where their future lies. We don't have to posture to the point where we are trying to tell them something that simply will not work because of the particular circumstance that has been described by those people who know a good deal more than I do as far as the law is concerned, and because of the kind of relationship that I suggest is occurring more frequently in the lifestyle we have today.

Mr. Philip: Mr. Chairman, a great deal has been said already and I was not planning on speaking on this bill at all. Being the chairman of the committee that dealt with the bill, I had remained as impartial as possible. But, listening to the arguments of the member for Simcoe Centre and of the member for St. George, I simply had to rise. I guess my conscience got the better of me, for the "Henny-Penny Ducky-Lucky" arguments that were used just don't stand up. The sky is not falling down if this amendment is introduced.

Mr. Warner: The sky is falling on that side.

Mr. Philip: Over the holidays, while the House recessed, I was reading some interesting speeches by somebody whom I am sure the Liberals will be somewhat acquainted with—a man by the name of Gladstone. Gladstone's speeches that I was going through concerned home rule. It may have been a different kind of rule and a different kind of home than we were talking about today, but basically what Gladstone was dealing with was the whole problem of equality of a whole group of people.

It seemed to me that all of the arguments that the Tories used at that time against the prominent Liberal were the economic arguments—arguments similar to those that the member for St. George and the Conservative member for Simcoe Centre seemed to be using in this particular case. Destruction of the commercial enterprise has always been used as an argument for creating inequality.

Mr. G. Taylor: It could kill quite a few jobs—

Interjection.

Mr. Philip: The fact is that the court still has great discretion even if this amendment is passed; and the fact is that if this amend-

ment is not passed, it makes a lie of the bill and a lie of the preamble to the bill.

Mrs. Campbell: I hadn't intended to speak twice on this section, Mr. Chairman, but I feel moved to do so because perhaps over a period of time you gain some experience. I think of a great debate which took place some years ago at the time when I was the president of the Women's Law Association. We had been meeting with women who were demanding the privilege of serving on juries. We said then it was interesting that at the time men did not want to serve on juries, women were claiming it to be a privilege.

There is a kind of relationship here, because it is just at the time when women are taking a more prominent part. Granted a great many of them are not; but more and more women are stepping out and becoming executives, they are becoming involved in the higher echelons of the professions and of the commercial enterprises.

Ms. Gigantes: Hear, hear.

Mrs. Campbell: It is interesting that at this point in time, when they are gaining that stature, we have the proposal that we should knock 'em down. They've been hit badly enough in the past with the old family law tradition, and now you want to take them into the new position where they will be placed at a disadvantage under this bill as you propose it.

I don't think that is appropriate—

Mr. Roy: We don't understand that.

Mrs. Campbell:—and for me to be told that I have supported this government and their arguments is just ludicrous. Let me say this: It goes back to those days when we were sitting debating the employment standards legislation during International Women's Year. Where were the NDP and where were the unions—?

Mr. Bounsall: It was my amendment.

Mrs. Campbell:—where was everybody?

Mr. Roy: Where was the NDP?

Mr. Bounsall: It was my amendment.

Mrs. Campbell: It was not your amendment, it was mine. I am a little tired of being told that as a woman I am not supporting the rights of women. I've been doing it for longer than any of you have.

Mr. Foulds: It's too bad you are faltering in the clutch.

Interjections.

Mrs. Campbell: The fact is that I do understand something about the workings of our communities, of our country, of our

province. I am not going to sit idly by while some Johnny-come-latelies—and they are—

Interjections.

Ms. Gigantes: Mr. Speaker, on a point of privilege, I refuse to be called a Johnny-come-lately.

Mrs. Campbell:—are trying to tell me that I am not as concerned about the rights of women as anybody in this Legislature.

Mr. Foulds: That's a sexist remark. At least you could call the member for Carleton East a Jenny-come-lately.

Mr. Roy: You fought the Attorney General more than anyone else.

Mrs. Campbell: Yes, I was successful once. If only things had been different.

Mr. Williams: It is interesting to watch the scrapping going on between members of the so-called weaker sex in the House.

Mr. Foulds: Speak for yourself.

Ms. Gigantes: It is a whole new world isn't it?

Mr. Williams: Obviously that is a misnomer and has been quite clearly disproved here this afternoon.

Mr. Kerrio: Where are you going to put the other foot, John?

Mr. Williams: Mr. Chairman, it may be that some people take an Alice-in-Wonderland approach to this matter, or choose to quote nursery rhymes to make their points about what the essential ingredients of this legislation should be. But I think we should by addressing the realities of the legislation—

Mr. G. Taylor: To you the whole world is a nursery rhyme, John.

Mr. Warner: No one expects you to enter the 20th century.

Mr. Williams:—and considering it in its proper context and in a proper perspective. That is, of course, that we are indeed dealing with family law legislation and accordingly dealing with an equitable and proper distribution of family assets. It must be that common sense would dictate what the family assets should be, namely those normally associated with use in and about the matrimonial home, and not assets taken in the total universality approach—

Ms. Gigantes: Not in any of that male property.

Mr. McClellan: None of this real stuff.

Mr. Williams: What interested me during the debate earlier was the fact that so much skepticism was expressed by members, particularly of the New Democratic Party—

Mr. Wildman: You'd think if you really believed they were the weaker sex you'd want to protect them.

Mr. Williams: —as to the wisdom that would be displayed by the judges of the courts in exercising the discretion that is given to them in this legislation.

Mr. Wildman: Exorcise?

Mr. Warner: History speaks for itself.

Mr. Williams: It is clearly spelled out that indeed wide discretionary powers do exist where the court has the right, in its opinion, to expand upon division of assets, even though they may be other than family assets as defined in this section.

Mr. Haggerty: John, did you read Chate-laine this month? You should read that article.

Mr. Williams: No, I didn't. To now suggest that our court system isn't sufficiently competent to handle this new type of legislation because there are such broad discretionary powers built into the legislation, I think is to some extent an offence to the judicial system we have in this province, which I consider to be of the highest calibre to be found anywhere.

Surely it's much easier to work from a definition that clearly relates to the family situation and expand upon that, as the court in its wisdom sees fit, rather than to apply a universal definition from which one has to take away. So it is clearly appropriate that the definition should be as spelled out in the legislation, in that as far as exercise of discretionary powers goes, it's clearly spelled out in the other sections of the Act, and will, I think, meet all of the objections that have been raised by the opposition.

Mr. Deputy Chairman: I would point out to the member for Carleton East that we have about two more minutes. Do you wish to speak at this time?

Ms. Gigantes: I would seek your advice, Mr. Chairman, about whether I should begin because I have some rather lengthy remarks on this section.

Mr. Deputy Chairman: If you have some lengthy remarks it would be more appropriate to continue when this adjourned debate continues, which would be Thursday evening.

On motion by Hon. Mr. McMurtry, the committee of the whole House reported progress and asked for leave to sit again.

The House recessed at 6 p.m.

APPENDIX
(See page 432)

Answers to questions were tabled as follows:

1. Mr. Ziemba—Inquiry of the ministry: Would the Minister of Revenue table the names of property holders in the borough of North York, Scarborough and Etobicoke receiving farm tax rebates during 1976 giving the number of acres upon which the rebate was paid, the assessment, the property tax levied and the amount of farm tax rebate paid in each case. [Tabled February 21, 1978.]

Answer by the Treasurer (Mr. McKeough):

This is to advise that this ministry will require additional time to complete an answer to this question.

2. Mrs. Campbell—Inquiry of the ministry: Will the Attorney General obtain and provide

this House with the following information: (a) The number of children sent to Viking Houses, a division of Marshall Children's Foundation from the Peel region provincial court (family division) during the last four years under provisions of the JDA; (b) the number of children sent to Viking Houses under provisions of the JDA from all other family courts during the same period of time; (c) the names of organizations providing assessments to the Peel family court and the terms of their arrangements with that court; (d) the total number of children sent to Viking Houses from the Peel court, the number of those children who were first assessed by the Browndale clinic. [First Tabled December 6, 1977. Tabled February 21, 1978.]

Answer by the Attorney General (Mr. McMurtry):

	1974	1975	1976	1977	Total
(a)	4	45	37	17	103
(b) County District	1974	1975	1976	1977	Total
Essex .....	....	10	6	2	18
Frontenac	2	....	....	....	2
Ottawa-Carleton .....	....	1	....	....	1
Peel	4	45	37	17	103
Peterborough .....	....	1	....	....	1
York (Jarvis St., Etobicoke and Scarborough) .....	....	1	....	....	1
York (Newmarket) .....	....	1	....	....	1
York (Willowdale)	2	1	....	....	3
	no breakdown by year				10

(c) Addiction Research Foundation, 39 Dundas Street East, Suite 203, Mississauga, Ontario; Addiction Research Foundation, Out-Patient Dept., Clinical Institute, 33 Russell Street, Toronto; Catholic Children's Aid Society of Metropolitan Toronto, Toronto, Ontario; Chedoke-McMaster Centre, P.O. Box 590, Hamilton, Ontario; The Children's Aid Society, Judicial District of Halton, 1160 Blair Road, Burlington, Ontario; The Children's Aid Society, Judicial District of Peel, 49 Kennedy Road South, Brampton, Ontario; Child & Adolescent Services of Hamilton-Wentworth, Mental Health Clinic, Hamilton, Ontario; Clarke Institute of Psychiatry, 250 College Street, Toronto, Ontario; Dean Darnell Social Work Consultants Ltd., 229 Church Street, Oakville, Ontario; Dufferin-Peel Roman Catholic Separate School Board, 100 Dundas Street, West, Mississauga, Ontario; East General and Orthopaedic Hospital Inc., 825 Coxwell Avenue, Toronto, Ontario; Etobicoke General Hospital, 101 Humber-

college, Toronto, Ontario; General Council of Children's Services, Judicial District of Peel, Inter-Agency Committee, INTERCOM—North, INTERCOM—South; Hincks, C. M., Treatment Centre, 440 Jarvis Street, Toronto, Ontario; The Hospital for Sick Children, 555 University Avenue, Toronto, Ontario; Lakeshore Psychiatric Hospital, 3131 Lakeshore Blvd. West, Toronto, Ontario; London Family Court Clinic, 80 Dundas Street East, London, Ontario; London Psychiatric Hospital, Children's Psychiatric Research Institute, London, Ontario; Madison Community Clinic (OISE), 17 Madison Avenue, Toronto, Ontario; Ministry of Community and Social Services, Children's Services Division, Probation and After Care Services, 424 Hensall Circle, Suite 101, Mississauga, Ontario; Mississauga Hospital, 100 Queensway West, Mississauga, Ontario; Oakville Reception and Assessment Centre (Independent of Committal to Training School), 475 Iroquois Shore Road, P.O. Box 910, Oakville, Ontario; Oakville Trafalgar

Memorial Hospital, 327 Reynolds Street, Oakville, Ontario; Peel Board of Education, 73 King Street West, Mississauga, Ontario; Peel Family Services, 93 Dundas Street East, Suite 105, Mississauga, Ontario; Peel Memorial Hospital, 20 Lynch Street, Brampton, Ontario; Psychiatric Service of the Juvenile and Family Court, 950 Yonge Street, 8th Floor, Toronto, Ontario; Queen Street Mental Health Centre (Central Youth Services), Child and Adolescent Clinic, 999 Queen Street West, Toronto, Ontario; Rapport House, 140 Queen Street East, Brampton, Ontario; The St. Lawrence Youth Association, Juvenile Court Assessment Clinic, 57 Queen Street, Kingston, Ontario; Thistletown Regional Centre for Children & Adolescents (West Metro Youth Services), Malton Clinic, In Patient and Out Patient, 11 Farr Avenue, Rexdale, Ontario; Toronto General Hospital, University Avenue, Toronto, Ontario.

The arrangements with the agencies providing assessments were that the courts would ask for an assessment and if the agency was willing, an assessment was ordered. In some cases, the assessment would have been pre-arranged by the workers or would have already taken place.

(d) Twelve children were diagnosed by Dr. Otto Weininger and the Ontario Institute for Studies in Education doctoral students (Applied Psychology). Space and secretarial assistance was provided by Browndale (Ontario), 17 Madison Avenue, Toronto, Ontario.

3. Mrs. Campbell—Inquiry of the ministry: Will the Minister of Community and Social Services provide the House with the following information: (a) A list of all known group homes operating in Ontario outside the Children's Boarding Homes Act with four or fewer children; (b) a list of those homes known to be in contravention of fire, zoning, health or safety regulations or laws; (c) a list of all other licensed children's facilities known to be in contravention of any of the above regulations or laws; (d) the exact number of provincial inspectors charged with enforcement of each Act concerning children's facilities now under the children's services branch. [Tabled December 6, 1977.]

Answer by the Minister of Community and Social Services (Mr. Norton):

(a) Updated February 14, 1978.

1. Able House, R.R. No. 6, Minesing*
2. Alpha Adolescent Project, R.R. No. 2, Dundas; 3. Ausable Springs Ranch, 518 Queens Ave., London (21 homes); 4. Briar-

wood, St. Joachim; 5. Cairnlee Community, R.R. No. 1, Inglewood (five homes); 6. Community Homes, 28 Askin St., London (two homes); 7. Community Youth Programmes, P.O. Box 671, Oakville (six homes); 8. Davenport Homes, 2 Abbot Street, Toronto; Davenport Homes, 372 Annette St., Toronto* (Duplex: four children in one unit, three children in other); Davenport Homes, 205 Grenadier Road, Toronto* (duplex: four children in one unit, three children in other); 9. Don Patrol Group Home, 320 Queen Street South, Hamilton*; 10. East York Children's Residence II, 25 Eastdale Ave., Toronto*; 11. Family Affair Home, R.R. No. 2, Breslau*; 12. Four Maples, 82 Queen Street, Streetsville*; 13. Grand River View Home II, R.R. No. 2, Moorefield; 14. Green Acres, 191 Laidlaw Street, Cannington (four homes); 15. Highlands Crossroads, Harcourt*; 16. Hi-Hope, 44 Tyrrell Ave., Toronto*; 17. Holiday Ranch, R.R. No. 1, Breslau*; 18. Homestake House, R.R. No. 1, Kenora*; 19. Inverness Group Home, R.R. No. 2, Elora*; 20. Jubilee Home, 210 Ashworth Ave., Toronto; 21. Longhouse Group Home, Wellandport, 582 Winston Rd., Grimsby; 22. Lovelock Group Home, 185 Prospect St., Newmarket*; 23. Marcus Carvey Home, 567 Christie St., Toronto (two homes)*; 24. Morningstar, P.O. Box 253, Leamington (nine homes)**; 25. Nairn Group Homes, R.R. No. 1, Ailsa Craig (23 homes); 26. New Beginnings, 448 Crawford Ave., Windsor; 27. Northome Manor, Johnston Road, North Bay*; 28. Ontario Mission of the Deaf, 11 Wilson Court, Georgetown*; Ontario Mission of the Deaf, 7553 Ilington Ave., Woodbridge*; 29. Smith Home, Listowel; 30. Spruce Cross, Sharon; 31. Spruce Hem, R.R. No. 2, Allenford; 32. Stelden House, Orangeville; 33. Stella's Option, 18 Blandorman Rd., Toronto; 34. Stepping Stones, R.R. No. 4, Brampton; Stepping Stones, Nobleton; 35. Storey Group Home, 65 Tracy St., Belleville; Storey Group Home, 30 Meade St., Brighton; Storey Group Home, R.R. No. 7, Brighton; Storey Group Home, 62 Queen St., Campbellford; Storey Group Home, 21 Rolliston St., Lakefield; Storey Group Home, 93 Robinson St., Peterborough; 36. Talitha House, P.O. Box 2112, Cochrane*; 37. Viking House, 50 Long Branch Ave., Toronto*; Viking House, 88 Mulock Ave., Toronto*; 38. Wen-Way Farm, R.R. No. 4, Tara*; 39. Wildwood Farm, Lochlin*; 40. Wilson Home, Schomberg.

* Application for registration has been submitted and is being processed.

** One of the Morningstar homes has applied for registration.

(b) Updated February 14, 1978.

1. Ontario Mission of the Deaf, Georgetown: violation of zoning bylaw. 2. Ontario Mission of the Deaf, Woodbridge: violation of fire safety regulations. 3. Spruce Croft, East Gwillimbury: violations of zoning bylaw.

Appropriate local authorities are aware of these violations. The instance of fire safety violation has also been brought to the attention of the provincial Fire Marshal.

(c) Updated February 14, 1978.

1. Amity Farms, R.R. No. 2, Wellesley: Violation of zoning bylaw of Wellesley Township Twp. Council by a resolution of September 6, 1977 resolved to take no legal action.

2. Amity Farms, 143 Weber St., W., Kitchener: Complies with zoning bylaws concerning use of the building, but needs permission of committee of adjustment for off-street parking. 3. New Horizon Girls Residence, R.R. No. 1, Cobalt: Violation of zoning bylaws of Coleman Township. The Township Council in a resolution of November 8, 1977 has declared that it has no objection to the continuance of the home under the present circumstances. 4. Shaftesbury House, 19 Robinson St., Little Current: A legal dispute is underway between the town of Little Current and Shaftesbury House as to whether or not a restricted area bylaw is valid. Renewal of registration is being deferred pending resolution of the issue.

There are no contraventions of zoning, fire, safety or health laws or regulations in group homes licensed by or responsible to the children's mental health program, corrections program, or observation and detention home program.

(d) Children's Mental Health Centres Act: The Act refers to "inspectors", the program refers to the inspectors as "program advisers". There are seven program advisers responsible for consultation with and supervision of the licensed children's mental health centres. Licensing requirements include an annual fire and health inspection.

Provincial Courts Act (Sec. 21 and 22 (Observation and Detention Homes): Six persons have been assigned by the children's services division to maintain regular communication with the 13 O/D homes on all matters of policy, planning and administration. To achieve this, there are monthly meetings involving all O/D superintendents and the division staff. In addition to the monthly meetings there is daily communication with each of the superintendents for policy and planning purposes.

Training Schools: Every school is required under the Training Schools Act to maintain

fire, safety and health standards as specified in the training schools manual of administration and in accordance with provincial standards. The Ontario Fire Marshal and the appropriate medical officer of health undertake legislatively required annual inspections and report their findings to the superintendent and to the senior management of the division. The senior management requires a response on action taken and/or action planned.

An investigation Branch, with an inspector designated by the Training Schools Act reports directly to the associate deputy minister of the division. The inspector monitors all concerns as they pertain to the wards, staff and institutions and follows up on the health action reports filed by the superintendents.

Contract Group Homes—Corrections: The contract group homes are required to provide certificates to prove that fire, health and safety standards are adequately maintained on an annual basis. These certificates are usually produced during the time of the contract renewals. Also note that zoning regulations are adhered to before the initial contract is signed with a group home. An eight person group liaison staff made up of area co-ordinators and others monitor all contracted group homes. On a day to day basis any contravention of standards are immediately handled by the group home liaison staff. Further, the regular visits by correctional program personnel subject the group homes to close scrutiny and compel them to conform to the corrections manual of administration, section for group homes.

Day Nurseries Act: The Day Nurseries Act charges the director to license annually. Each new licence and re-licence requires an inspection for fire, health, safety. The 22 day nursery consultants assigned to ministry district offices are responsible to the director to ensure that appropriate inspections have been carried out.

Child Welfare Act, Children's Institutions Act, Children's Boarding Homes Act, Charitable Institutions Act: There are eight provincial consultants and two superintendents currently involved in the inspection of group homes operating under the authority of the above Acts. In addition to this, staff in children's aid societies supervise, on behalf of children in their care, group homes directly operated by societies, and the arrangements for purchase of service with homes operated by others.

4. Mr. Cunningham—Inquiry of the ministry: Will the Minister of Transportation and Communications please table: 1. The

individual salaries of all executives with the Urban Transportation Development Corporation; 2. the Urban Transportation Development Corporation reports entitled: (a) Toronto rapid transit network—A description of potential ICTS Routes in Toronto; (b) An evaluation of ICTS in the Eglinton corridor; (c) Commercial viability assessment of ICTS; (d) ICTS cost trade-offs; (e) Station Design (TTC); 3. the Barton Myers study commissioned by the UTDC; 4. the dates, locations and associated costs of any meetings with municipal officials, ratepayer organizations and the public regarding possible rapid transit in the Eglinton corridor. [Tabled February 21, 1978.]

Answer by the Minister of Transportation and Communications (Mr. Snow):

1. President and Chief Executive Officer, \$55,000; Senior Vice President, Engineering and Operations, \$58,700; Senior Vice President Planning & Marketing, \$57,500; Vice President, Finance, \$42,400; General Counsel, \$33,000; Senior Manager, Personnel and Corporate Planning, \$34,550.

2. and 3. UTDC offers access to all its development reports to any bona fide public interest agency. Because the nature of the research work involved is of substantial potential benefit to commercial competitors UTDC has maintained a policy of making these reports accessible on UTDC premises only. To date, both the Liberal Party and NDP research officers have requested and been provided complete access to reports in this program.

4. UTDC invited ratepayer groups from all Metro boroughs to describe its relationships to Metroplan process and to brief the ratepayers on ICTS developments. A dinner

was held on January 20, 1977 at the Holiday Inn, Don Valley with 70 people attending. The total cost for the dinner was \$739.30.

5. Mr. Kerrio—Inquiry of the ministry: How many licences for boxing and wrestling matches under the Athletics Control Act were issued in 1977? How much revenue was paid to the minister under section 5(1) of the Act? What was the average percentage of gross receipts collected from each contest or exhibition as per section 5(1) in 1977? How many charges and convictions have been made under this section since 1970? [Tabled February 21, 1978.]

Answer: by the Minister of Culture and Recreation (Mr. Welch):

Please see attached statement for first part of question.

Athletics Control Act—charges and convictions since 1970: Friday, May 7, 1976; James Cunningham, Jack Timco and Ken Cleveland were separately charged for 16 separate offences under the Athletics Control Act. No evidence was tendered against Mr. Cleveland. After the laying of the charges, our investigations indicated that there was insufficient evidence against Mr. Cleveland to obtain a conviction on any of the charges laid.

Messrs. Cunningham and Timco were convicted for committing an offence contrary to the provisions of subsection 2 of section 13 of the Athletics Control Act, RSO 1970, Chapter 35. Judge Davidson found both guilty of the first charge and fined each of them \$100 or 30 days in jail. Under the circumstances, it was felt that the other 15 charges, all of which were seemingly lesser offences under the Athletics Control Act, should be withdrawn.

Office of the Athletic Commissioner
 Statement of Revenue for Calendar Year ending December 31, 1977

	No. of Licence	Cost per Licence	Licence Revenue	2% Tax Revenue	Total Revenue
Professional Wrestling					
Gate Taxes				\$6,207.39	\$ 6,207.39
Licences					
Professional Wrestling Licence, Class I	1	x \$500.00	\$ 500.00		500.00
Professional Wrestling Licence, Class II	95	x 5.00	475.00		475.00
To take part in Exhibitions	140	x 5.00	700.00		700.00
To referee Exhibitions	7	x 10.00	70.00		70.00
To referee Exhibitions	6	x 25.00	150.00		150.00
	<u>249</u>		<u>1,895.00</u>	<u>6,207.39</u>	<u>8,102.39</u>
					\$ 8,102.39
Professional Boxing					
Gate Taxes				1,120.51	1,120.51
Licences					
Professional Boxing Licence	1	x 200.00	200.00		200.00
Professional Boxing Licence	1	x 150.00	150.00		150.00
Professional Boxing Licence	1	x 50.00	50.00		50.00
To take part in contests and exhibitions	30	x 5.00	150.00		150.00
To referee contests and exhibitions	14	x 2.00	28.00		28.00
To manage boxers	11	x 5.00	55.00		55.00
	<u>58</u>		<u>633.00</u>	<u>1,120.51</u>	<u>1,753.51</u>
					1,753.51
Amateur Boxing Licences					
Licences to hold contests or exhibitions	94	x 5.00	470.00		470.00
Licence to referee contests or exhibitions ..	17	x 1.00	17.00		17.00
	<u>111</u>		<u>487.00</u>		<u>487.00</u>
Summary Totals	418		3,015.00	7,327.90	10,342.90
					10,342.90

6. Mr. Kerrio—Inquiry of the ministry: What are the names of those who attended the January 24 opening of *We Among Others* in Paris, France, as official representatives of the provincial government? What was the cost for travel and accommodation for these people? Were any other people sponsored by the provincial government; and if so, what are the names of those sponsored and what is the total of costs incurred by them? [Tabled February 21, 1978.]

Answer by the Minister of Culture and Recreation (Mr. Welch):

I respectfully request an extension deadline for the provision of an answer to question No. 6, order paper No. 2. The names of official representatives of the government of Ontario are available. However, individual accounts have not all been received by the ministry, thus not allowing an accurate cost figure at this time.

7. Mr. Kerrio—Inquiry of the ministry: (a) Of all provincial arenas, how many are presently deemed by the Industrial Safety Act to be: 1. Certified safe; 2. certified safe but are on a suspect list; 3. certified for minor repairs; 4. certified unsafe for use, needing major repairs; 5. closed for demolition? (b) In each of the above five categories, how many arenas are presently open to the public? (c) In each category, what were the comparable listings on June 17, 1976? [Tabled February 21, 1978.]

Answer by the Minister of Labour (B. Stephenson):

The arena program is at present under review in order to bring to a conclusion, during 1978, the review for structural adequacy of arena buildings throughout the province, which has been ongoing since 1970. This has involved classifying the results in a more precise and meaningful manner. Thus, the information in the form requested is not available. This review is not yet completed but a preliminary report of the present status shows the following:

1. Original drawings submitted to industrial health and safety branch. Certified—262.

2. Structurally inadequate. Operated under monitoring system which consists of: Monitoring is acceptable for one winter period only; engineering report identifying safe load bearing capacity, action level to close arena when wind and snow loads would approach safe capacity. Identified person responsible to monitor weather conditions, commitment to repair or replace next summer—35.

3. Engineer's report received. Repairs recommended. Drawings submitted and certified. Repairs completed—135.

4. Engineer's report received. Repairs recommended. Drawings submitted and certified—48.

5. Confirmed demolished—62.

6. Confirmed destroyed by fire—12.

7. Engineer's report received. Arena structurally inadequate. Owner, by registered letter, ordered not to use arena—63.

8. Engineer's report certifies arena structurally adequate—140.

9. Insufficient information to assess. The arena program was established in two phases. These arenas in this item are in Phase II, arenas to be reviewed in 1978. These arenas are located principally in large urban areas, where there are building departments with building codes and professional engineering staff (for example city of Toronto) or have been built since 1960—267.

10. No jurisdiction. Located on (a) Indian reservation, (b) federal land, defence, et cetera—12.

11. Converted to other use. No longer an arena—25.

Total—1,061.

9. Mr. Reid—Inquiry of the ministry:

1. Would the ministry advise the total number of acres planted for reforestation in the last five years ending December 31, 1977?

2. What species and what amount of each were planted for each year? 3. What was the total cost of this reforestation for each year?

4. What percentage of the planting was done by aerial seeding each year? [Tabled February 22, 1978.]

Answer by the Minister of Natural Resources (Mr. F. S. Miller):

1. There were 365,578 acres planted for reforestation in the five years ending March 31, 1977. The table following question 4 shows annual data for planting and seeding. Figures for the balance of 1977 will be available in the annual report of the minister for the fiscal year 1977-78.

2. The species and number of trees planted for the five years ending March 31, 1977 are listed in the attached tables.

3. Total costs of *regeneration per year, for the five years ending March 31, 1977 were: 1972-73, \$3,363,651; 1973-74, \$4,473,053; 1974-75, \$5,385,640; 1975-76, \$6,145,918; 1976-77, \$8,148,209. *Regeneration includes planting, seeding, modified harvest system, seed tree system, and site preparation for natural regeneration.

4. There were 231,641 acres aerially seeded for regeneration in the five years ending March 31, 1977. The following table shows the annual accomplishment for seeding, planting, total and percentage of total done by seeding.

	Aerial Seeding (acres)	Planting (acres)	Total (acres)	Percentage Seeding
1972-73	21,764	88,981	110,745	19.65
1973-74	25,099	77,950	103,049	24.36
1974-75	59,869	72,842	132,711	45.11
1975-76	58,095	66,968	125,063	46.45
1976-77	66,814	58,837	125,651	53.17

USE OF NURSERY STOCK — in year ending March 31, 1973

Tree Species	Private Land	Crown Lands and Agreement Forests	Education or Science	Total
White Spruce	4,898,465	20,724,336	85,425	25,708,226
Black Spruce	148,225	11,674,185	39,575	11,861,985
Jack Pine	755,375	9,088,025	45,000	9,888,400
Red Pine	5,183,410	4,640,900	48,375	9,872,685
White Pine	2,819,550	2,875,483	14,475	5,709,508
Scotch Pine	1,275,725	138,625	900	1,415,250
White Cedar	654,300	97,200	1,275	752,775
Silver Maple	330,250	323,650	1,250	655,150
Black Walnut	430,575	25,950	8,200	464,725
Carolina Poplar	320,750	29,950	700	351,400
Norway Spruce	255,100	7,775	475	263,350
European Larch	206,200	41,450	225	247,875
Red Spruce	3,050	218,625	125	221,800
White Ash	149,525	21,500	1,225	173,250
Red Oak	154,150	11,175	1,025	166,350
Black Locust	116,700	7,350	575	124,625
Tamarack	73,050	21,200	125	94,375
Cottonwood	46,200	20,650	25	66,875
Yellow Birch .....	.....	16,275	.....	16,275
Other Species	39,738	187,966	2,856	230,560
Total	17,907,113	49,996,720	257,206	68,161,039

USE OF NURSERY STOCK — in year ending March 31, 1974

Tree Species	Private Land	Crown Lands and Agreement Forests	Education or Science	Total
White Spruce	2,553,612	17,692,954	10,675	20,257,241
Black Spruce	82,350	16,595,308	6,500	16,684,158
Red Pine	2,176,067	7,739,989	91,875	10,007,931
Jack Pine	159,625	6,802,737	2,950	6,965,312
White Pine	1,309,435	3,788,436	65,450	5,163,371
White Cedar	1,248,894	654,176	3,650	1,906,720
Scotch Pine	1,070,416	10,960	775	1,082,151
Silver Maple	249,030	228,967	200	478,197
Norway Spruce	404,850	65,973	150	470,973
Carolina Poplar	317,437	103,082	800	421,319
Black Walnut	164,125	218,025	.....	382,150
Red Spruce	2,650	323,375	.....	326,025
White Ash	165,339	100,977	.....	266,316
European Larch	85,540	97,900	50	183,490
Yellow Birch .....	.....	135,125	.....	135,125
Red Oak	83,888	26,912	225	111,025
Multiflora Rose	800	94,775	.....	95,575

Tree Species	Private Land	Crown Lands and Agreement Forests	Education or Science	Total
Black Locust	48,525	26,003	400	74,928
Tamarack	20,525	24,200	.....	44,725
Hemlock	397	41,010	.....	41,407
Autumn Olive	250	32,775	1,000	34,025
Cottonwood	6,600	17,210	.....	23,810
Other Species	51,075	151,071	4,275	206,421
Total	10,201,430*	54,971,990	188,975	65,362,395

*Excluding W.I.A.

USE OF NURSERY STOCK — in year ending March 31, 1975

Tree Species	Private Land	Crown Lands and Agreement Forests	Education or Science	Total
White Spruce	2,805,631	20,642,867	92,575	23,541,073
Black Spruce	29,800	9,235,638	1,000	9,266,438
Red Pine	2,477,016	7,753,583	95,550	10,326,149
Jack Pine	65,025	7,540,972	37,000	7,642,997
White Pine	1,086,053	2,105,616	34,950	3,226,619
White Cedar	1,089,934	485,764	750	1,576,448
Scotch Pine	885,989	22,700	800	909,489
Silver Maple	260,518	290,944	4,250	555,712
Norway Spruce	278,954	94,887	5,450	378,791
Carolina Poplar	255,375	154,702	1,875	411,952
Black Walnut	138,125	208,150	2,650	348,925
Red Spruce	2,725	114,550	.....	117,275
White Ash	121,135	60,019	4,175	185,329
European Larch	80,670	187,175	200	268,045
Yellow Birch	3,850	133,375	.....	137,225
Red Oak	86,671	116,564	550	203,785
Multiflora Rose	21,625	30,625	4,175	56,425
Black Locust	95,250	48,150	400	143,800
Tamarack	275	40,750	.....	41,025
Hemlock	325	48,226	.....	48,551
Autumn Olive	10,800	30,975	.....	41,775
Cottonwood	41,575	45,500	25	87,100
Other Species	49,203	219,919	10,400	279,522
Total	9,886,524*	49,611,151**	296,775	59,794,450

*Excluding W.I.A. **Including 7,955,515 W.I.A.

USE OF NURSERY STOCK — in year ending March 31, 1976

Tree Species	Private Land	Crown Lands and Agreement Forests	Education or Science	Total
White Spruce	1,961,064	13,628,692	16,900	15,606,656
Jack Pine	194,400	11,808,206	94,400	12,097,006
Red Pine	1,806,834	6,104,273	16,850	7,927,957
Black Spruce	35,800	6,187,350	1,150	6,224,300
White Pine	1,459,078	2,634,321	15,600	4,108,999
White Cedar	946,980	281,024	2,400	1,230,404
Scotch Pine	741,515	4,210	3,275	749,000
Norway Spruce	379,774	40,376	1,675	421,825
Carolina Poplar	286,221	102,360	2,275	390,856
Silver Maple	139,234	208,223	1,525	348,982

Tree Species	Private Land	Crown Lands and Agreement Forests	Education or Science	Total
Red Oak	202,455	106,169	525	309,149
Black Walnut	166,155	105,300	1,275	272,730
European Larch	36,160	190,450	1,000	227,610
Yellow Birch	750	177,600	875	179,225
White Ash	75,918	51,753	1,600	129,271
Hybrid Poplar	20,700	100,534	.....	121,234
Hemlock	627	94,715	.....	95,342
Black Locust	37,225	44,625	25	81,875
Cottonwood	40,850	10,900	1,175	52,925
Tamarack .....	.....	94	320	414
Other Species	61,684	300,724	6,565	368,973
Total	8,593,424*	42,181,899**	169,410	50,944,733

*Excluding W.I.A. **Including 10,707,850 W.I.A.

USE OF NURSERY STOCK – in year ending March 31, 1977

Tree Species	Private Land	Crown Lands and Agreement Forests	Education or Science	Total
White Spruce	1,487,068	12,206,071	80,550	13,773,689
Jack Pine	39,552	9,623,522	2,548	9,665,622
Red Pine	2,243,140	6,335,250	135,434	8,713,824
Black Spruce	181,425	5,335,489	32,100	5,549,014
White Pine	983,098	2,324,648	96,369	3,404,115
White Cedar	630,101	344,490	19,359	993,950
Silver Maple	341,480	291,358	15,959	648,797
Scotch Pine	523,000	7,020	4,100	534,120
Carolina Poplar	283,189	128,474	14,825	426,488
Red Oak	225,238	124,333	16,628	366,199
Yellow Birch	625	357,000	1,000	356,625
Norway Spruce	252,613	64,036	7,900	324,549
Black Walnut	172,602	139,337	11,425	323,364
Black Locust	109,402	41,900	4,275	155,577
European Larch	20,075	103,720	750	124,545
Hemlock	16,357	98,304	500	115,161
Hybrid Poplar	8,525	41,925	2,925	53,375
White Ash	14,585	25,682	2,964	43,231
Cottonwood	1,075	10,300	1,000	12,375
Tamarack .....	.....	110	.....	110
Other Species	114,576	265,246	14,570	394,392
Total	7,647,726*	37,868,215**	465,181	45,981,122

*Excluding W.I.A. **Including 7,384,925 W.I.A.

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 McClellan, R. (Bellwoods NDP)
 McMurtry, Hon. R.; Attorney General (Eglinton PC)
 Newman, B. (Windsor-Walkerville L)
 Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 O'Neil, H. (Quinte L)
 Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
 Philip, E. (Etobicoke NDP)
 Pope, A. (Cochrane South PC)
 Reid, T. P. (Rainy River L)
 Renwick, J. A. (Riverdale NDP)
 Rhodes, Hon. J. R.; Minister of Industry and Tourism (Sault Ste. Marie PC)
 Rotenberg D.; Deputy Chairman (Wilson Heights PC)
 Roy, A. J. (Ottawa East L)
 Ruston, R. F. (Essex North L)
 Smith, S.; Leader of the Opposition (Hamilton West L)
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Stephenson, Hon. B.; Minister of Labour (York Mills PC)
 Sterling, N. W. (Carleton-Grenville PC)
 Stokes, Hon. J. E.; Speaker (Lake Nipigon NDP)
 Swart, M. (Welland-Thorold NDP)

Sweeney, J. (Kitchener-Wilmot L)

Taylor, G. (Simcoe Centre PC)

Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)

Warner, D. (Scarborough-Ellesmere NDP)

Welch, Hon. R.; Minister of Culture and Recreation, Deputy Premier (Brock PC)

Wells, Hon. T. L.; Minister of Education (Scarborough North PC)

Wildman, B. (Algoma NDP)

Williams, J. (Oriole PC)



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Tuesday, March 7, 1978

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, MARCH 7, 1978

The House resumed at 8:15 p.m.

UNIVERSITY OF WESTERN ONTARIO

Mr. Van Horne: Mr. Speaker, today is the 100th anniversary of the founding of the University of Western Ontario, and those members of the House who are alumni of that institution are joining with me this evening in wearing a symbol of that birthday.

The University of Western Ontario, which has graduates across this country and across this province, in my opinion has made a fine contribution to the spiritual, intellectual, cultural and scientific life of our community.

I would ask, Mr. Speaker, that the province extend best wishes for a happy birthday to the University of Western Ontario.

Hon. Mr. Davis: Mr. Speaker, so there is no misunderstanding, I would like to thank the hon. member for London North for the presentation of this birthday flower, which I am sure was grown in Brampton—

Mr. Reid: You must have had an honorary degree.

Hon. Mr. Davis: —and to make it abundantly clear that while technically I qualify, I want to make sure that everybody understands it was an honorary degree and that my earned degree actually comes from the University of Toronto. I must say, however, there are some days I think I earned the honorary degree more than I did the initial degree.

Mr. Roy: On some days it is not obvious you have any degree.

Hon. Mr. Davis: But I do want to say, on behalf of two people I know rather well who are undergraduates at that great institution, they notified me that this was the 100th anniversary at the same time as they made a plea for further student assistance, so I knew of this event taking place.

BUDGET RESOLUTION

Hon. Mr. McKeough moved that this House approves in general the budgetary policy of the government.

Mr. MacDonald: Sight unseen.

Mr. Lewis: Michael Cassidy doesn't like this budget. I have read his press release. It's an outrageous budget.

Hon. B. Stephenson: Michael Cassidy doesn't like anything.

Mr. Martel: You won't even like the budget when you hear it.

Hon. Mr. McKeough: Mr. Speaker—
(Applause)

Mr. Foulds: Enjoy it, Darcy. It is going to be the last round of applause you get tonight.

Mr. Martel: Darcy, throw them another fish.

BUDGET STATEMENT

Hon. Mr. McKeough: Mr. Speaker, this is my sixth budget.

Mr. di Santo: Too many.

Mr. Martel: That's why the province is in such a mess.

Hon. Mr. McKeough: Some would say I have developed a sixth sense when it comes to preparing them; others would say that after six I should have the sense to quit.

Mr. Foulds: Agreed.

Mr. Lewis: Carried?

An hon. member: Dispense.

Hon. Mr. McKeough: Interestingly enough one member of the press pointed out earlier today that it was my sixth budget and inquired how much longer I was prepared to carry on delivering budgets and asked did I get tired.

Mr. Martel: Until the Premier steps aside.

Hon. Mr. McKeough: I said no, I didn't think I would keep at it all that long. They said, "Will you continue to deliver budgets for Mr. Davis?" I said, "In that case he is going to be around for at least 10 more years, so I have 10 more budgets."

Mr. Cassidy: God save this province.

Hon. Mr. Bernier: That's the first bit of good news.

Mr. Lewis: Wait for the next election.

Hon. Mr. McKeough: I of course also want to thank my deputy minister, Rendall Dick, and my staff. I know I am joined by the Chairman of Management Board (Mr. Auld), who with me thanks the ministers and the ministries that have worked very hard to

bring both this budget and the estimates which will be tabled together in one place.

I hope you might acknowledge, Mr. Speaker, that we have two former treasurers of Ontario with us tonight, Mr. John White and Mr. Charles MacNaughton, in your gallery. Stand up.

Mr. Cassidy: Would they were back.

Mr. Foulds: I never thought I'd see the day. Bring back Charlie MacNaughton.

Hon. Mr. McKeough: Mr. Speaker, we have a third former treasurer of this province, I think much younger than both of the gentlemen who are in your gallery. Mr. James Allan and Mrs. Allan would like to have been here tonight but they are in Sri Lanka on a holiday and couldn't be here, which says something about Mr. Allan.

Mr. Reid: How come the Treasurer is so healthy?

Hon. Mr. McKeough: All members will have followed closely the proceedings of the first ministers' conference held in Ottawa from February 13 to February 15 this year. Ontario played a constructive role on this important occasion in developing a set of economic policies appropriate to today's economic reality. The Premier of Ontario put forward a specific 10-point plan of action for economic growth and development. He also tabled a document entitled "An Economic Development Policy for Canada," which contained a number of solid proposals designed to encourage price stability, improve the business climate and increase private investment, promote exports and replace imports, and reduce regional disparities.

The conference communique reflects in considerable measure the Ontario proposals. Let me comment on some of the more important actions we are taking. First, to encourage price stability, to improve business confidence and to provide room for job creation in the private sector, we have firmly checked growth in the province's spending. Expenditure growth is down for the fourth successive year, and we are holding to our plan to balance the budget by 1981.

Mr. S. Smith: Sure.

Mr. Martel: Even the Premier doesn't believe it.

Hon. Mr. McKeough: Second, to increase private investment we have introduced substantial tax incentives; we will maintain in this province a competitive tax climate. This budget contains new tax initiatives to further stimulate economic activity. Third, my colleague, the Minister of Industry and Tourism (Mr. Rhodes), will be directing this gov-

ernment's buy-Canadian campaign to promote further exports and replace imports. Fourth, we are encouraging research and development with new initiatives in a number of areas. Fifth, the province of Ontario, having made a substantial contribution to reducing regional disparities in Canada, will continue to encourage and support federal efforts in this most important endeavour.

Let me also comment on the consultative process. For a number of years, this government has been advocating a more open approach to decision-making; we have called for a genuine consultative process. The first ministers' conference and the preparatory meetings of ministers represent substantial progress towards this goal. There will be more frequent meetings in the future, giving the opportunity to assess our actions and build upon the progress already made.

That progress is considerable. Ontario strove for a consensus and, for the first time, a consensus has been arrived at that constitutes a framework within which Canadian economic policy can be developed on a co-ordinated basis. There is a recognition of the need to set explicit objectives, to pursue taxation and expenditure policies consistent with moderating inflation, to improve the business climate and to deal head-on with sectoral problems. All of these things must be done to provide for stable growth of the economy, to create the large number of new jobs needed to employ all of our labour force and to ensure our continued prosperity.

The economic prospects for 1978 and 1979 are favourable. The economy is on a recovery path. Despite concerns about unemployment, inflation and national unity—

Mr. di Santo: What else?

Hon. Mr. McKeough —Ontario recorded considerable progress in expanding job opportunities and restoring competitiveness to the economy in 1977.

Mr. Cassidy: That's why unemployment grew.

Hon. Mr. McKeough: Employment grew by 73,000 jobs or two per cent. December 1977 over December 1976 employment was up by 109,000 jobs or three per cent. Seventy per cent of the new entrants to Ontario's labour force, which grew by 2.9 per cent in 1977, were youths or females. Unemployment among young people between 15 and 24 years of age has confirmed that jobs for youth continues to be the major challenge facing governments both in Ontario and in Canada.

Mr. Eakins: Shame. Shame.

Mr. Cassidy: So why don't you act?

Hon. Mr. McKeough: Our expectations for 1978 are for a stronger provincial economic performance, with real growth of 4.3 per cent.

An hon. member: You said that last year.

Hon. Mr. McKeough: This forecast is close to the middle of the range of current projections coming from a number of private and institutional sources. The Conference Board in Canada, for example, has recently forecast a more optimistic growth rate of 5.1 per cent for Ontario. The general view of increasing strength in the economy as the year progresses is consistent with my own. I see the process evolving at a moderate pace, with considerably stronger growth of 5.5 per cent in 1979. Essentially, I look forward to a strong export performance in 1978, reinforced by more buoyant consumer spending and renewed business investment in 1979. On the employment front, I expect that 100,000 new jobs will be created in 1978 and that the rate of unemployment will show a small decline.

Our recovery from the 1975 recession has been sluggish and irregular. Consumers have been uneasy in the face of high levels of both unemployment and inflation, and have been hesitant to expand significantly their own spending plans. Investment expenditures have been particularly slow at providing strength, reflecting uncertainty about our economic future. In addition, the concerted national effort to break the cost and wage spiral reflected in the anti-inflation program, coupled with general recognition of the need to restore a balance to our economy, has brought forth a sustained effort to limit the growth of government and reduce its involvement in the economy. All of these factors limited our growth last year.

Turning to 1978-79, consumer confidence is on the upswing according to recent surveys. While personal savings are still at historically high levels, the potential for a continued expansion of retail sales is excellent and very encouraging. Moreover, improvements in Canada's trading balance are expected to make a major contribution to growth in Ontario's economy in 1978. Continued strength in the economies of our major trading partners will provide strong stimulus for our exports.

In addition, the major improvement in the competitive position of Ontario industries, brought about by the more realistic level of the Canadian dollar and the substantial improvement in our cost performance, has yet to be fully realized. Ontario manufactur-

ers now face a major opportunity to compete with imports in the domestic market and to make new inroads in foreign markets. In addition, I foresee considerable growth for our tourism industry as the year progresses.

With moderating government expenditures, an improving cost performance and a restoration of consumer and investor confidence, Ontario will be poised for a strong revival of private sector capital outlays in late 1978 and into the next year. Capacity utilization should improve significantly in a number of key sectors and new job creation can be expected to keep pace with a rapidly growing labour force. A better profit performance and an ample supply of credit will provide the base for a more substantial resurgence of investment. Moreover, I look forward to continued strength in investment through 1980-81, as major energy projects across Canada get under way and make their contribution to healthy demand in Ontario. My expectation, therefore, is for a steady expansion of private sector jobs, private sector incomes, and private sector prosperity of lasting benefit to all our citizens.

[8:30]

Ontario and Canada, then, are well positioned for an economic expansion based on private sector initiatives. I would be less than frank, however, if I did not acknowledge the continuing drag on the economy caused by the worrisome uncertainty surrounding Quebec. That uncertainty has hurt confidence and investment, not only in Quebec but throughout Canada.

The first ministers and ministers of finance agreed that general stimulation in the form of increased spending by governments would be counter-productive. It is desirable to hold the trend growth in government spending below the trend growth in the economy. There was also a clear recognition that large-scale tax cuts could not be afforded, because government deficits are already too large.

This message was evident in the extensive discussions I held again this year with representatives of various groups in the economy, including labour, business and the professions. Their informative comments have deepened my perspective of the year just past and focused my attention on the problems ahead. I would like to express my appreciation and that of my staff to them for their participation in the budget formulation process.

On February 16, my ministry released a staff study entitled "Reassessing the Scope for Fiscal Policy in Canada." That paper raises serious questions about the capacity

of provincial governments to stimulate employment by further increasing their deficits. The paper shows that both the federal and Ontario governments face large deficits even at high levels of employment.

In reading this staff study, one reluctantly comes to the conclusion that the taxpayers of Ontario would only see marginal returns to the provincial Treasury when government stimulates the economy through general measures. Nearly all of the budget dividends arising from the resulting job creation flow to federal coffers in the form of savings on unemployment insurance.

Accordingly, the fiscal actions of this budget are framed within the realities of Ontario's overall budget capacity. They aim to be selectively stimulative as we continue on our program of balancing the Ontario budget by 1981.

The maintenance of competitive industry is of paramount importance to Ontario, and this government recognizes the vital role of investment and profits in the economic growth process. Taxation is an important element of business costs, and it is essential that tax policies reflect the realities of international competition. The fiscal measures I am proposing in this budget have been developed in full recognition of their impact on Ontario's competitive position.

I would like to call the members' attention to the study that I am tabling with this budget entitled "Ontario's Retail Sales Tax Exemption Program for Production Machinery and Equipment: An Economic Assessment." This document is a report to the Legislature on the economic impact of that incentive. It is an important study which represents the combined input of the corporate sector, the Institute for Policy Analysis of the University of Toronto and Treasury staff.

The results are strongly positive. The tax incentive stimulates investment, output and final demand. It also creates jobs.

Mr. Cassidy: That is not true. You destroyed 15,000 jobs this year. A loss of 15,000 jobs.

Mr. Havrot: Shut up, supermouth.

Mr. Speaker: Order.

Mr. Martel: Throw him another fish.

Hon. Mr. McKeough: The results are strongly positive. The tax incentive stimulates investment, output and final demand. It also creates jobs.

Mr. Cassidy: Not according to your study.

Hon. Mr. McKeough: In fact, the institute concludes its assessment of the program with these words—

Mr. Warner: Your programs have never created a job.

Hon. Mr. McKeough: "It would be difficult to think of any other policy which, if taken at the provincial level, would stimulate production levels to as great an extent." This is evident in the high benefit cost ratio of the incentive, which shows \$3 of income generated for \$1 of tax forgone.

The retail sales tax exemption improves Ontario's competitive position by lowering front-end costs. This study shows that in Ontario—

Mr. Foulds: What did you get from Denison?

Hon. Mr. McKeough:—our taxation levels compare favourably with those of nearby jurisdictions with which we compete. We cannot be complacent in this regard, however, as tax levels can quickly change and offset our advantage. In the United States, for example, President Carter has recently proposed a package of tax changes which would, among other things, reduce the rate of corporate tax by four percentage points and make the US investment tax credit considerably more generous. If changes such as these are implemented, the province and the federal government must be prepared to review our combined tax levels to ensure that we remain competitive.

The impact of inflation on profits is also of concern to this government. In 1976 we established the Ontario Committee on Inflation Accounting to study this particular problem. The committee's report was made public in July 1977. The Canadian Institute of Chartered Accountants has a central role to play in further developments in this area and I would ask them to pursue more aggressively improvements in financial reporting.

The federal and provincial governments have made substantial progress in the consultative process. Greater understanding and stronger relationships between all groups in our society—labour, business and government—is one of the keys to success in the eighties. The Partnership for Prosperity Conference was convened in February 1977, and the Premier's Advisory Committee on Ontario's Economic Future formed shortly after. As well, the federal Minister of Industry, Trade and Commerce has announced that he is forming joint committees of labour, business and governments, in which Ontario will play a full role, to study and make recommendations for various sectors of the economy. These are important initiatives.

Mr. Mackenzie: Put some of the unemployed on those committees and they'll make good use of the dollars.

Hon. Mr. McKeough: Ontario must be prepared to meet the challenges of the eighties and to develop economic policies which will ensure the continued growth and prosperity of our key sectors, particularly agriculture, resources and manufacturing. We must deal with the economic adjustments that will follow tariff changes. In these important tasks, the government needs advice from all participants in the economic process.

I propose three selective and essential actions to expand employment for Ontario's youth, to improve the situation in the mining industry and to stimulate the hospitality industry. The government of Ontario has led the way in Canada in providing employment opportunities for our energetic young people. In 1977 we implemented a five-point program which provided jobs and introductory training to the labour market for some 47,000 young people at a cost of \$65 million.

Of these Ontario initiatives, perhaps the most successful was the Ontario Youth Employment Program, which paid \$1 per hour towards the wages of young people aged 15 to 24. The response by Ontario businesses and farmers to this new employment incentive was overwhelming; more than 12,000 employers participated in the program, creating 21,500 new summer jobs.

Mr. Cooke: What about all the ones you laid off?

Hon. Mr. McKeough: Ten thousand of these employers replied to the Premier expressing their satisfaction with OYEP and indicating strongly that they would like to see it operate again in 1978. I propose to reintroduce OYEP in 1978 and expand it in two significant ways. The incentive grants will be increased to \$1.25 per hour, and the program will run for a full 25 weeks as compared to 16 weeks last summer.

Furthermore, all employers who created jobs under the program last year will be eligible for the \$1.25 subsidy on both their 1977 level of OYEP jobs plus new job creation. An initial funding level of \$17.2 million has been provided in the 1978 estimates, with the expectation that OYEP 1978 will generate some 30,000 jobs for young Ontario people. If additional funding is required it will be forthcoming.

The government will also expand significantly in 1978 its other youth-oriented employment programs. Funding for the Ontario Career Action Program will rise 33 per cent to \$9.3 million, allowing some 5,750 young people to gain the work experience which will help them to secure employment upon leaving school. The capacity of our Junior Rangers' camps will be

expanded to the maximum to provide places for an additional 300 applicants and the Experience program will be enlarged by some 2,100 jobs, for a total of 13,500 positions for young people seeking a rewarding summer in public service before resuming their studies. Altogether, Ontario's commitment to opportunities for youth will involve a total expenditure of \$78 million for 1978, generating more than 60,000 jobs.

Mr. Martel: Now for the bad news.

Hon. Mr. McKeough: These Ontario actions will help reduce the unacceptably high unemployment rate among our 15 to 24 age group. But more permanent programs are needed.

Mr. Sargent: What is your program for permanent jobs?

Hon. Mr. McKeough: No amalgam of public job creation programs, however well intentioned, can provide the challenges, the rewards and the career prospects which our young people deserve. That is why the Premier at the recent conference of first ministers urged the federal government to find ways of diverting UIC payments to youth into private sector incentives—

Mr. Peterson: Where did you get that idea?

Hon. Mr. McKeough: —which create productive and lasting jobs to meet the legitimate expectations of these new adults in our society.

Mr. Peterson: It's a very creative idea.

Hon. Mr. McKeough: The mining industry has played an important and innovative role in the development of our economy in terms of growth, foreign exchange—

Mr. Cassidy: Another sellout.

Mr. Martel: Listen to what the people in Sudbury say.

Hon. Mr. McKeough: —support of secondary industry and regional development.

Mr. Warner: It should also buy Canada.

Hon. Mr. McKeough: This sector is now in a serious slowdown. Many mining companies appear to be directing their new activities to Third World countries, which are still largely unexplored and where more attractive incentives are available.

Mr. Bounsall: And we paid for it.

Hon. Mr. McKeough: I'm disturbed that Ontario's mining exploration expenditures in the last five years have declined and very few mines have been developed. The first ministers have agreed on the need for a joint federal-provincial review of the taxation of

the resource industries by finance and resource ministers.

Mr. Martel: The gall.

Hon. Mr. McKeough: My colleague the Minister of Natural Resources (Mr. F. S. Miller) and I will be participating in this important review. However, some interim action is essential and I am therefore proposing the following amendments to the Mining Tax Act, effective March 7, 1978: An exemption for new mines and major expansions of existing mines—

Mr. Martel: You couldn't even put up \$3 million to save jobs.

Mr. Davidson: You're giving away the store again.

Hon. Mr. McKeough: —the carry-forward of unused processing allowance and the removal of mandatory minimum deductions of depreciation and exploration and development expenditures and full allowance of foreign processing costs incurred in the processing of Ontario ore.

Mr. Lewis: That's not what they asked for.

Mr. Warner: What a giveaway.

Mr. Martel: You will export some more jobs.

Mr. Mackenzie: How many more are you going to put out of work? It's the sickest budget we have ever had.

Mr. Martel: You gave the store away and look what happened.

Mr. Sargent: Denison Mines excepted.

Hon. Mr. McKeough: These changes will encourage the search for and development of new mines in Ontario and even out the burden of the mining tax over the metals cycle. As an additional incentive, I am also proposing to allow certain expenses related to social assets.

Mr. Wildman: Inco didn't even ask for that.

Hon. Mr. McKeough: To attract and retain employees, mining companies located in isolated regions of the province provide housing, social and recreational facilities. Operating and maintenance costs of social assets in Ontario will be allowed as a deductible expense after April 9, 1974.

Mr. Cassidy: What a windfall! That goes back four years.

Mr. Martel: You are giving the store away.

Hon. Mr. McKeough: I estimate these measures to assist the mining industry will cost \$5 million in 1978-79. In years of stronger markets, they will yield considerably

greater tax savings to our vital resource industry. Equally important, these measures will provide a climate of certainty and confidence which is essential to high-risk investments. They will benefit small and medium-sized operations as well as the large integrated mining corporations.

Mr. Sargent: That is a long way from Denison's profit.

Hon. Mr. McKeough: In the case of uranium for Ontario Hydro, these measures will apply only to new contracts.

Travel costs and costs of accommodation in Canada have risen considerably over the last few years—

[8:45]

Interjections.

Hon. Mr. McKeough: —even faster than the general cost of living. Travellers from the United States and abroad, as well as Canadians themselves, have been turning more and more to alternative destinations and as a result, the nation's balance of trade in travel has deteriorated seriously. Ontario, as the principal Canadian destination of both Canadian and non-Canadian travellers, has, of course, felt this impact most directly.

To counteract these trends, I am proposing to suspend until the end of 1979 the full seven per cent retail sales tax on all taxable accommodation.

Mr. Swart: Build another Minaki Lodge.

Mr. Martel: You are now going to open Minaki Lodge, are you?

An hon. member: This whole government has become the Minaki Lodge.

Hon. Mr. McKeough: Mr. Speaker, this change will be effective for all guests checking in after midnight tonight.

Mr. Breithaupt: What are people going to do for the next three hours?

Hon. Mr. McKeough: It will also apply to the full price of hospitality services sold as a package deal under the American plan, with the exception of charges for liquor. It will provide a total tax saving for travellers and tourists in Ontario of about \$30 million in 1978-79. This tax saving, coupled with recent currency developments and the industry's own efforts to restrain costs, will result in significant reductions in average room costs.

Here in Toronto, for example, the price of a room has already been effectively reduced by 15 per cent since November 1976 for our American friends and by as much as 40 per cent over the same period for visitors from Japan and western Europe. This tax exemption will also lower the cost of charter arrange-

ments for Canadian travel recently announced by the federal government.

Mr. Davidson: If you keep talking, they will believe they can save some money.

Hon. Mr. McKeough: The hospitality industry, as the second largest sector in the Ontario economy, can be expected to experience considerable benefits from these changes. The spillover effects in terms of employment growth, new construction and improvements to existing facilities should be substantial as visitors and Canadians alike experience the pleasures of an Ontario vacation. These beneficial effects will be realized most directly in the restaurant industry and retail trades.

I am confident that the hospitality industry will respond with vigour and imagination to this new opportunity to establish Ontario as a prime international vacation centre.

An additional incentive to strengthen the economy in the form of a 100 per cent tax credit for new jobs in industrial research, development and design, was proposed by the Premier in Ottawa. It would cost \$100 million or more a year for the next five years in terms of tax revenues forgone by federal and provincial governments, but would generate tangible benefits to our economy. It would build up our capacity for essential innovation, improve our productivity and export performance and make Canada less dependent on foreign technology. It would also pay large dividends in terms of better jobs for talented young people—

Mr. Davidson: If it is such a good idea, why don't you do it?

Hon. Mr. McKeough: —jobs which fully utilize the skills of our college and university graduates.

Mr. Cassidy: Where have you been for 34 years?

Hon. Mr. McKeough: This research and development tax incentive should be implemented on a national scale with full participation of both the federal government and the provinces. I have already informed the Minister of Finance that Ontario wants to proceed along these lines immediately and that we are willing to assist in the formulation of a powerful incentive program.

In passing, let me point out that the R and D program should be available to all corporations doing business in Canada, both large and small. We cannot afford to let concern about a "branch plant economy" limit the potential benefits which will flow to all Canadians. The program should also apply to a broad spectrum of—

Mr. Wildman: R and D and branch plants don't go together.

Hon. Mr. McKeough: —research and development, including, for example, a draughtsman in a tool and die shop or other project designers.

Mr. Nixon: Then do it.

Mr. Martel: What was that? A throwaway paragraph?

Hon. Mr. McKeough: Mr. Speaker, you will recall that on September 16, 1977, I outlined the broad dimensions of the government's 1978 spending plan. The key feature of that plan was a target of 6.9 per cent for our expenditure growth rate in the 1978-79 fiscal year. The government has stuck to its target. The Chairman of Management Board will table estimates which hold our spending growth rate for 1978-79 to seven per cent.

Mr. Cassidy: Regardless of the consequences.

Mr. Foulds: We haven't even finished last year's supplementaries.

Hon. Mr. McKeough: This will be the fourth year in a row that Ontario has progressively reduced its spending growth rates.

Mr. Cassidy: On the back of municipalities.

Mr. Warner: While pushing up the property taxes.

Hon. Mr. McKeough: We have proven that government can reduce its claim on total resources. This message is finally beginning to sink in at Ottawa as well.

Mr. Foulds: You sink in a quagmire.

Hon. Mr. McKeough: Perhaps the most significant result of the first ministers' conference was the agreement to restrain government spending below the growth in the economy. That is one of the essential policies we have been advocating for building a stronger economy in the years ahead. We are targeting for a balanced budget to make room in the economy for the private sector to grow and to flourish.

Mr. Peterson: And to juggle the books. You are selling off your assets, you know that, Bill.

Hon. Mr. McKeough: The government has made difficult decisions, and we have substantially reordered the priorities to hold our spending growth to seven per cent, but I believe we can continue to maintain essential public services. Indeed, in a number of areas there are improvements in levels of service.

Mr. Martel: He's more right wing than Genghis Khan.

Mr. Cassidy: He makes old Genghis look like a Marxist.

Hon. Mr. McKeough: Health care, for example, has been allocated additional funding of some \$276 million in 1978-79, or 29 per cent—

Mr. Davidson: You've just raised the premiums.

Hon. Mr. McKeough: —of the total spending increase of \$952 million. That represents an increase of 8.1 per cent. To accommodate our priorities and the unavoidable increases for such items as public debt interest and pension contributions, we have reduced our government operating costs and our payroll budget to the minimum. Let me reiterate that at seven per cent, unlike the government of Canada we are actively eating inflation.

Mr. Makarchuk: What is the increase in OHIP premiums?

Hon. Mr. McKeough: Mr. Speaker, I'm only a plumber, not a psychiatrist.

Mr. Roy: You are much too modest.

Mr. Makarchuk: Which way does it flow, Darcy?

Hon. Mr. Davis: There's nothing wrong with being a plumber.

Mr. Warner: This plumber puts the economy down the drain.

Hon. Mr. McKeough: Mr. Speaker, I work under the old math, not the new math; but seven per cent is a lot more than the eight per cent we heard about from those people last fall.

Mr. S. Smith: Where will they find \$300 million?

Hon. Mr. McKeough: I have included for the information of members a table which compares Ontario and federal spending since 1974-75. I have also included a table which illustrates how the government rationed its limited funds among these competing expenditure claims. To those who would say to us the job can be done better—

Mr. Martel: You are getting all flustered, Darcy.

Hon. Mr. Bernier: Repeat it, Darcy, they missed it.

Hon. Mr. McKeough: To those who would say to us the job can be done better—

Some hon. members: Right.

Hon. Mr. McKeough: Right, eh? Well, I would suggest that they lay the specifics before this Legislature so that the school boards, the municipalities, the public service unions and citizen groups, each of whom claim they deserve more, can respond. Put it in front of us.

Mr. Roy: We have.

Mr. Cassidy: Boy, it is group against group and region against region.

Hon. Mr. McKeough: Mr. Speaker, as members are aware, the province—

Mr. Cassidy: Abdication of your responsibility.

Hon. Mr. McKeough: —allocates some 30 per cent of its budget to support local government under a revenue-sharing formula known as the Edmonton commitment. Last September 16—

Mr. Swart: It is called the Edmonton twist now.

Mr. Breithaupt: You don't really believe that, do you?

Interjections.

Mr. Cassidy: The charter of Bramalea is going next.

Mr. Warner: Commitment always was a joke to you.

Hon. Mr. McKeough: Last September 16, I announced Ontario's financial assistance to local governments would be \$4.23 billion for 1978-79 and I provided a general outline of our transfers so municipalities could commence their 1978 budget planning. In our estimates process we have made some adjustments to the distribution of our transfers and raised the total, despite the fact that revenues have come in considerably below the forecast level upon which the Edmonton commitment was based. Total financial assistance for 1978-79 is increased to \$4.39 billion.

For the information of members I have included a table which shows the Edmonton commitment distribution of \$4.23 billion announced in September and compares it with the total of \$4.39 billion contained in the printed estimates. I detect that some representatives and employees of some local governments are reluctant to share our commitment to expenditure restraint.

Interjections.

Mr. Cassidy: Fancy footwork.

Hon. Mr. McKeough: They protest that I have redefined the commitment to cutback on provincial transfers.

Mr. Cassidy: That's right, you have.

Hon. Mr. McKeough: The facts prove otherwise.

Mr. Peterson: Nonsense.

Hon. Mr. McKeough: Over the five years since this revenue-sharing arrangement has been in operation—that is from 1973-74 through 1977-78—the province has delivered

\$13.581 billion in actual transfers to local governments—

Mr. Wildman: Only on paper.

Hon. Mr. McKeough: —versus a cumulative entitlement under the original Edmonton commitment formula of \$13.583 billion. That's a shortfall or underdelivery of \$2 million, or one-fiftieth of one per cent.

Mr. Swart: You have changed the rules of the game.

Mr. Peterson: You are just telling little lies, eh?

Interjections.

Hon. Mr. McKeough: I would be ecstatic, sir, if the province came anywhere close to such a balance in its financial arrangements with the federal government. I make no apology, sir, for reformulating the Edmonton commitment—

Mr. Cassidy: Now you admit it.

An hon. member: Destroying it.

Mr. Cassidy: You short-changed them.

Mr. Roy: Reformulated it!

Mr. Cassidy: Manipulating.

Mr. Wildman: Who did you hold discussions with, Darcy?

Hon. Mr. McKeough: I make no apology for reformulating the Edmonton commitment to include major elements of provincial assistance—

Mr. Warner: How can you call it a commitment if you keep changing it?

Hon. Mr. McKeough: —which should have been in the formula right from the beginning. In particular, I added our provincial payments to the teachers' superannuation fund, which are just as valuable a form of financial assistance to school boards—

Mr. Swart: Unilaterally, without discussion.

Mr. Cassidy: No consultation. Good grief.

Hon. Mr. McKeough: —as are general legislative grants. On the revised and more realistic basis, the province has been more than fair to local governments—

Interjections.

Hon. Mr. Davis: Margaret, don't get upset.

Hon. Mr. McKeough: —overdelivering its commitment by some \$444 million through the end of 1977-78.

Mr. Swart: On your formula.

Mr. Cassidy: Your figures. Only you believe that.

Mr. Lewis: Somebody better give John White a Valium.

Hon. Mr. McKeough: Mr. Speaker, with declining school enrolments and with popu-

lations which may not be growing, I question whether or not school-board and municipal spending needs to increase more than our own.

While on the topic of local government I would like to briefly discuss several other important matters of longer-term significance.

Mr. MacDonald: So long-term you will never get around to it.

Mr. Cassidy: Property tax is going up.

Hon. Mr. McKeough: First let me clarify how the government is proceeding with the complex matter of property tax reform.

Mr. Martel: Ten years now, Darcy.

Hon. Mr. McKeough: I have established a working committee of local elected representatives who are to report back by March 31, 1978.

Mr. Martel: Should be good for another three elections at least.

Hon. Mr. McKeough: They are to make recommendations on the fundamental issues of implementation of market value assessment and the tax principles set out in the January 4 white paper. After we have agreement on an acceptable way to implement market value assessment and property tax reform, then the province will proceed to the complementary matters of grant reform—

Mr. Makarchuk: We will have an election and then we will decide.

Hon. Mr. McKeough: —and a revised revenue-sharing arrangement with local government. The overall tax burdens on residences—

Mr. Breithaupt: In the fullness of time.

Mr. Swart: You will change it again.

Hon. Mr. McKeough: —will not increase due to reform and there will be a phasing-in process, particularly for single-family dwellings. I have cautioned the committee, however, not to look for an easy way out by loading more of the burden on to industry.

[9:00]

Interjections.

Hon. Mr. McKeough: Ontario's tax system must remain competitive, not just at the provincial level but at the local level as well. I am aware that some American jurisdictions are using the local tax base as assistance for industry. I do not think, however, that what is, in effect, a municipal giveaway would be appropriate in Ontario.

Mr. Swart: No, they get a provincial one.

Hon. Mr. McKeough: Second, I expect to act on the findings of five important studies on the reform of local government structure —Metropolitan Toronto, regional Niagara,

regional Ottawa-Carleton, the county of Northumberland and the district of Parry Sound.

Mr. Sargent: You have been kicking this thing around for 15 years. And you know you are not going to do it this year.

Hon. B. Stephenson: You wouldn't know, Eddie; you are never here.

Mr. Roy: The minister doesn't contribute anything even though she is here.

Hon. Mr. McKeough: These studies represent an important contribution to the task of making local government more responsive and efficient.

Third, I would like to indicate my intention to pursue the matter of reciprocal taxation. As members know, Ontario entered into a reciprocal tax agreement with the federal government as of October 1, 1977; it is working well. Under this arrangement, governments pay taxes to each other on those purchases and other activities which are taxable in the private sector. This minimizes special exemptions and greatly simplifies tax administration. Under property tax reform, the province will be paying full local taxes on its properties, hence it is logical for local governments to pay provincial taxes—

Mr. Swart: And taking it away in transfer payments.

Hon. Mr. McKeough: —that is sales tax, fuel taxes and licence fees. In the long run, this will streamline the overall tax structure in Ontario and simplify our statutes.

Mr. Cassidy: You take with one hand and you take with the other. There is no fairness at all there.

Hon. Mr. McKeough: Let me turn to another aspect of our commitment to reform of the property tax. At the recent first ministers' conference, Prime Minister Trudeau singled out Ontario's tax credit system for high praise. Let me share with the House this quote from Mr. Trudeau's speech on February 13.

Mr. Makarchuk: Dispense.

Hon. Mr. McKeough: "Many of you, in your own jurisdiction, have been equally creative. Premier Davis, your government in Ontario has introduced a refundable tax credit system to provide relief from property and sales tax"—

Mr. Peterson: You really like that man, don't you, Darcy?

Hon. Mr. McKeough: —"for low- and middle-income taxpayers. Perhaps this is a model that should be pursued on a broader scale."

Mr. Roy: What did Joe Clark say?

Hon. Mr. McKeough: Budget Paper B, appended to this statement, explains in detail how our tax credits work to relieve property tax burdens in the most equitable and efficient way. We propose to build on this proven system to meet our commitment in a charter for Ontario, which promises this government will—

Mr. Breithaupt: The Bramalea bombshell.

Mr. Nixon: Another charter.

Hon. Mr. McKeough: —"reduce the municipal tax burden on senior citizens, and work towards the ultimate elimination of this particular tax for the majority of Ontario's senior citizens."

Mr. Reed: And plant two trees for one.

Hon. Mr. McKeough: In conjunction with the implementation of property tax reform—

Mr. Martel: This should be worth another 10 years, Darcy.

Hon. Mr. McKeough: —the basic tax credit to senior citizens will be enriched from \$290 to \$510, thereby offsetting in total—

Mr. Martel: Ten more years.

Mr. Makarchuk: Give us the date.

Mr. Martel: You were talking property tax reform when I came in here 10 years ago.

Interjections.

Hon. Mr. Welch: I think the Treasurer should repeat that.

Hon. Mr. McKeough: Mr. Speaker, some may have missed that. So let me repeat it.

In conjunction with the implementation of property tax reform, the basic tax credit to senior citizens will be enriched from \$290 to \$510, thereby offsetting in total more than 80 per cent of their property tax burden.

Mr. Swart: It's a long way down the pike.

An hon. member: When?

An hon. member: Before the next election, of course.

Hon. Mr. McKeough: Within the economic and financial objectives the government has set for this year I have decided it is necessary to raise additional revenues. Having examined various alternatives I am proposing a balanced and equitable package of tax actions to raise an additional \$374 million. These actions will not detract from the economic recovery nor will they impair Ontario's competitive position.

The control of health costs continues to be a high priority of this government. Expenditures on insured health services increased 14.5 per cent in 1976-77 and 9.2 per cent in 1977-78.

Mr. Warner: You've got a mess over there and you can't clean it up.

Hon. Mr. McKeough: For 1978, we expect an even better performance. Nevertheless, the financing of health costs continues to be unbalanced—

Mr. Cassidy: What does that mean?

Hon. Mr. McKeough: —with the share covered by OHIP premiums steadily declining. Premiums retain a visible link with the cost of services.

Interjection.

Mr. Warner: The highest in Canada.

Hon. Mr. McKeough: Consequently, I am proposing to increase OHIP premiums to restore the balance in financing.

Interjections.

Hon. Mr. McKeough: We have considered other alternatives and rejected them. My colleague in Health, and my former colleague in Health have both worked hard to control costs. They have argued eloquently against deterrent fees, quite rightly pointing out that such a policy would deny access to our high quality health care system for those least able to pay.

An hon. member: Thank God for small mercies.

Hon. Mr. McKeough: Effective May 1, 1978, OHIP premiums will increase by \$6 per month—

An hon. member: They can't even afford OHIP.

Mr. Warner: Cruel punishment.

Hon. Mr. McKeough: —for single subscribers and \$12 per month for families.

Mr. Cassidy: Do they call you Scrooge?

Interjections.

Hon. Mr. McKeough: That will produce new premium levels of \$22 per month and \$44 per month for single persons and families respectively.

Interjections.

Hon. Mr. McKeough: At the same time, our system of premium assistance will be enriched to ensure that this increase does not impact on low and modest income families.

Mr. Makarchuk: You're hitting the working poor.

Interjections.

Hon. Mr. McKeough: I would also point out to members that while the OHIP increases will raise payroll costs to employers, our Ontario companies will still enjoy a considerable advantage on this score over their US counterparts.

Mr. Davidson: Why don't you talk yourself out of work?

Hon. Mr. McKeough: Even with the higher premiums, the effective rate of payroll taxation in Ontario is below that in the US, and this differential in our favour will widen when the American social security financing amendments take effect in 1978 and subsequent years. This necessary adjustment—

Mr. Cassidy: Necessary adjustment?

Hon. Mr. McKeough: —to OHIP premiums will generate an additional \$271 million. As a result—

Mr. Cassidy: It is far more than an adjustment.

Hon. Mr. McKeough: —premiums in 1978-79 will again cover one-third of the costs of insured health services, which approximates the long-run norm recently recommended by the joint advisory committee on methods to control health costs.

Full details of these OHIP changes are provided in appendix C to this statement.

Mr. Cassidy: The worst committee this province has seen for years.

Mr. McClellan: Very representative committee, wasn't it?

Hon. Mr. McKeough: I also propose to raise additional revenue from alcohol and tobacco.

Mr. Foulds: Why isn't Lorne Henderson applauding this one?

Interjections.

Hon. Mr. McKeough: Effective April 1, 1978, the gallonage fee on beer will be increased by seven cents per gallon, and the markups on spirits, wines and imported beer will also be raised.

An hon. member: Easy money.

Hon. Mr. McKeough: The markup increases will be slightly smaller on imports, as we begin to neutralize over the longer term what has been, in effect, an Ontario tariff. These increases will generate about \$40 million in additional revenues in 1978-79.

As of midnight this day, the tax on cigarettes will be increased 2.8 cents to a total of 22 cents per package of 20, and the tax on cigars and pipe tobacco will also be raised.

Mr. Martel: You will have to quit smoking your pipe, Bill.

Mr. S. Smith: Now you have gone too far.

Hon. Mr. Davis: And healthier for all of us.

Hon. Mr. McKeough: I estimate that these new rates will produce \$30 million in additional revenue.

Mr. Martel: Throw your pipe away, Bill.

Hon. Mr. McKeough: Following the practice of past years, full details of these changes are set out in the tax appendix to this statement.

I am also proposing to increase the compensation paid to appointed tobacco tax collectors from the present maximum level of \$700 to \$1,000 per annum, effective April 1, 1978.

While on the subject of compensation, I would point out to members that the level of compensation paid to motor vehicle agents has not been changed since 1972. As an incentive to encourage motor vehicle agents to tighten up their appraisal of used cars and generate higher tax collections, I am now proposing increases in compensation, effective April 1, 1978.

Mr. Davidson: Talking about compensation, what about workmen's compensation?

Hon. Mr. McKeough: I am proposing two further measures to raise revenues.

First, effective March 8, 1978, the retail sales tax exemption for railway rolling stock will be withdrawn and the seven per cent tax will be applied on the basis of miles travelled in Ontario. Similar tax treatment is now in effect in Quebec, Manitoba, Saskatchewan and British Columbia, and these provinces—unlike Ontario—also levy a tax on the diesel fuel used in locomotives.

Second, the capital tax levied on loan and trust companies will be changed to parallel the treatment of banks, effective for fiscal years ending after March 7, 1978.

I estimate that these two changes will increase our revenues by \$18 million.

Let me turn now to measures relating to our tax structure and collection procedures.

The federal changes to the Income Tax Act, as implemented by Bill C-11, will be paralleled in most instances in our corporate income tax. Our schedule of instalment payments under the Corporations Tax Act will also be changed to match the federal schedule. This will simplify the work of business accountants and also result in a one-time cash flow adjustment of \$70 million in favour of the province.

I would like to inform members that some Ontario-based insurance companies have been forced to pay retaliatory taxes in the United States as a result of the 1976 increase in our premiums tax from two per cent to three per cent. This has put them at a competitive disadvantage in selling life insurance

and sickness and accident insurance in the United States. In view of these developments, I propose to move Ontario's premium tax back to two per cent on life insurance and sickness-and-accident insurance effective March 8, 1978.

Mr. Swart: There is no insurance company that makes that profit.

Hon. Mr. McKeough: Moreover, I have requested that the federal government, in its negotiations of the Canada-US tax treaty, seek an exemption for the provinces from these retaliatory tax provisions. Ontario will also parallel the federal changes to the income taxation of insurance companies. These two measures, taken together, will cost a net of \$5 million in 1978-79.

The Ontario economy is steadily adapting itself towards energy conservation.

Mr. Cassidy: We're creeping. One of the reasons is your government.

Hon. Mr. McKeough: To assist in this process, I propose to remove the retail sales tax from storm doors and storm windows, effective March 8, 1978.

An hon. member: Whoopee.

Mr. Peterson: What about toilet seats?

Mr. Cassidy: What's the point of keeping in heat you can't afford because you're unemployed?

Hon. Mr. McKeough: This measure will cost \$15 million in 1978-79 and bring the government's total package of energy conservation exemptions to \$25 million per year.

I am pleased to announce that Ontario's personal income tax rate for 1978 will remain at 44 per cent, the second lowest among the 10 provinces.

Mr. Swart: But a \$270 million hike in OHIP premium taxes.

Mr. Deans: Why don't you add all the other taxes? Come on, Bob; tell him. Add on the other taxes.

Hon. Mr. McKeough: I would also like to inform the members that Ontario intends to seek amendments to its tax collection agreement—

Mr. Deans: It's a lot of nonsense. It's hypocrisy.

Mr. Warner: Why don't you just close the shop? You've mortgaged it all; just close it.

Mr. Havrot: Go home and grow a beard.

Hon. W. Newman: Why don't you buy a razor?

Mr. Martel: I'm going to rush out and buy a door.

Hon. Mr. McKeough: I would also like to inform the members that Ontario intends to

seek amendments to its tax collection agreement with the federal government—amendments which will ensure direct provincial participation in the preparation of annual income tax estimates and payment flows and guarantee our access to the necessary tax data.

Mr. Cassidy: That's because you blew it last year.

Hon. Mr. McKeough: Would the hon. member give me a list of those people who voted for him? I'd like to write them all a thank-you letter—a great big thank-you letter.

Mr. Cassidy: I'm a lot closer to the premiership than you'll ever be.

Mr. Speaker: If the Treasurer would stick to his text, he might be less provocative.

Hon. Mr. Welch: How do you know he's not?

Hon. Mr. Davis: Michael, you really asked for that.

Hon. Mr. McKeough: I have real sympathy for the leader of the third party. My staff have received two brown envelopes from the NDP research staff.

Let me summarize the tax changes that I have outlined. The tax increases I have proposed amount to some \$359 million in total, plus the \$70 million in cash flow from acceleration of corporation instalment payments. The tax cuts for mining, tourism, insurance and energy conservation amount to \$55 million. Altogether, these tax actions will contribute \$374 million towards Ontario's financial requirements for the 1978 fiscal year and bring us back on course towards a balanced budget.

Mr. Warner: You created the debts.

Mr. Deans: Darcy, you created this deficit.

Hon. Mr. McKeough: The government's success in trimming the public sector provides the opportunity to develop complementary borrowing and investment strategies. Accordingly, in this budget I am introducing a number of significant changes in the province's long-run financial planning. These changes are explained in detail in budget paper C and in budget paper A.

Mr. Warner: You created it, now you explain it away.

Hon. Mr. McKeough: Consequently, I shall only deal with the main features in this statement.

First, the province will reduce its borrowing from the Ontario Municipal Employees Retirement System in the form of non-marketable debentures to \$100 million in 1978-79 and to zero in following years.

Mr. Kerrio: He had to do that.

Hon. Mr. McKeough: This will leave OMERS free to invest its entire surplus in marketable securities in the private sector and in other marketable securities. I understand that OMERS will redeploy a substantial part of this additional capital into Ontario Hydro bonds.

Two, the direct lending activities of the Ontario Mortgage Corporation will be phased out as current commitments are completed. The province will commence immediately to sell back to the private sector institutions the large mortgage portfolio that OMC has acquired.

Mr. S. Smith: Just sell your assets—\$120 million.

Hon. Mr. McKeough: You ought to think about this before you say too much. You know, you've got more positions—you'll flip in the morning—you've got more positions than Nadia Comaneci. You really have.

Mr. S. Smith: You flopped tonight.

Hon. Mr. McKeough: I said if he had more positions than Nadia Comaneci.

Beginning in the 1978 fiscal year, the province will switch its capital assistance to universities, school boards, hospitals and sewer and water projects from amortized loans to up-front grants. The Minister of Industry and Tourism (Mr. Rhodes) will re-examine the role of the Ontario development corporations as direct lending agencies—

Mr. Breithaupt: And a good thing too.

Hon. Mr. McKeough: —and explore with the private sector alternative financing mechanisms such as loan guarantees.

These changes are of fundamental significance. In particular, the redevelopment of internal pension funds into private sector investments is an important achievement. This is directly attributable to this government's success in reducing both our spending and our reliance on deficit financing.

The financing of Canada's economic growth is itself a major challenge which we have to face. The trimming of government deficits is a necessary contribution to stable credit markets. In Ontario we have not borrowed in the public market on our own account for the past two years. We are not just concerned about the impact of government borrowing and of regulatory policies, but also the overall flows of funds in the economy.

Consequently my ministry will be expanding its analytical work in this area to provide fuller information to the government on the availability and cost of credit.

Mr. Foulds: If you don't want to govern why don't you resign?

Hon. Mr. McKeough: Mr. Speaker, the balanced package of tax proposals I have put before you, along with our restrained spending plan, will keep Ontario's finances in sound shape.

Mr. Warner: Is this the best you can do?

Hon. Mr. McKeough: The revenue shortfall we experienced in 1977-78 represents only a temporary setback to our goal of a balanced budget. For the 1978 fiscal year I am estimating our overall cash requirements will decline to \$1.55 billion—

Mr. Makarchuk: That's what you said last year.

Mr. Swart: Same figure as last year.

Hon. Mr. McKeough: —which is within \$200 million of the target set in last year's budget.

Mr. Makarchuk: This is starting to sound like a record that is stuck in its groove.

Mr. Cassidy: What about your budgetary deficit? How big is your budgetary deficit?

Hon. Mr. McKeough: This prudent fiscal plan means that once again Ontario will not need to borrow in the public capital market.

Mr. Peterson: You are proud of the stupidest things, Bill.

Hon. Mr. McKeough: Our non-public sources of funds will be more than sufficient to finance our cash requirements.

Ontario's economic outlook is encouraging, however an early federal budget is important. I would expect that the federal Minister of Finance will introduce measures flowing directly from the first ministers' communique—

Mr. Peterson: Under your leadership, of course.

Mr. Warner: Darcy for Premier.

Hon. Mr. McKeough: Ontario stands ready to respond to important federal initiatives.

Monsieur le Président, avant de terminer, je tiens à dire aux membres de cette Assemblée que le présent discours marque un moment important dans l'histoire d'Ontario. Pour la première fois au cours 111 années que compte maintenant la Confédération, le budget de l'Ontario est publié dans les deux langues officielles du Canada. Monsieur le Président, je suis fier de remettre des exemplaires du budget en langue française au Premier ministre Davis, aux chefs des partis d'opposition et à mon collègue, le député de Cochrane Nord (M. Brunelle).

Mr. Sargent: You should have stayed in bed.

Mr. di Santo: The accent is terrible.

Mr. Peterson: Get the job of Diefenbaker.

Mr. Martel: Except in Ontario.

Mr. Makarchuk: It is still deficit even if it is in French.

Hon. Mr. McKeough: Mr. Speaker, very simply—

Mr. Makarchuk: You are a bad debt in any language.

Mr. Sargent: You should be on the Gong Show.

Hon. Mr. McKeough: You over there make a mockery of what your leader said; you really do.

Mr. Martel: Why don't you recognize it officially then?

Hon. Mr. McKeough: For the first time in 111 years this budget has been produced in both official languages of our country—

Mr. Martel: That is called progress, it only took 111 years.

Hon. Mr. McKeough: —something which I think we can all take some pride in.

Mr. Speaker, in conclusion, this equitable and constructive budget is thanks to the sound management and prudent financing policies of this government. It reaffirms our commitment to balance the budget and to promote a healthy economy.

Mr. Cooke: Throws people out of work.

Hon. Mr. McKeough: It builds upon our achievements at the first ministers' conference.

Mr. Makarchuk: That's what you said last year and the year before.

Hon. Mr. McKeough: It expands significantly Ontario's job programs for young people; it cuts taxes to help tourism and the hospitality industry.

Mr. Cooke: It throws civil servants out of work.

Hon. Mr. McKeough: It introduces new long-term incentives for expansion of the mining industry; it restrains spending, yet meets the social and public needs of our people; and it prepares us for the challenges of the eighties. With faith in private enterprise and our control of the public sector, and with the leadership of William Grenville Davis, I believe our citizens can be confident of the future.

Interjections.

Mr. Peterson: Mr. Speaker, to give the assembled throng some relief, I move the adjournment of the debate.

Hon. Mr. Davis: Why don't you say what a great budget it was?

On motion by Mr. Peterson, the debate was adjourned.

INTRODUCTION OF BILLS

ONTARIO LOAN ACT

Hon. Mr. McKeough moved first reading of Bill 24, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Motion agreed to.

Hon. Mr. McKeough: This is the usual bill which we bring in at this time of the year to authorize our borrowing from the Canada Pension fund and certain other places.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. Maeck moved first reading of Bill 25, An Act to amend the Tobacco Tax Act.

Motion agreed to.

Hon. Mr. Maeck: The purpose of this Act is to provide for the increase in the tobacco tax as indicated in the budget and also for an increase in the compensation to the tobacco tax collectors.

INCOME TAX AMENDMENT ACT

Hon. Mr. Maeck moved first reading of Bill 26, An Act to amend the Income Tax Act.

Motion agreed to.

Hon. Mr. Maeck: This bill is administrative in nature and is required under the terms of the tax collection agreement between Ontario and Canada.
[9:30]

RETAIL SALES TAX AMENDMENT ACT

Hon. Mr. Maeck moved first reading of Bill 27, An Act to amend the Retail Sales Tax Act.

Motion agreed to.

Hon. Mr. Maeck: Mr. Speaker, consequent to the Treasurer's budget statement, this bill is to amend the Retail Sales Tax Act and includes provisions to enact proposals in his budget, but in addition the bill includes provisions to clarify the treatment of promotional giveaways and other similar material.

CORPORATIONS TAX AMENDMENT ACT

Hon. Mr. Maeck moved first reading of Bill 28, An Act to amend the Corporations Tax Act, 1972.

Motion agreed to.

Hon. Mr. Maeck: Mr. Speaker, this bill is to amend the Corporations Tax Act and it contains provisions to enact the Treasurer's budget proposals, but in addition it includes several tax simplification measures and other administrative measures to bring Ontario's law even closer to that of the federal government.

MINING TAX AMENDMENT ACT

Hon. F. S. Miller moved first reading of Bill 29, An Act to amend the Mining Tax Act, 1972.

Motion agreed to.

On motion by Hon. Mr. Welch, the House adjourned at 9:35 p.m.

ERRATUM

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No. 14

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Second Session, 31st Parliament

Thursday, March 9, 1978

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, MARCH 9, 1978

The House met at 2 p.m.

Prayers.

SOVIET EMIGRATION

Mr. S. Smith: I would like to call the attention of hon. members of this Legislature to an action now being undertaken by three senior professors at the University of Toronto. They are Professor James Ham, dean of graduate studies; Reverend J. M. Kelly, president of St. Michael's College, and Dr. Louis Simonovich, chairman of the department of medical genetics.

These distinguished professors have invited all their colleagues at the University of Toronto to authorize them to press upon the Prime Minister of Canada their request that the government of Canada take "urgent and effective action to persuade the Soviet authorities to permit unhampered emigration for all those who have committed no crime, but foresee in the Soviet Union a life of intolerable discrimination."

Mr. Speaker, I would ask the unanimous consent of the hon. members to a motion that we applaud this initiative of the University of Toronto professors.

Mr. Cassidy: Mr. Speaker, I simply want to add my voice to the voice of the Leader of the Opposition in support of that particular resolution, which I have already signed. I hope all members of the House agree to take this action in an effort to ensure that human rights are respected in the Soviet Union.

[Later:]

Mr. S. Smith: Point of order, if I might; on a separate matter, Mr. Speaker.

On the matter of Soviet emigration, I was asking unanimous consent of the hon. members to a motion that we applaud the initiative of the University of Toronto professors. I'd be guided by you, Mr. Speaker, as to whether such consent is forthcoming and what action should be taken at this point.

Mr. Ruston: Who's in charge over there?

Ms. Gigantes: Agreed, agreed.

Mr. Speaker: Is it agreed?

Hon. B. Stephenson: Yes, agreed; we said that.

SELECT COMMITTEE ON INCO AND FALCONBRIDGE LAYOFFS

Mr. Martel: Mr. Speaker, I rise on a point of personal privilege.

On March 6, the member for Mississauga South (Mr. Kennedy) rose on a point of personal privilege as a result of comments made in the select committee report on the Inco and Falconbridge layoffs. He referred to comments made by my colleagues the member for Nickel Belt (Mr. Laughren), the member for Hamilton East (Mr. Mackenzie), the member for Oriole (Mr. Williams) and myself, on page 28 of the Inco Falconbridge select committee report.

In the report tabled, the New Democratic Party members made the following statement pertaining to one of the recommendations in the Interim Report on the Select Committee on Economic and Cultural Nationalism: Natural Resources, Foreign Ownership and Economic Development: "Some 23 major recommendations were made by this committee, one of them calling for public ownership of the resource industries. Again this government failed to act."

The member for Mississauga South on March 6, 1978, indicated that no recommendation which called for public ownership of the resource industry was made. He stated there was "a recommendation . . . which called for 75 per cent Canadian ownership of equity after 15 years, but that does not mean . . . government or state ownership."

The member for Mississauga South went on: "Further, on page 74 of the interim report, there is a recommendation that says the government should be empowered to take up to 50 per cent of the equity in new ventures in the non-renewable natural resources sector. But neither myself—and I'm speaking about the member for Mississauga South—"nor the member for London South (Mr. Walker) agreed to that recommendation. In any event, a recommendation stating that the government should be empowered to take an equity position is not the same as calling for public ownership of the resource industries."

The member for Mississauga South continued: "The additional comments of the four

members of the third party implied that members of the select committee and members of this party"—and in brackets I indicate the Conservative Party—"were in favour of public ownership of the resource industry. That is not a factual statement . . ."

Mr. Speaker, that is the the point I want to make—when the member for Mississauga South said, "That is not a factual statement." It is this final remark by the member with which I cannot agree and at which I take umbrage.

What in effect the member for Mississauga South is attempting to do is disclaim that his party, the Liberal Party and the NDP jointly called for public ownership of new development in the non-renewable resources sector. A rose by any other name is still a rose.

The member for Mississauga South might like to argue that their calling for 50 per cent equity position in new ventures in the non-renewable sector did not indicate his colleagues meant public ownership; that's nonsense. The select committee on economic and cultural nationalism recommended—and I'm quoting from that—"that government should be empowered to take up to 50 per cent of the equity in new ventures in the non-renewable natural resources sector."

Mr. Speaker, I ask you to turn, when you have an opportunity, to page 87 of the select committee's report and direct your attention to the dissenting opinions of the members for Mississauga South and London South, which I want to quote. Their words are as follows: "This recommendation permits the government, at its option, to acquire up to 50 per cent equity in mining enterprises. This ignores the fact that the private sector may have invested heavily in exploration and be at the same stage of developing, economically, a viable operation." They go on—and this is very salient to the point I am making—"This is grossly unfair to the private sector and would in effect be a move towards nationalization, in part, of the non-renewable natural resources industry."

Mr. Laughren: They should make up their minds. They can't have it both ways.

Mr. Martel: Mr. Speaker, I draw your attention to the member for Mississauga South's statement of last Monday when he said, "In any event, a recommendation stating that government should be empowered to take an equity position is not the same as calling for public ownership of the resource industry." Yet in his dissenting opinion in 1974, Mr. Kennedy says, "This is grossly unfair to the private sector and would in fact be a move towards nationalization."

Mr. Lewis: He can't have it both ways.

Mr. Martel: The only members who dissented from that report—

Mr. Rotenberg: What's your point of privilege?

Mr. Mackenzie: Skewered by his own words.

Mr. Martel: The only members who dissented from that recommendation were the members for Mississauga South and London South. The rest of the committee knew full well what we meant was being discussed. In fact, so did the members for Mississauga South and London South, because they in fact so indicated by their dissent to signing that particular recommendation. The member for Mississauga South cannot have it both ways.

Mr. Rotenberg: You always have.

Mr. Martel: His party and the members of his party, as well as the Liberal and New Democratic members, knew what they were signing. One only has to read the select committee report, pages 66 to 75, to be aware. Mr. Speaker, I thank you for giving me an opportunity for clarifying that point of personal privilege.

Hon. Mr. Bernier: It has confused the issue more.

Mr. Speaker: While I listened with a great deal of patience to the presentation made by the member for Sudbury East, I don't think it constituted a point of privilege.

Mr. Martel: Sure it did.

Mr. Speaker: It's a difference in an opinion or an interpretation as to what was meant by the recommendations, and it varies significantly from the interpretation placed on it by the member for Mississauga South.

Mr. Havrot: It's a waste of time.

Mr. Kennedy: Mr. Speaker, point of privilege.

Mr. Speaker: The hon. member has had an opportunity. I listened patiently to his point of privilege last week. I listened to a rebuttal of it. I don't think either one of them was a legitimate point of privilege.

Mr. Kennedy: Could I raise a point of order, Mr. Speaker?

Mr. Speaker: I don't know what could possibly be out of order. We haven't even started routine proceedings yet.

Mr. Kennedy: Would you give me a try, Mr. Speaker? Would you give me a try on a point of order?

Mr. Speaker: I'll let you try.

Mr. Cassidy: We tried; and we won't come back a second time.

Mr. Kennedy: Thank you, Mr. Speaker. I repeat, I know of no recommendation in that report calling for public ownership of the resource industry and the member is just clouding the issue.

Mr. Martel: You can't have it both ways.

Mr. Kennedy: We don't want it both ways, we just don't want it your way.

STATEMENTS BY THE MINISTRY

THUNDER BAY COURTHOUSE

Hon. Mr. Henderson: During the last session of the Legislature—

Mr. Sargent: He should take over the Treasurer's job.

Hon. Mr. Henderson:—the hon. member for Port Arthur (Mr. Foulds) asked my predecessor several questions concerning the condition of the provincial criminal courthouse in Thunder Bay. In order to clear up certain misconceptions which were apparent in the report of the inspection panel, on which the hon. member based his questions, I have obtained a consulting engineer's report which I am now proposing to table.

In summary, the report indicates the building is structurally sound, although there has been some settlement. The settlements are below the limits at which distress might be expected to occur to a structure and have not affected the operation of the building. There are no unusual ground-water conditions at the site. In particular, no evidence of artesian condition or wells or springs has been found. The drainage system from the basement is being examined and repairs will be undertaken as the need is shown to exist. Repairs to the roofing and waterproofing in the basement will be undertaken in the near future. Copies have been given to the opposition.

Mr. Kerrio: Did the report consider the north side?

OPP ROLE IN STRIKE

Hon. Mr. Kerr: I would like to make a brief statement today clarifying the role of the Ontario Provincial Police—

Mr. Deans: Here comes the apology.

Mr. Warner: Disgusting.

Hon. Mr. Kerr:—in the labour dispute at Huron Park involving Fleck Manufacturing Company Limited and the United Automobile workers.

Mr. Lewis: The minister should discipline severely all of those who are involved.

Hon. Mr. Kerr: As a result of questions put by the hon. member for Wentworth to my colleague, the Minister of Labour (B. Stephenson), in the Legislature on Tuesday, I requested a complete report on the picket-line incidents and the situation at the plant generally from OPP Commissioner Harold Graham.

First of all, I want to stress that the OPP has not taken sides in the dispute but was present at the plant strictly to maintain the peace.

Mr. Deans: Of course it did. It took sides on Friday when it went in.

Mr. Lewis: It has.

Hon. Mr. Kerr: Secondly, the decision to inform workers of their rights and responsibilities during the strike was made by the local OPP detachment commander, Sergeant Roy Glover.

Mr. Martel: They do that every day.

Mr. Lewis: That is ridiculous.

Hon. Mr. Kerr: I have been assured he was not contacted in any way by James Fleck, deputy minister of Industry and Tourism, any member of his family or any government official at Queen's Park with a request to speak to the workers.

The detachment was first involved in this labour dispute when a plant employee, Mary Lou Richards, came to the Exeter detachment on February 23, 1978, seeking advice on the rights of strikers. She was given that information. She is a member of Local 1620 of the United Automobile Workers and a UAW representative in the plant. On the morning of Friday, March 3, 1978, Sgt. Glover sent Constable W. F. MacIntyre, his community services officer, to the plant when advised by management that a strike was pending and that there were rumours of impending trouble. Constable MacIntyre returned to headquarters and briefed Sergeant Glover on the situation.

At 2 p.m. that same afternoon, Constable MacIntyre and Corporal Freeth returned to the plant at Sergeant Glover's direction. Constable MacIntyre was in civilian dress, which, as a full-time plain-clothes officer, is his normal attire. Corporal Freeth was in full uniform. The workers were assembled and Constable MacIntyre addressed all employees and advised them of their rights and of the laws regarding intimidation, mischief, damage, threats and weapons.

It was made abundantly clear that the police would not take sides in the matter—

Mr. Deans: Oh, come on.

Hon. Mr. Kerr:—and that the OPP presence would be strictly for the purpose of maintaining the peace.

Mr. Deans: By the very fact he was there he was taking sides.

Mr. Makarchuk: You don't call that intimidation.

Mr. Lewis: That is an incredible intrusion on free collective bargaining, an unforgivable intrusion.

An hon. member: Bring the OPP under public control.

Hon. Mr. Kerr: Several questions posed by the employees were answered. Constable MacIntyre's comments were based on material contained in the OPP's in-service training manual on strikes.

Mr. Lewis: It is really unforgivable. Where has it ever happened before?

Hon. Mr. Kerr: A copy of this manual is in every detachment library.

I do not intend to comment today on the picket-line incidents involving a union representative and a picketer, as charges have been laid and this matter will be decided by the courts. I can only say that Commissioner Graham has assured me that his men are acting impartially in this strike and intend only to maintain peace on the picket line.

Mr. Martel: You should be ashamed of yourself.

Mr. Lewis: They are intimidating women on the picket line. You should have a judicial inquiry.

Mr. Speaker: Order. The hon. member for Scarborough West doesn't have to react to every statement that is said.

[2:15]

Mr. Lewis: I don't react to every statement, only the absurd statements; only the provocative statements.

Mr. Makarchuk: That's just about every statement.

An hon. member: Here comes another one.

Hon. Mr. Rhodes: I won't be provocative.

FLECK MANUFACTURING COMPANY

Hon. Mr. Rhodes: In view of some questions raised in this House and in related news stories concerning my deputy minister, I want to say that after examining the facts and discussing—

Mr. Deans: There was no question in this House.

Mr. Makarchuk: The minister should be embarrassed.

Hon. Mr. Rhodes: Mr. Speaker, I am going to respond to the interjection because I think if Hansard is checked, the member will find there was reference made by the hon. member for Wentworth concerning the Deputy Minister of Industry and Tourism. If there was no reference made to him, then it will not be necessary for me to make a statement.

Mr. Deans: I said "whether the name is Fleck or otherwise." That was my comment.

Mr. Speaker: Order.

Hon. Mr. Rhodes: In view of some questions raised in this House and in related news stories concerning my deputy minister, I want to say that after examining the facts and discussing this personally with Mr. Fleck, I am confident that the position of Fleck Manufacturing and Mr. Fleck's role as deputy minister conjure up no conflict of interest.

From what Mr. Fleck has told me, I am satisfied that he has no involvement in the day-to-day general administration of this company. Further, my investigation of the matter convinces me that this company receives no preference or special treatment from government or any of its agencies.

By way of background, I must explain that Huron Industrial Park, the former Canadian Forces base in Centralia, is located in Huron county on Highway 4, approximately 25 miles north of London and four miles south of Exeter.

In 1967, the Ontario government commissioned a firm of management consultants, Stevenson and Kellogg Limited, to conduct a feasibility study into the practicability of converting the base into an industrial/educational complex. The results were positive. In the same year the property was acquired from the Department of National Defence and ownership was transferred to the Ontario Development Corporation for administration and operation.

The park comprises 767 acres of developed land zoned into six general areas—an industrial complex, educational complex, residential complex, commercial complex, recreational complex and an airfield. One hundred and fifty-two thousand square feet is occupied by the Centralia College of Agricultural Technology and the Animal Health and Veterinary Services School.

The industrial complex totals 396,000 square feet, primarily located in seven hangars each providing in excess of 42,000 square feet. Current rental rates for these

hangars range from 74 to 85 cents per square foot per year, depending upon the year in which the present tenant assumed his lease. All leases contain an escalation clause providing for rate increases annually.

Mr. Sargent: A pretty cozy deal, eh?

Hon. Mr. Rhodes: Since 1973, Fleck Manufacturing has occupied 45,755 square feet in hangar No. 1. This space was first leased in 1968 to the Hall Lamp Company, who went into receivership in 1973. During their occupancy, the rental rate was 50 cents per square foot per year.

Fleck Manufacturing Limited first occupied the space through arrangements made with the receiver/manager. In September 1974 the Fleck organization assumed a five-year lease from ODC at an initial rate of 63 cents per square foot, with a five-cent-per-year escalation clause. The company is now in the fourth year of this lease, paying 78 cents per square foot. This will rise to 83 cents in September of this year.

Mr. Sargent: You can't even get storage for that.

Hon. Mr. Rhodes: The hon. member is well aware what happens when anything goes into receivership; he's probably been through it more times than anyone else in the House.

I would like to add that every effort has been made to make Huron Industrial Park a profitable, self-sustaining complex, providing employment and job opportunities at no cost to the taxpayer. This had proved to be the case, and at present, based on recognized accounting standards, Huron Industrial Park operates from its own funds and has accumulated a reserve of \$1,425,000. This reserve is available for new capital expenditures or for replacement and refurbishing of existing services and facilities.

Mr. Martel: Point of order, Mr. Speaker.

Mr. Speaker: There is no point of order.

Mr. Lewis: Yes, there is a point of order.

Mr. Martel: There is a point of order.

Mr. Speaker: No, there isn't.

Mr. Deans: There is.

Mr. Speaker: There isn't.

Mr. Lewis: Yes, there is a point of order.

Mr. Speaker: Anything that results from a ministerial statement can be legitimately raised in question period.

Mr. Makarchuk: His statement is out of order.

Mr. Martel: Mr. Speaker, there is a point of order. Would you kindly listen to it?

Mr. Speaker: There isn't. Are you denying the minister the right to make a statement in this House?

Mr. Deans: No.

Mr. Lewis: No.

Mr. Martel: If you would kindly listen.

Mr. Speaker: There is nothing out of order.

Mr. Martel: There is something out of order.

Mr. Speaker: There is nothing out of order.

Mr. Lewis: Mr. Speaker, on a point of order.

Mr. Speaker: There is nothing out of order.

Mr. MacDonald: There is something out of order.

An hon. member: How can you know when you won't listen?

Mr. Lewis: Is it not possible for you to listen before you rule?

Mr. Speaker: You may rise on a question of privilege or to correct something that was said.

Mr. Lewis: I rise on a question of privilege which relates to a correction of the proceedings.

Mr. Speaker: Try it.

Mr. Lewis: Fair enough. It's good of you to allow it, sir.

Under the rules of this House, opposition critics are entitled to copies of ministerial statements before they are delivered—under the rules of this House, Mr. Speaker.

The statements were not delivered. My colleague simply wished to draw that to the attention of the minister and the Speaker—that we have that right by rules of the Legislature.

Mr. Martel: Maybe you should apologize.

Mr. Lewis: I don't know whether that's a point of order or a point of privilege.

Mr. Speaker: My apology. That is a point of order.

Mr. Lewis: Thank you, Mr. Speaker.

Mr. Speaker: The reason I didn't think that was a possibility was that I was just delivered a letter from the hon. Minister of Community and Social Services (Mr. Norton) where he said he had been accused of the same thing. I found out the minister was not at fault; the actual copies of statements had been delivered to the office of the leader of the New Democratic Party at least 20 minutes prior to the statement having been delivered in the House.

Mr. Lewis: Yes, but that's not John Rhodes. We know the way Rhodes operates.

Hon. Mr. Rhodes: Mr. Speaker, the hon. member is absolutely correct. I did not deliver it before the reading of the statement. However, the statements were just produced this morning. I had the copies here on my desk—

Mr. Lewis: I'm just drawing it to your gentle attention.

Hon. Mr. Rhodes: —and they were delivered—two copies to the leader of the New Democratic Party, two copies to the Leader of the Opposition.

Mr. Lewis: Thank you.

Hon. Mr. Rhodes: My humblest apologies—

Mr. Lewis: They are accepted with good grace.

Hon. Mr. Rhodes: —and heaven knows, I would not want to break any of the rules of the House—

Mr. Lewis: I know that, sir. I know that.

Hon. Mr. Rhodes: —in keeping with the method followed by the New Democratic Party.

NORTH PICKERING INQUIRY

Hon. Mr. McMurtry: Mr. Speaker, I am today tabling the report of the commission of inquiry into the acquisition by the government of certain lands in the community of North Pickering.

Members will recall that this inquiry was established in October 1976 after the report of the Ombudsman on this subject, the response of the Ministry of Housing and hearings of the select committee on the Ombudsman as part of a two-tribunal hearing, one by this commission and one by an officer of the Office of the Ombudsman, Mr. Keith Hoilett.

The commission was to consider, recommend and report on three main areas of contention:

1. The merits of claims for additional compensation in cases placed in dispute by the response of the Ministry of Housing; any other cases handled by any of the five named land agents;

2. The amount of any additional compensation;

3. The allegations of misconduct against Terry Bortolotti, James Gilhespie, William Thompson, Joseph Kuzik and J. E. Spafford.

The order in council establishing the commission stated that "all matters referred to this commission shall be heard and determined in proceedings of an adversarial nature."

It is important to note that these references and directions were drafted in accordance

with an agreement signed by the Ombudsman and the then Minister of Housing (Mr. Rhodes) on October 1, 1976. This agreement was reached after discussions were carried on at the direction of the select committee on the Ombudsman. An interpretation of these terms of reference was made by the Court of Appeal of Ontario at the request of counsel for the claimants and the commission proceeded on the basis of this judicial instruction.

The report records the statement of the Treasurer (Mr. McKeough), made in this House on March 2, 1972, announcing the whole North Pickering program and comments upon the resulting efforts that were made to inform landowners who might be affected by the project. These efforts included the distribution of pamphlets, newsletters and newspaper supplements, and meetings held in the area.

The commission began its hearings on November 4, 1976, and the report records the history of the proceedings and outlines the perceived duties of the commission.

Unfortunately, these duties were to a large extent complicated by the refusal of the applicants to appear before the commission. In spite of notices published in the daily newspapers and served on the former landowners, none appeared at the final hearing or gave evidence with the exception of one claimant who gave part of her evidence in chief. However, some 47 exhibits were filed and considered.

In relation to allegations against the five land acquisition agents, the commission found these agents were experienced in real estate matters and qualified for the positions they held.

The notes they made at the time of their visits to owners and the comments made therein demonstrated that they had sought to serve the interests of the owners and fully appreciated their obligations to treat them fairly and justly, the commission found.

It also found that they did not attempt to minimize the value of the property but pointed out those factors which would tend to increase the value of that property and that they were sensitive to the rights of the owners and endeavoured to promote such rights.

The commission pointed out that one of the complainants was a lawyer and a considerable number of the other complainants had acted on the advice of their solicitors. The commission has no reason not to assume that those solicitors were qualified and compe-

tent to—and did—properly advise their clients and protect their interests.

I will quote very briefly from the conclusion of the report:

“A careful consideration and weighing of the report of the Ombudsman, especially the summaries of the representations made by the complainants and the interviews conducted by the Ombudsman and the evidence led on behalf of the five land acquisition agents before this commission, leads to the conclusion that none of the allegations of misconduct made in the report of the Ombudsman on the North Pickering project against [the five agents named] is justified. . . .”

FUNDING OF SOCIAL SERVICES

Hon. Mr. Norton: Mr. Speaker, on behalf of my colleague the Provincial Secretary for Social Development (Mrs. Birch) and myself, I would like to report the results of a meeting of federal and provincial ministers of welfare and social services in Ottawa on March 6 and 7.

As hon. members are aware, the provinces and the federal government have been involved in discussions for more than three years regarding a new arrangement to replace Canada Assistance Plan funding of social services. This, of course, does not include sharing of income maintenance, which will continue to be shared under the Canada Assistance Plan.

Before providing details of the meeting, I would like to highlight relevant background information regarding this issue.

Since the introduction of the Canada Assistance Plan in 1966, provincial expenditures on “federally approved” social services have received 50 per cent cost-sharing from the federal government. This federal assistance has been very valuable in the development of Ontario’s social services system. While we appreciate this support, it should be made very clear that federal cost-sharing under the Canada Assistance Plan has never been available for all the social services that our people require.

Consequently, this government initiated, and in many cases maintained, a number of important social services at 100 per cent provincial expense. This occurred because the necessary services were either ineligible for federal sharing or shareable only if certain restrictive conditions were met. Extended care for the elderly and adult mental retardation services were 100 per cent funded by the province at the outset, although some federal cost-sharing ultimately was obtained for both.

Mr. McClellan: Some? It’s \$123 million.

Hon. Mr. Norton: However, services such as children’s mental health centres, children’s mental retardation services, elderly persons’ centres, meals-on-wheels and a number of other programs were initiated and are maintained to this day at 100 per cent provincial expense. The magnitude of this can be seen readily by the fact that approximately \$110 million of expenditures on children’s services under the Ministry of Community and Social Services receive no federal cost-sharing.

My intention is not to criticize the federal government nor to minimize their contribution. Rather, it is my intention to indicate that the Canada Assistance Plan has not been fully adequate to meet the needs of the people of Ontario.

In these circumstances, Ontario welcomed federal initiatives in 1975 to develop a new and more appropriate approach to funding of social services. Unfortunately, the proposed new Social Services Act, Bill C-57, which was tabled in June 1977, did not meet our requirements. It offered a broader base for cost-sharing and would have provided assistance for a number of services which were not shareable under the Canada Assistance Plan. However, we were concerned about the potentially restrictive aspects of the proposed legislation.

The Social Services Act was extremely detailed in respect to the range of cost-shared services, eligibility for service and user charges paid by the recipients. As such the Act did not provide the degree of flexibility required by the province and gave the federal government greater potential control and leverage over provincial social services.

It was also administratively cumbersome as the federal government subsequently did acknowledge.

[2:30]

Therefore, Ontario responded promptly and positively to the federal government’s September 1977 offer to block fund services instead of proceeding with Bill C-57. The block funding approach did not meet Ontario’s stated preference for tax points transfer. However, it was an extremely positive step on the part of the federal government. It confirmed their confidence in the ability and the willingness of the provinces to fulfil their responsibilities in a flexible manner in accordance with provincial priorities.

The original offer was unilaterally revised by the federal government in December 1977. This revised block funding offer was the subject of our meetings this week where

the ministers agreed that a new arrangement for federal funding of social services will commence on April 1, 1978. The funding formula will be based upon:

1. The amount the provinces will have received in 1977-78 for social services under the Canada Assistance Plan, the Vocational Rehabilitation of Disabled Persons Agreement, and the Rehabilitation of Young Offenders Agreement;

2. An additional per capita "enrichment factor" associated with a more comprehensive coverage of social services and intended to provide for further development of services. This amount will not be payable until 1979 and will be escalated thereafter for the ensuing 10 years;

3. An escalator factor for each subsequent year based on the gross national product experience and increases in population;

4. A "levelling" adjustment that would gradually eliminate over the 10-year period the provincial differences above or below the national average contribution by Canada so that at the end of the period each province would receive the same per capita contribution.

The agreement will apply for a 10-year period. It contains three general conditions pertaining to residency, recognition of federal contribution, and provision of information. The block funding offer has not met all of the Ontario government's expectations, nor those of other provinces. As noted previously, Ontario would have preferred a tax point transfer. Fiscal realities led the federal government to postpone unilaterally the enrichment factor for one year, thus reducing the expected federal contributions to the provinces by \$132 million in 1978-79.

The 10-year period of the agreement effectively transfers the risks regarding service growth to the provinces. Ontario and several other provinces have preferred to renegotiate after five years. There was a general concern among the provinces regarding the application of the three conditions, particularly in respect to the information requirements which have yet to be determined precisely.

It is not possible to establish the exact financial implications for Ontario given the variables contained in the formula. In addition, the fact that a number of relationships with the established programs' financing agreement have not been fully determined could alter the estimate by as much as about five per cent. However, the general financial impact, according to federal estimates, will be approximately as follows:

In 1978-79 funding under the new agreement, estimated at \$155 million, will provide approximately \$5 to \$10 million more than the present Canada Assistance Plan Agreement. In 1979-80 the introduction of the enrichment and levelling factors combined with the escalator will provide an estimated total transfer to the province of \$235 million.

In effect, Ontario will continue to bear the costs of "non-shareable" social services during the 1978-79 fiscal year. Federal transfers in that year are significantly lower than the amount Ontario would have received under the Social Services Act. However, in 1979-80 federal funding will increase by approximately \$80 million.

Approximately \$55 million of that increase is attributable to the "enrichment factor." The remainder represents the escalator and the first levelling payment. The "enrichment" factor is intended to provide for more comprehensive coverage of social services and further development of services. However, the real effect in Ontario will be to extend federal funding to existing social services, which were previously not cost shared.

This point can be readily illustrated by the fact that Ontario, despite its highly developed system of social services, receives the lowest per capita federal contribution for social services in this country. At present, Ontario's per capita federal contribution is approximately \$6 less than the national average of \$22 per capita, and \$12 to \$16 less than the per capita payment received by some provinces.

We recognize this agreement is not an ideal solution, but ideal solutions are not readily attainable at this time. However, the block funding proposal has very positive advantages. It increases federal support of social services in the province and provides Ontario with greater flexibility to determine its own priorities. This flexibility must be matched by responsibility. Ontario has always recognized its responsibilities for social services, even when federal cost-sharing was not available. I assure you, Mr. Speaker, that Ontario will continue to do so under this new arrangement.

INCREASE IN OHIP PREMIUMS

Mr. Warner: Mr. Speaker, I seek your advice in this matter; perhaps it will be necessary to obtain a statement of fact from the Treasurer.

I understand the OHIP premium increase, as announced the other night, is in direct contradiction to section 54 of the British

North America Act. It is in contradiction of standing order 86, which applies to our House, and in fact to section 90 of the British North America Act, the essence of which says that no tax shall be imposed without legislation. The Treasurer, in his statement, made it quite clear he was collecting the OHIP premium increase as a tax revenue source.

I suggest, Mr. Speaker, that such a move is in clear contradiction to our standing orders as well as to the direction given by the British North America Act, and I would ask you to make a ruling on that.

Mr. Speaker: The hon. member is asking me to rule on the British North America Act. I'll take a look at the hon. member's point of privilege to see whether or not it is a prima facie case, then I'll decide as to whether or not I will rule on whether it's in conflict with the British North America Act.

Mr. Sargent: You are talking to a lawyer now.

Mr. Breithaupt: Can you find that out by the end of the question period?

ORAL QUESTIONS

Mr. S. Smith: I have a question of the Treasurer, now that we're not only eating inflation but living and breathing it as well in Ontario.

Mr. Kennedy: Wrestle it to the ground like your leader did. Trudeau is wrestling it to the ground, haven't you noticed?

Mr. Nixon: He wasn't even prepared to admit he's made a typo.

Mr. S. Smith: Actually, he has escalated an obvious typographical error to an art form, but we'll allow him to do that.

Hon. Mr. Bernier: Let's have the question.

INCREASE IN OHIP PREMIUMS

Mr. S. Smith: Will the Treasurer delay the implementation of the 37 per cent OHIP premium increase, now scheduled for May 1, pending consideration of that increase, and also pending the consideration of alternatives that might be cheaper, and certainly more equitable, in this House? Would he permit us to consider the possibilities of other alternative ways of funding our health care system, admittedly an expensive system, rather than proceeding on May 1 with the 37 per cent increase in OHIP premiums?

Hon. Mr. McKeough: Mr. Speaker, I'm quite sure in the debate—which begins not today, not until Monday as I understand it—that the House and certainly the government will look forward to the alternatives

put forward by the Liberal Party to that particular premium increase.

Mr. S. Smith: By way of supplementary: Since my request was for the House to have an opportunity to consider the possible alternatives that might be suggested on all sides of the House, would he consider delaying the implementation of the increase, which is at present scheduled to occur very soon, starting on May 1—and plans have to be made to collect that of course—and if he has done studies himself concerning the relative efficacy of these possible alternatives, would he be kind enough to table those studies as quickly as possible so that we can consider them in the Legislature?

Hon. Mr. McKeough: Mr. Speaker, as I recall, there was rather extensive documentation in the budget of two years ago. If there is other documentation, I will be glad to make it available to the Leader of the Opposition. The regulation was brought forward to cabinet yesterday and was passed, and I assume has been signed. Certainly, if the Leader of the Opposition comes forward, or anyone comes forward, with alternatives that make sense, I can only repeat that we'd be glad to consider them.

Mr. Cassidy: Given the fact that a married taxpayer earning \$10,000 a year with a couple of kids will now pay more in OHIP premiums annually than in provincial and federal income tax, given the fact that farmers and small businessmen will be particularly hard hit by this particular increase and given that wage earners in the province are being held to a wage increase of six per cent per annum this year under the AIB rules, how can the Treasurer justify a 37½ per cent increase in OHIP premiums?

Hon. Mr. McKeough: I doubt that question was supplementary but I will be—

Mr. MacDonald: Are you the Speaker or just provincial Treasurer?

Hon. Mr. McKeough:—glad to answer it.

An hon. member: It's not your job to rule.

Hon. Mr. McKeough: I think one looks at a variety of ways to increase revenues, be it in direct taxes or be it in terms of premium revenues. I looked at a number of alternatives and, in terms of the amount of money which I felt was necessary to add to the revenues of the province, this seemed in many ways the most equitable and fair way to do it.

Mr. Cassidy: Equitable?

Hon. Mr. McKeough: I would point out, to put this in perspective, that a roughly similar amount of money to be raised under

the personal income tax would require raising our rate from about 44 to 48 or, alternatively, I suppose one might have looked to the retail sales tax and raised the retail sales tax from seven per cent to eight per cent, which would have brought in nearly \$300 million.

Mr. Mackenzie: That's a Tory solution.

Hon. Mr. McKeough: I would point out that one of the features of the present system—and we look for improvements for it—is that in the first instance it is largely paid by employers, and the figures are in the budget. It is true that in many instances it is a taxable benefit. I would point out that, as opposed to going to the retail sales tax or some other route, retail sales tax would be paid by many more people whereas, if memory serves me correctly, 1.82 million people, or something over 20 per cent of the people of the province, will not pay the premium at all because of either their age group or their income level.

All in all, in looking at a series of alternatives, this appeared to me to be the most appropriate way to raise that amount of money, bearing also in mind that we attempt to relate to the public one of our most pressing problems, that is, the cost of health care. It is a large bill and the premium does assist in reminding us of that fact. I am sure that today and yesterday there are many people in the province who are more aware of the large health bill which the Minister of Health (Mr. Timbrell) presents to this Legislature than perhaps they were last Monday or Tuesday.

Mr. Cassidy: You can't have it both ways.

Mr. Mackenzie: You take it away from them, don't you?

Mr. Bradley: Supplementary: Can the minister tell this House exactly how much and what additional financial burdens he has placed on the various levels of governments, for example, local and regional governments, boards of education and transit commissions, especially since most of these pay either a part of the benefits or the entire benefits as they relate to OHIP premiums? Doesn't he realize that these local governments and school boards will now have to find millions of dollars more to meet these costs and will likely have to raise property taxes to do so?

Mr. Warner: It's called double taxation.

Hon. Mr. McKeough: I would put the matter in perspective. I know in terms of our own payroll, I think on a full-year basis—and in our case it will not be a full year and for the municipalities it will be two-thirds of a year only—

Mr. Wildman: But next year are you going to lower them?

Hon. Mr. McKeough:—the Chairman of Management Board (Mr. Auld) has made a rough calculation that it increases our costs by 0.71 per cent on this particular cost.

Mr. Warner: An extra \$2 million in Toronto for property taxes.

Mr. Cooke: You increase the costs and decrease the grants.

Hon. Mr. McKeough: I would point out to my friends that, for example, what I am budgeting for and in the printed estimates, in respect of our payments in lieu of taxes, which is a tax in effect levied on us by the municipalities on properties, we estimate this year that those payments will go from something like \$45 million to \$49 million because of rising mill rates. We pay for their rising mill rates. I see no harm in asking them to pay what I would guess to be about a half a per cent increase.

[2:45]

Mr. Cassidy: To the Treasurer, Mr. Speaker: Is it not correct that the only reason the Treasurer is raising the health insurance tax is because this is the only tax he can raise without coming to the Legislature? That is what is happening.

Hon. Mr. McKeough: Is the member answering his own question? No, Mr. Speaker, that is not correct. Obviously, we have bills before this House introduced by my colleague, the Minister of Revenue (Mr. Maeck) and my colleague the Minister of Natural Resources (Mr. F. S. Miller), which raise and lower taxes.

Mr. Cassidy: Is the minister prepared, then, to bring in legislation—

Mr. Speaker: Order.

Mr. S. Smith: Supplementary: In regard to the Treasurer's contention that by laying a \$144 million bill on working people they will suddenly recognize how much health care costs, doesn't he think it entirely more likely that people, faced with paying this amount of money, may well decide to start to get their money's worth and actually make more use of the system rather than less use of it?

Hon. Mr. Maeck: That's nonsense.

Hon. Mr. Henderson: People are honest.

Hon. Mr. McKeough: I can only say if that is the alternative or part of the alternative being proposed by the Liberal Party, I look forward to his suggestions as to where we are going to find this money.

Mr. S. Smith: Then why raise the OHIP premiums to make people know what it costs?

Hon. Mr. McKeough: I will say this, I have a little more respect for the medical profession and the hospital administrators than the tenor of that question implies.

Mr. Speaker: Final supplementary, the hon. member for Scarborough-Ellesmere.

Mr. Warner: Thank you, Mr. Speaker. Having respect for that group, plus the patients of Ontario and the people of Ontario who are faced with this huge increase, I would ask the Treasurer two supplementaries: I'd like his comment on the fact that because he is raising a revenue tax he is violating the principle of taxation by legislation. Secondly, how can he equate his statement of wanting equity with the fact of double taxation which he has now put on every urban centre in this province?

Hon. Mr. McKeough: On every who?

Mr. Warner: Urban centre in this province. For Toronto, it's \$2 million.

Hon. Mr. McKeough: I don't know the distinction between urban centres and rural centres; I assume it has something to do with the fact that that party doesn't represent any rural centres.

Mr. Wildman: On a point of privilege, Mr. Speaker—

Mr. Makarchuk: He's got more land than you have, Darcy.

Hon. Mr. McKeough: If it is a \$2 million bill to Metropolitan Toronto, it will also be felt in similar amounts by townships around this province. But I would simply point out that we will pay our share of raising mill rates, and they in turn pay their share of premiums, if they have negotiated that way, and that was their decision.

Mr. Warner: Will the Treasurer answer the first question?

Hon. Mr. McKeough: The member raised the first question as a matter before the Speaker, and I think the Speaker would want to reply first. I am not going to speak to that point; I am not a constitutional lawyer.

Mr. Martel: You are a plumber.

Mr. Cassidy: Supplementary?

Mr. Speaker: Order. I see no purpose in allowing additional supplementaries. There will be ample opportunity during the budget debate to explore all of the facets of the increase in OHIP premiums.

JOB CREATION

Mr. S. Smith: A question of the Treasurer, Mr. Speaker: Given the fact that there has been an admitted shortfall of 16,000 jobs created in 1977, and given the action that the Treasurer suggests in order to deal with the creation of temporary jobs by paying part of the salary for each of the temporary employees, can he explain to this House why he will not use basically the same type of mechanism, as we originally suggested, to pay part of the salary for permanent or semi-permanent jobs that are desperately needed in the work force?

Hon. Mr. McKeough: Again I would make the point that within our resources we feel that we can do a job in terms of summer employment. I would point out to the hon. member that the beneficiary in terms of a savings in expenditures, or therefore a reduction in expenditures, will be mainly to the unemployment insurance fund. If the member feels that there should be more programs for direct job employment, I don't disagree with him, but I think that it has to come from the government to which will accrue the savings—namely, those funds which are going—

An hon. member: Very convenient.

Hon. Mr. McKeough: —from general revenues of the government of Canada into the unemployment insurance fund, something like \$2 million. If on the other hand, the member feels that I should be spending more money on direct job creation, then I would have to ask him where he would suggest—and I look forward to his alternatives there—I cut expenditures in this current year—or where he would suggest I raise revenues.

Mr. S. Smith: By way of supplementary: of course, I'm tempted to answer the minister's question, except that it doesn't work that way—

Hon. Mr. Timbrell: Let's hear it.

Mr. S. Smith: —but he found \$105 million in one week. That's the kind of fat he has in the budget.

An hon. member: What's your alternative, Stuart?

Mr. S. Smith: But let's deal now with the question of the Unemployment Insurance Commission saving the money that might come from any job-creation initiative taken at the provincial level. Why has the minister not been negotiating with the federal government since last summer to arrange that any program taken as a provincial initiative in this manner, to pay part of the salaries,

would in fact be met by a partial or complete compensation from the unemployment insurance fund, something that might have achieved a desirable result, met with public acclaim and very likely might have achieved a successful negotiated position with the federal government?

Hon. B. Stephenson: The hon. member's friends said no.

Hon. Mr. McKeough: Let me assure the Leader of the Opposition that those suggestions have been made by several ministers on this side of the House together with their federal colleagues—and, not privately, most publicly, by the first minister of this province.

Mr. S. Smith: Where?

Hon. Mr. McKeough: At the first ministers' conference.

Mr. S. Smith: In February? You had a year to talk about that.

Hon. Mr. McKeough: That's exactly what the Premier said at the conference. We've been saying it before and that's exactly what he said at the conference.

Mr. Sweeney: We haven't heard anything since Bramalea.

Hon. Mr. McKeough: I would have to say, though, that the response has not been forthcoming from Ottawa. I really thought, from that smiling picture—

An hon. member: Always blame Ottawa.

Hon. Mr. McKeough: —of the Leader of the Opposition with the Prime Minister of Canada, which appeared on the front page of the Star—

Mr. Breithaupt: It is closer than the Treasurer ever got.

Hon. Mr. McKeough: —several weeks ago, that's probably what they were negotiating and talking about.

Mr. Sweeney: The Treasurer is not answering the question.

An hon. member: Passing the buck again.

Mr. S. Smith: There is no leadership in this province at all.

Mr. Cassidy: A supplementary to the Treasurer, and I hope he will not just take partisan shots on this.

Mr. Havrot: You're so pure, oh boy. Pure baloney.

Interjection.

Mr. Speaker: Order.

Mr. Cassidy: I would hope he could get down to the job of providing jobs for people in this province. Can the Treasurer say, in view of the fact that there is nothing being

done for the 137,000 young people who are out of work today, what those young people should do during the period of time when his summer job program will not apply?

Mrs. Campbell: Hold their breath.

Hon. Mr. McKeough: Some of them, of course, will undoubtedly find employment. Some of them will return to school. Some of them will go into the Ontario Career Action Program.

Mr. Swart: Most of them will remain unemployed.

Hon. Mr. McKeough: Hopefully, the government of Canada may develop something using unemployment insurance funds; and some of them undoubtedly will find jobs in a healthy and expanding private sector. But they're not going to find a permanent job—

Mr. Makarchuk: That's what you've been saying for years.

Hon. Mr. McKeough: —through higher government expenditures by this government. I say that frankly.

Mr. Cassidy: The Treasurer's attitude is "Let them eat cake."

Mr. Sargent: Mr. Speaker, the Treasurer is looking for sources of revenue to handle this. Now that his government is going out of the mortgage business, he has a \$1 billion portfolio; why doesn't he put that on the market to the private sector and pay for this increase in OHIP?

Hon. Mr. McKeough: I recognize that the member hasn't been here every day, but I think before—

Mrs. Campbell: He has been ill!

An hon. member: Neither have you, Darcy.

Hon. Mr. McKeough: —he asks that question perhaps he should talk to the financial critic of his party who thought that suggestion was disastrous.

Mr. Kerrio: He didn't miss anything, Darcy. It's the same story as last year.

An hon. member: The member has egg all over his face.

Mr. Sargent: Why doesn't the Treasurer answer the question himself?

Hon. Mr. McKeough: If the member for Grey-Bruce would read the budget he would find that's what we are doing.

Mr. Sargent: I've got it right here. It says over the next few years.

Hon. Mr. McKeough: But if he would speak to his financial critic he would find that the Liberal Party apparently thinks that's the wrong idea. Clean up your act over there!

Mr. S. Smith: The government is going to do nothing.

Mr. Speaker: Final supplementary. The hon. member for London Centre.

Mr. Peterson: You're flogging off the furniture to pay for the debts you've created.

I just want to understand how the Treasurer can reconcile what he has just said in response to these last three questions with an important statement in the study put out by his ministry, reassessing the scope for fiscal policy in Canada. He says this: "The composition of unemployment in Ontario and the rest of Canada merits more attention. Skilled, permanent jobs for youth is highlighted as the pre-eminent challenge to governments in the immediate future. Required are fundamental structural changes in the economy to enhance competitiveness, increase exports and generate well-paying jobs in the private sector."

I want to know what the Treasurer is doing in terms of the structural changes? What is he doing in terms of energy policy and industrial policy? What is he relying on, in fact, except a devalued Canadian dollar that he is hoping is going to drag through his growth predictions and provide temporary relief in the imbalance in tourist funds? He has nothing substantive.

Mr. Speaker: The question has been asked.

Mr. Peterson: He is relying on our deficient dollar to help him in the short run. I want to know what he is doing in terms of permanent structural changes in the economy of this province?

Hon. Mr. McKeough: Mr. Speaker, the member asked a number of questions. He asked what we were doing about an energy policy. We are supporting Ontario Hydro—which is more than I can say for his party—and there are going to be jobs at Elliot Lake because of it. That is point one.

Mr. Kerrio: You are giving a lot more support to Steve Roman, though.

Mr. Cassidy: That's your policy?

Mr. Lewis: Don't forget your storm doors.

Mr. Speaker: Order.

Hon. Mr. McKeough: Mr. Speaker, in terms of structural changes, I don't think we will debate structural changes this afternoon.

Mr. Peterson: You used the word here. You used it right here.

Hon. Mr. McKeough: I don't think we are debating structural changes during the question period.

Mr. Peterson: You used it.

Mrs. Campbell: He asked a question. You should answer it.

Hon. Mr. McKeough: Was that statement tabled on Tuesday? No, it was tabled two weeks ago.

Mr. Peterson: Yes it was. It was also filed—

Mr. Speaker: Order. The question has already been asked. If you don't expect an answer why do you ask the question? You have already asked the question. Have the courtesy to listen to the answer.

Mr. Peterson: My apologies, Mr. Speaker.

Hon. Mr. McKeough: Mr. Speaker, structural changes will not take place in the economy overnight. Structural changes imply a medium-term or long-term commitment to certain objectives which were enunciated and enunciated well by the 11 first ministers of this country. Among those structural changes—what amount to structural changes—some of them are a commitment to balance budgets, and we are working to that end; a commitment to reduce the share of government spending and government take in the total economy, and we are working to that end—

Mr. Cassidy: That question was a mistake.

Mr. Wildman: What about branch plants?

Hon. Mr. McKeough: —a commitment to deregulation and a commitment to more competition in certain areas, and legislation in some areas has already been introduced in the House.

Mr. Cassidy: We have heard this refrain before and it isn't working. You're destroying jobs.

Hon. Mr. McKeough: The member talks about an energy policy and I think securing long-term supplies of uranium at the right price is one of those policies and we have done that.

I say to the hon. member he made the same speech last year and we are still waiting for his solutions. Let's hear them.

An hon. member: You wonder why the House gets unruly when we have to listen to garbage like that.

Mr. S. Smith: The only leadership is coming from this side of the House.

PROPERTY TAXATION

Mr. Cassidy: Mr. Speaker, I have a new question for the Treasurer.

Given the fact that the government recognizes the need of senior citizens for additional income, and given the findings of a recent social planning council study in

Toronto that nearly half the single senior citizens in this city are living below the poverty line and are forced to choose between adequate housing and a decent diet, will the Treasurer explain why the government has not decided to implement the increased tax credits now, but has decided to defer them to some date in the future when market value assessment comes in?

Hon. Mr. McKeough: Mr. Speaker, I think the member might want to address that question to the minister of Community and Social Services (Mr. Norton). Obviously if we are talking about the necessity of income supplementation—

Mr. Makarchuk: What about the tax credits?

Hon. Mr. McKeough: —if we are talking about an increase which is necessary in GAINS, then so be it.

Mr. Foulds: We're talking about property tax credits.

Hon. Mr. McKeough: What the paper in the budget addresses itself to is one aspect, one part of the expenses of our senior citizens, and that is property taxes.

Mr. Foulds: The flimflam was in your budget.

Hon. Mr. McKeough: That is what that paper is all about, a reduction in the burden of property taxes, if there is one, and that is what it is related to.

Mr. Foulds: When?

Mr. Martel: Ten years coming.

Hon. Mr. McKeough: It is not related to a whole variety of other things.

I would also say that I don't think we on this side of the House accept that particular document of the social planning council as the gospel which the leader of the third party accepts it as.

Mr. Cassidy: Supplementary: If I could put the question in more specific terms, why is the Treasurer deferring property tax relief when senior citizens need that relief now?

Hon. Mr. McKeough: We would like to see some progress, and I hope to see some progress, towards property tax reform. I recognize that the member opposite thinks that the taxpayers of this province are a bottomless pit who can be mined at any given point in time.

Mr. Bounsall: That is what we are concerned about.

Mr. Makarchuk: It is the other way around.

Mr. Cassidy: You are saying senior citizens can be mined.

Hon. Mr. McKeough: There are undoubtedly going to be certain shifts in many municipalities in this province, with market value assessment particularly, aside from tax reform.

[3:00]

Mr. Martel: That's been 10 years coming.

Mr. Cooke: Answer the question.

An hon. member: You are raising OHIP premiums 37 per cent.

Hon. Mr. McKeough: It seems to me that is the time to make the change or to begin to make the change, coincident with those shifts which may take place through the assessment process.

Ms. Gigantes: They need it now.

Hon. Mr. McKeough: I know the member would have us do it twice. I suggest to you, Mr. Speaker, that in fairness to the general taxpayers of the province it may be better to do it at one time rather than to do it twice. I know the member would not agree.

Ms. Gigantes: Is your mother hungry, Darcy?

Mr. Mackenzie: Let them starve a little longer, eh?

Mr. Peterson: I'd like to know just what the Treasurer's philosophy is. Is there only one taxpayer or are there many taxpayers? On the one hand he argues that there is only one taxpayer paying all of these taxes; on the other hand he says there is no point in solving unemployment here because we are only helping the federal government with their unemployment insurance premiums. What is the Treasurer's view on that matter?

Hon. Mr. McKeough: Mr. Speaker, if I can be so bold as to suggest—

Mrs. Campbell: You are always bold.

Hon. Mr. McKeough: —the question, and it was a good one, was about senior citizens. I don't look on senior citizens in this province in the context that the question was asked as being "one of the taxpayers." We put them in a little bit different category than that.

Mr. S. Smith: Yes, hostages for your tax reform. No tax reform, nothing for the senior citizens.

Mr. Swart: By way of supplementary: In view of his comments about fairness in taxation does the Treasurer not realize that according to his own documents tabled last year the net increase in property tax to those in the \$5,000 family income range has been 73 per cent and those in the \$7,500 income range has been 61 per cent in the last three years, whereas the average in On-

tario has only been 43 per cent? Does he not therefore think it would be fair to—

Interjection.

An hon. member: They're all frightened of comebacks.

Mr. Swart: —increase the property tax credits to senior citizens this year so they do not pay more than the rest of the taxpayers in this province?

Hon. Mr. McKeough: Mr. Speaker, I would refer the member to the budget paper which details—

An hon. member: This is just the beginning, Darcy. Wait until next week.

Hon. Mr. McKeough: —the amount of assistance which is already being given to senior citizens. It is our pledge to do more.

Interjections.

An hon. member: Not this year.

Mr. Swart: Next year.

Hon. Mr. McKeough: But we will do so responsibly—

Mr. Swart: But not this year, what kind of a future—

Hon. Mr. McKeough: —and we will bring it before the House when we do it.

Mr. Makarchuk: That is what you have been pledging for the last 30 years.

Mr. Foulds: Like the OHIP increase.

An hon. member: When the next election comes.

Hon. Mr. McKeough: But I would say to the member that if he reads that budget paper he will find that the taxpayers of this province have assumed their responsibilities for senior citizens in many and dramatic ways. And the proportion of taxes already paid by all of us to assist senior citizens is very high already.

Mr. Swart: Most of all the senior citizens, the tax is paid by them.

An hon. member: Half the seniors in Toronto live in poverty.

Interjections.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: Final supplementary.

Mr. Cassidy: Given the fact that it is 12 years since the Smith committee recommended the move to market value assessment and the government has been farfing around with that ever since that time—

Mr. S. Smith: What?

Mr. Cassidy: —what assurance do we have that the senior citizens will not have to wait for a further 12 years before this property tax relief is given?

Mr. Conway: What was that word, Michael?

Hon. Mr. McKeough: I would say that the answer to that question rests in part with all members of this House. If they are prepared to be responsible, then we can get on with the job.

Interjections.

Mr. Martel: You have postponed it at every election

An hon. member: We'll bring it in if you'll support it.

Mr. Lewis: Just stop farfing around over there and get on with it. Just do your job.

Mr. Cassidy: I felt, Mr. Speaker, that the English language needed to be enriched with a new word.

Mr. Lewis: Hear, hear!

Interjections.

Mr. Cassidy: There are a few other words that are needed to describe this budget and this Treasurer, Mr. Speaker.

Mr. Nixon: There is a perfectly good one already, why don't you use it?

Hon. Mr. Norton: Define farfing.

REFORESTATION

Mr. Cassidy: A question of the Minister of Natural Resources. There he is; I can see him peeking around the government whip.

In view of the fact that the budget contains no real increase for the Ministry of Natural Resources, can the minister say what has happened to the government promise of two trees to be planted for every one cut, which was so clearly outlined in the Bramalea charter?

Mr. Kennedy: It is winter time. You don't plant trees in winter.

Hon. F. S. Miller: Mr. Speaker, I am sure when you get the details of the budget I think, you will discover that my regeneration moneys have been increased by between \$5 million and \$6 million for the coming year.

An hon. member: What percentage is that in trees?

Mr. Cassidy: Supplementary, Mr. Speaker: Since he is a member of the cabinet can the minister explain why there was absolutely no reference to the needed rebuilding of the forestry industry of this province in the budget which was handed down this week?

Hon. F. S. Miller: Mr. Speaker, there were no tax changes related to it, therefore there was no need to mention it.

Hon. Mr. Snow: That will come in the estimates, you know.

Mr. Foulds: Supplementary: Is the minister therefore indicating to us that there will be

no changes in the Crown Timber Act and subsequent tax changes with regard to his last statement?

Hon. F. S. Miller: No, I am not indicating that.

Mr. MacDonald: You're going to have it both ways.

Mr. Speaker: Final supplementary; the hon. member for Algoma.

Mr. Wildman: Is it correct that the ministry has circulated a new code of ethics, or a rejuvenated code of ethics, for its foresters or for its staff which admonishes them not to publicly criticize the forestry program of the ministry?

Hon. F. S. Miller: How could they? It's perfect.

Mr. Martel: A perfect mess.

Mr. Reid: Who believes it?

STUDENT ASSISTANCE

Mr. Sweeney: A question for the Minister of Colleges and Universities, Mr. Speaker: In releasing the new student grant program today, how can the minister say that he is firmly convinced that the new program brings greater equity and will be to the advantage of every student when in three significant ways it is clearly a disadvantage: post-graduate and professional school students can't qualify; families with even lower net income than previously are expected to contribute; and, finally, students' living expense allowances are going to be even lower than those qualified under the federal plan?

Hon. Mr. Parrott: There's no doubt that I can say that because, somewhat like my friend in the Ministry of Natural Resources, almost the perfect plan evolved.

Mr. Deans: Oh, don't get smart.

Mr. Martel: For what class of people?

Hon. Mr. Parrott: I won't go quite so far as to say perfection; that I will leave to my confrère the Minister of Natural Resources.

Mr. Makarchuk: What have you guys been eating over there?

Hon. Mr. Parrott: Let me say to the hon. member that I think when he has an opportunity to take a close look at the information he now has in his hand he will see that indeed he is not quite correct on several items. Let me give the hon. member an illustration that perhaps makes the point. I hope so.

Mr. Speaker, this perhaps will be a long reply but I don't know of any other way of addressing the problem.

We're trying to compare this year's plan with last year's plan and in preparation I had these figures compiled.

Taking the gross income of a family as \$8,000, the parental contribution last year would have been zero; it would be zero this year.

With a gross income of \$10,000 the parental contribution under the new plan would be \$200 if the student is away, and zero if at home.

With a gross income of \$12,000, the parental contribution would be \$672 under the old plan. Under the new plan it would be \$555 if the student is away from home and \$70 if the student is at home—which is considerably less, about \$600 less, in that particular illustration.

With a gross income of \$14,000, the contribution would have been \$1,045 under the old plan. Under the new plan it would be \$995 if the student is away from home and \$440 if the student is at home.

I could go on to give the hon. member other illustrations. The point that must be made at this time is that if he will take the figures and do them one by one, he will find that the contribution from the parents is less than it was last year—in contradiction to what the hon. member originally thought.

Mr. Sweeney: Let me say, before I ask a supplementary question, that we also have selected three examples and they don't work that way. Let me use one precise one, and I would ask the minister to explain how this works: A parent with a net income—net income meaning what they have got to spend—of \$6,600 can be expected to contribute; that means a net income of \$127 a week. How can the minister expect any parent in those circumstances to make a contribution? That's even lower than it was last year. It depends on where one picks the examples.

Hon. Mr. Parrott: No, I think it doesn't. First of all, in reply, to give some details of that, I think the member opposite would agree that we likely will have fewer students in the system next year than last year. We have more money. Fewer people, indeed, will be therefore applying for the assistance. It follows, I believe, that there would be more assistance per student. That's pretty basic and there can be no doubt about that.

Mr. Sweeney: No, it doesn't follow.

Hon. Mr. Parrott: There's more money in the program and there are fewer students.

Mr. Sweeney: There was \$23 million left over in the budget one year.

Mr. B. Newman: Oh, for crying out loud!

Mr. Sweeney: Just because the minister puts it into the program doesn't mean he is going to use it.

Hon. Mr. Parrott: It is a little difficult—I accept this criticism of the plan. In just two minutes of looking at it, one cannot comprehend all of the details. The member asked me where his information was. It was put in the mail to him this morning. I sent him a copy five minutes ago. I suspect he has not had time to look at the whole program and understand it.

Mr. Sweeney: They have been available for months.

Hon. Mr. Parrott: They have not been available to members for months. They were available at 10 o'clock this morning.

Mr. Bounsall: Supplementary: How can the minister possibly explain and justify for those roughly 13,000 students who will be on the Experience '78 program that when they subtract their allowance expenses from that, there is not enough money to pay the assumed savings that would be required under this program?

Hon. Mr. Parrott: That is another gross illustration of the fact that members of the New Democratic Party, particularly, don't understand the program. For many years students have wished that their contributions would be assessed on actual earnings. This year, for the very first time, that is exactly what's going to happen. There is no assumed contribution. It is a direct result of an assessment on the actual earnings. I am afraid the member is absolutely incorrect in the statement he has just made.

I have had the advantage of seeing the release by the New Democratic Party. I can't begin to tell them the number of errors they have made. I know it wasn't the member himself but it does have the New Democratic logo on it. There are innumerable errors in the arithmetic in their press release.

Mr. Lewis: You're just falling apart over there. All of you are coming apart at the seams. There is nothing left.

Mr. Cassidy: If it was so good, the minister would have brought it out two months ago.

Mr. Deans: I have a question for the Minister of Labour but I can't ask it because I must ask the Solicitor General something with regard to his statement.

OPP ROLE IN STRIKE

Mr. Deans: I want to ask the Solicitor General whether or not the provisions contained in the in-service training manual on strikes that is available, he says, in every de-

tachment library, could be table in this House in order that we might determine whether it is appropriate within the direction given for an OPP officer to attempt to drag a woman out of a car while her seatbelt is still in place and while the car is still moving?

Further, I would like to ask him whether it says in there that it is appropriate for the OPP to go into a plant to speak to union employees about the possibility of a strike without first checking and discussing the matter with their representatives? I want to ask him whether he thinks it is right and necessary for the OPP to be involved at all until there is an evident problem?

Finally, I would like to ask him whether he doesn't believe that by the very nature of their intervention, which was unwarranted and unjustified, starting on Friday afternoon right through until Monday morning when they moved themselves into a situation which to that point had created absolutely no problem, the OPP were not the major part of the problem and not part of the solution at all?

Hon. Mr. Kerr: I am sure the manual to which the hon. member refers does not specifically mention an incident regarding a female employee of the plant with her seatbelt on.

Mr. Deans: The woman got hurt, by the way.

Hon. Mr. Kerr: This is the first I have heard of this and I have had representation both from the union and from the police officers in the area.

Mr. MacDonald: Are you going to investigate it?

Mr. McClellan: How come you find out these things so late?

Hon. Mr. Kerr: Dealing with the second question, which I feel is much more relevant, I think the hon. member should realize that some days before the strike took place a representative of the union attended at the police detachment headquarters—
[3:15]

Mr. Deans: One woman.

Hon. Mr. Kerr: Right—and asked certain questions regarding picket lines and the conduct of the employees and questions of that nature, very valid questions.

Ms. Gigantes: Very responsible.

Hon. Mr. Kerr: Management also wanted the same information, and as a result the sergeant of the detachment decided that everybody should know what the situation was—

Mr. Lewis: That's just a crock. What a dream world you live in.

Hon. Mr. Kerr:—what their rights were, and what their obligations would be in a situation of that kind. I think it is important to realize that these women workers have just been organized and the union has just been certified.

Mr. Lewis: That's right.

Hon. Mr. Kerr: I realize that, and because of that they wouldn't be aware of all their rights—

Mr. Mackenzie: Two dollars and eighty-five cents an hour in a sweat shop.

Mr. Cassidy: That's why you have to be particularly sensitive.

Mr. Warner: They've got a union to tell them that.

Hon. Mr. Kerr:—and what could take place in the event that the strike occurred. I'm saying that the employees, because they were employees of a plant that was just newly organized—

An hon. member: The Minister of Labour is really protecting the women in this province.

Hon. Mr. Kerr:—and because there were certain uncertainties as to what their rights were—

Mr. Cassidy: You're unbelievable. That's unbelievable.

Hon. Mr. Kerr:—it seemed to make sense to the sergeant of the detachment that everybody in the plant should have that information—

Mr. Cassidy: That means you condone intimidation across this province.

Mr. Deans: They had no right to make that decision.

Mr. Lewis: That's terrible, terrible.

Hon. Mr. Kerr:—and that is why he attended at the plant. I will say this, that this is certainly not a routine procedure by the OPP.

Mr. Foulds: It should not even be an extraordinary one.

Hon. Mr. Kerr: It is not, and I would hope it would not be.

Mr. Martel: What would happen again?

Mr. Foulds: What have you told them?

Mr. Speaker: Order.

Hon. Mr. Kerr: But I think under the circumstances there are reasons here why it's occurred, and another point I want to make is that because the police had this prior information and because the police were told there was a certain amount of intimidation and there could be violence on the picket line—

Mr. Deans: By whom?

Mr. Lewis: Intimidation by whom?

Mr. Warner: By management. They were meddling.

Hon. Mr. Kerr:—there was an obligation by the police to deal with the situation to avoid any trouble before the strike took place.

Mr. Deans: Supplementary question: What investigation was undertaken by the police to determine whether or not the information given to them with regard to intimidation, or whatever, was even valid? Let me ask a further supplementary so the minister can answer them both while he's on his feet. Is it true that he said that it was justified because a lot of the employees really didn't want the union anyway?

Hon. Mr. Kerr: No, Mr. Speaker. I should have probably have made a point of privilege while answering the hon. member's question. I didn't say that which was attributed to me in this morning's Globe—the words, "he added that only half the workers of the plant want the union."

What I said to the reporter was that there was a division of opinion there, that there was some exception by a number of employees as to whether or not they wanted that strike. That's what I said.

Mr. Deans: That's irrelevant. They've been certified.

Mr. MacDonald: In this country, 60 per cent of the people aren't in favour of you at election time; that's a division of opinion.

Hon. Mr. Kerr: The members don't want to take it out of context, that's why they wanted to know about the legal aspects of the strike; and the other point that I made in reference to the bus was incorrect as well.

Mr. Lupusella: Taking into particular account incidents which have taken place too often in the province of Ontario—

Mr. Deans: Does the minister ever wonder why there are difficulties in picket lines? It's the mentality of the whole thing.

Mr. Lupusella:—is the minister ready to introduce legislation regulating strike-breaking in the province of Ontario in order that those incidents will never take place again?

Hon. Mr. Rhodes: Is that like selling hydro to the poor people in the States?

Hon. Mr. Kerr: Mr. Speaker, that of course is the whole argument about the question of crossing the picket lines. It is something the Minister of Labour would be concerned with, and I would suggest—

Mr. Cassidy: She's not concerned about it.

Hon. Mr. Kerr:—that it probably should be debated rather than answered in this instance.

Mr. Lewis: Supplementary.

Mr. Speaker: This was raised last week. The original question was a four-part question. His second supplementary was a three-part question. There were 17 interjections while the minister was trying to answer. We have spent enough time on it. The hon. member for Armourdale.

Hon. Mr. Kerr: You should send me a copy of your question, Ian.

Mr. Deans: It will be in Hansard.

CLOSING OF SCHOOLS

Mr. McCaffrey: For the Minister of Education: My question concerns the matter of declining student enrolment in Ontario, and the related question of school closings and the Jackson commission. Am I correct in assuming that the ministry does not have a position with regard to school closings in this province—

An hon. member: That's typical.

Mr. McCaffrey:—and if that is correct, is it reasonable to assume that that position will be unchanged after the Jackson commission report?

Mr. Martel: Yes, no position afterwards, right.

Hon. Mr. Wells: Mr. Speaker, it is not reasonable to claim we do not have a position. The position is very clear. It is one of local autonomy—investing the authority to provide accommodation and to make arrangements for accommodating the students, and that this is to be done by the local school board. It is in the local school board's jurisdiction and authority to close schools if it so desires.

MANAGEMENT STUDY

Mr. Blundy: Mr. Speaker, I have a question of the Minister of Community and Social Services. Was his ministry spokesman correctly reported in the *Globe and Mail* on February 15 in saying that the only reason a full copy of the Currie Coopers and Lybrand management study of the ministry was not released was that it was too technical and expensive to print? Was it for those reasons we must rely on an unsatisfactory edited version? Why can't we have the full report so that its recommendations can be seen in their full context?

Hon. Mr. Norton: Mr. Speaker, I don't know to whom that statement was attributed. The fact is that what is being referred to as a report, I would rather refer to as back-

ground working documents. Also they are rather bulky, and there are only four copies that have been prepared.

Mr. S. Smith: We'll come to your office and read them.

Hon. Mr. Norton: There were four copies for the members of the steering committee within the ministry. This included myself, my former deputy, my present deputy and the representative of Management Board whom we invited to sit on the steering committee.

Mr. Martel: You can give one away from the former deputy.

Hon. Mr. Norton: There are no other copies in existence to my knowledge. I don't have any intention of having additional copies of those working documents prepared.

Mr. S. Smith: We'll read them in your office, how's that?

Hon. Mr. Norton: I did take steps to immediately release, upon receipt of the report, the full range of recommendations.

Interjection.

Hon. Mr. Norton: I can assure the House that if I were to go to the expense and the problem of trying to reproduce additional copies for the members, they would be terribly disappointed because there is no scandal in the place. There are no personalities referred to. There is none of the stuff that opposition members think is in there.

Mr. S. Smith: Can we read it in your office or not?

Mr. Speaker: The Leader of the Opposition is repeating himself.

Hon. Mr. Norton: In fact, they are just what I said they are. They are working documents. As far as I'm concerned, for the present and until we have continued to deal with them, I'm not hiding a thing.

Mr. McClellan: Then let's read them.

Mr. S. Smith: What are you hiding?

Hon. Mr. Norton: Members have copies of every recommendation that is made in that report.

Mr. S. Smith: Then we will come to your office and read it.

Hon. Mr. Norton: I have no intention of producing the working papers at this point in time until we have proceeded further.

Mr. Warner: Then let us read them.

Mr. S. Smith: Then what are you hiding? We'll come to your office.

Mr. Speaker: Order. Order.

Hon. Mr. Norton: I would think it would be one of the most disappointing exercises members might ever engage in.

Mr. S. Smith: Then we will be disappointed.

Mr. Blundy: Mr. Speaker, by way of a supplementary, when the ministry spends \$70,000 on a report such as this, does it not seem reasonable that the members of this House, at least, should see that report and benefit from it? I understand this is not the first time the distribution of a report by that ministry has not been made available. If it's going to cost the ministry that much we'll take up a collection and Xerox the matter in the minister's office.

Hon. Mr. Norton: Actually, the Xerox machine in my office is usually busier than to allow for that length of time to be taken up.

Mr. Foulds: I thought it had been replaced by a shredder.

Hon. Mr. Norton: There is simply nothing that is being hidden in the report. I can assure the member that I am being open with them on that point.

Mr. Cassidy: Then make it available.

Hon. Mr. Norton: Perhaps I can take it in excerpts and read it during statements from the ministry from time to time. If members wish, I would be quite happy to do that.

Mr. Martel: Invite us over to read it.

Mr. S. Smith: We'll read it in your office.

Hon. Mr. Norton: But I'm not intending to spend the money of the taxpayers of this province to duplicate working documents that are for the use of people in my ministry to implement recommendations that I gave to members several weeks ago.

Mr. Martel: Then invite us over to read it.

Mr. Speaker: One final supplementary from the hon. Leader of the Opposition.

Mr. S. Smith: Will the minister give one valid reason why we in the opposition should not be permitted to go to his office and read the full reports there and decide for ourselves whether in fact it was a worthwhile venture? One reason.

Interjections.

Hon. Mr. Norton: Everyone here wants me to invite the member over. But, actually, I think there is—

Hon. Mr. Rhodes: Invite him over and let him bring his own couch.

Hon. Mr. Norton:—a reasonable explanation as to why not.

Interjections.

Hon. Mr. Norton: The fact of the matter is that I happen—perhaps just by chance—to have been elected as a member of the govern-

ment of this province and I have been charged with certain responsibilities for administrative matters in my ministry, which I am discharging. I have shown the members recommendations that have been made to make certain improvements, and that—

Mr. Warner: The new Jean-Jacques Blais.

Hon. Mr. Norton:—we are proceeding very quickly and very effectively to do that.

Mr. S. Smith: What are you hiding?

Hon. Mr. Norton: I'm hiding nothing. You just see how good a job we do, Stuart, and baby, will you ever be impressed.

Mr. S. Smith: Then we will be disappointed.

An hon. member: You will be Minister of Government Services by then.

Mr. Cassidy: Jed Baldwin would be ashamed of you.

An hon. member: A government of secrecy.

MINI-SKOOOLS LIMITED

Mr. McClellan: Mr. Speaker, this morning at the Metro social services committee meeting a day-care consultant provided material on Mini-Skools Limited which provides evidence of serious violations of the Day Nurseries Act and regulations. I now want to present this material to the minister and to ask him a number of questions.

Using his powers under regulation 13A of the Act, will the minister review this material and conduct an investigation with respect to Mini-Skools' financial dealing with the Metro social services, and report back to this House *inter alia* whether it is true:

1. That Metro awards its subsidy agreements to Mini-Skools without the necessity either of proper financial submission or adequate accounting;

2. Whether subsidy payments made without a signed contract, as is the case this year between Metro social services and Mini-Skools, are legal under the Act;

3. Whether in his opinion the actual profits of Mini-Skools on the Metro subsidy contracts, which are as high as 24 per cent on tax dollar revenue received, are in his opinion a ripoff?

Hon. Mr. Norton: Yes, I will review this material and attempt to answer the hon. member's questions.

Mrs. Campbell: Not if it costs too much.

Hon. Mr. Norton: As he is aware and has indicated, the contracts or relationships are between Metro and the particular provider of service. I can't answer those questions at this point but I will.

Mr. McClellan: Supplementary: May I ask the minister, using his powers under Ontario regulations 232, 71, section 3, will he review the material and conduct an investigation into Mini-Skools' enrolment practices and child-staff ratios between 1975 and 1977 and report back to this House whether it is true and to what extent:

1. Mini-Skools' rated capacity exceeds the licence capacity as established by his ministry;

2. That Mini-Skools repeatedly violated licence capacities by over-enrolling at all six Metro day-care centres between 1976 and 1977;

3. That the child-staff ratios at Mini-Skools day-care centres are violated as a matter of habit? Finally, Mr. Speaker, will he—

Interjections.

Hon. B. Stephenson: Put it on the order paper.

Mr. Speaker: Order. The original question was a three-part question. The hon. minister indicated that he would take it as notice, that he would review the information made available to him and get back. Surely if the response isn't complete, then supplementaries may be appropriate at that time.

Mr. McClellan: If I may, on a point of order, I had asked the minister to report back on a number of points. I have one small point to finish off: Will the minister report to us why Mini-Skools' licence should not be revoked under the provision of section 8 of the Act? And one final supplementary, if I may, Mr. Speaker—

Interjections.

Hon. B. Stephenson: No bloody way.
[3.30]

OMB HEARINGS

Hon. Mr. McMurtry: Mr. Speaker, this is in answer to a question that was asked by the hon. member for Waterloo North (Mr. Epp) of the Deputy Premier (Mr. Welch). The answer is some three pages and it has to do with expediting hearings of the Ontario Municipal Board. I am prepared to give the answer now or in the form of a statement tomorrow morning.

Mr. Speaker: Give it as a statement tomorrow morning.

MIDLAND DISPUTE

Mr. Epp: I have a question for the Treasurer. Given that he is the minister responsible for municipal affairs, and given that both elected and private citizens in the town of Midland have asked for a public inquiry

into the affairs of the municipality, and given the fact that more than 150 signatures were on the petition, would the minister consider holding a commission of inquiry into the affairs of the municipal council of Midland?

Hon. Mr. McKeough: Mr. Speaker, as I recall, we have written back to the petitioners and asked them why there should be an inquiry. To the best of my knowledge they have not indicated to our satisfaction that there are substantial reasons for an inquiry. As I recall—I am not entirely sure of this—I think the council purchased some property and these petitioners disagreed with that purchase. I am doing this by recollection, but my view is that what has been raised to date does not necessitate any kind of an inquiry—a judicial inquiry by a judge, or a provincial inquiry. However, if the petitioners have additional information we will be glad to take another look at it.

HIGHWAY 555

Mr. Wildman: I have a question for the Minister of Northern Affairs. In view of the comments by the Minister of Transportation and Communications (Mr. Snow), quoted in the Sault Daily Star of February 24, 1978, that he was fully aware of the desire of the people of Blind River to have Highway 555 completed to Elliot Lake, and "it is up to the Northern Affairs ministry to set the priorities"; in view of the fact that the people of the north shore of Elliot Lake have submitted to the Minister of Transportation and Communications a petition with over 1,300 names requesting the completion of the Granary Lake Road, can the minister indicate when his ministry will make a decision on this project, and whether or not that will be in the affirmative?

Hon. Mr. Bernier: I can't say that the decision will be in the affirmative. I can't even tell the hon. member when the priority will be established. It will be some considerable time; but I can assure him we are looking into all aspects of it. I am sure the hon. member is aware of the problems—

Mr. Cassidy: Sure; the minister is the problem.

Mr. Makarchuk: You are waiting until the election, are you, Leo?

Hon. Mr. Bernier: —relating to that particular road going into the town of Elliot Lake. There is some concern expressed by that particular community and I think it is fair to say there is not a great deal of enthusiasm from the Elliot Lake end. We are looking at all aspects of it.

Mr. Wildman: Supplementary: In view of the expansion of Elliot Lake, which is being encouraged by this government, to say the least, and also in view of the fact that the council of the town of Elliot Lake recently passed a resolution that it would agree to the completion of the Granary Lake Road, will those matters be taken into account in making the decision?

Hon. Mr. Bernier: Yes. I think that, further to this, we will wait the results of the environmental hearings that are at present going on and will take place with regard to the radon gas problem in Elliot Lake, which will have a bearing on the development in that particular community.

Mr. Reid: There is a gas problem around here.

ELDERLY PERSONS' CENTRES

Mr. Bolan: My question is for the Minister of Community and Social Services. Is the minister aware of the provincial-municipal grants reform committee's proposal that the grants to elderly persons' centres be eliminated, and can the House have his assurance that this proposal will not be acted upon, and that the elderly persons' centres will continue to receive these grants?

Hon. Mr. Norton: I can assure the hon. member opposite that those are simply recommendations by a committee. I have not given any consideration whatsoever to the implementation of such matters with respect to those programs. At this point, it is my full intention to continue as we have with those centres.

MINING TAX

Mr. Laughren: A question for the Minister of the Treasury, Economics and Intergovernmental Affairs: Is the Treasurer aware of the testimony of both Inco and Falconbridge before the select committee on the layoffs that the problems they were facing in the mining industry had nothing to do with the level of taxation but rather with world markets? If he is aware of that testimony, why has he granted further exemptions and concessions in his budget which will reduce the income to the province from mining in this next fiscal year to only \$33 million?

Hon. Mr. McKeough: I'm not sure I'm aware of the specific testimony but I'm aware of that statement or feeling. I do not look for the package of incentives which will be brought forward by my colleague the Minister of Natural Resources (Mr. F. S. Miller) to create jobs tomorrow. I think the member is well aware as a northern member that—

Mr. Cassidy: At least he's bringing it into the Legislature.

Hon. Mr. McKeough: —we have been concerned, and I'm sure the member has been concerned, for several years now that we haven't had the level of exploration or the level of activity in terms of new mines—

Mr. Martel: This government used to blame that on Barrett. What's happening here?

Hon. Mr. McKeough: —coming on stream either to add to the total mining production or to replace production which may otherwise disappear in a period of time as mines run out. So, the package is not going to have any significance in so far as the world of the current world metal oversupply is concerned, but hopefully it will position our industry to take advantage when the cycle turns in two, three, four or five years.

As the member is well aware, it takes four or five years to bring a mine to the production stage. We hope to encourage through this package a greater exploration and hopefully some new mines. Let me put it this way: if they came into production tomorrow, they would obviously, as the member has said, be adding to a metal glut at the moment. That is not the purpose of the package.

Mr. Laughren: Supplementary: Would the Treasurer indicate to us how granting the processing allowances for offshore processing against Ontario profits will create any kind of employment in the province of Ontario? Would he not agree that in effect he is exporting jobs, not creating new ones or protecting existing ones in this province?

Hon. Mr. McKeough: No doubt the Minister of Natural Resources would say more about this. Let me simply say I think that particular change is recognizing the reality of life. It's unrealistic to expect that either the existing refinery in Wales or in Norway is going to be closed down and moved to Canada. I think it simply faces the facts of life. I don't think we could develop incentives powerful enough or large enough to do it in the absence of the stick approach, which essentially the present regulation is.

Mr. Cassidy: Why not make them be responsible?

Mr. Laughren: Boy, wouldn't I like to play poker with the Treasurer. They have bluffed you. For 45 years Falconbridge has bluffed you.

Mr. Cassidy: There is not a job for five years in that concession.

Mr. Laughren: Does the Treasurer ever play poker?

Mr. Martel: They keep winning the game.

PETITION

MINISTRY OF HEALTH REPORT

Mr. Conway: Pursuant to provisional order 7 of the Legislative Assembly, we, the undersigned members of the assembly, hereby petition that the annual report of the Ontario Ministry of Health for 1976-77, tabled November 14, 1977, be referred to the standing committee on social development for such consideration and report as the committee may determine.

Mr. Speaker: I understand that that is a petition to the House.

Mr. Conway: Yes, it is, Mr. Speaker, under provisional standing order 7. I signed it myself.

Mr. Speaker: Does it have 20 signatures?

Mr. Conway: Yes, it does.

Mrs. Campbell: Yes, it does.

Mr. Speaker: It's agreed then?

Agreed.

MOTION

SITTINGS OF THE HOUSE

Hon. Mr. Welch moved that when the House adjourns at 6 p.m. on Thursday, March 16, it will stand adjourned until Tuesday, March 28, at 2 p.m.

Motion agreed to.

INTRODUCTION OF BILLS

MUNICIPAL ELECTIONS AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 30, An Act to amend the Municipal Elections Act, 1977.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, I have several minor amendments to the Municipal Elections Act. As a result of the change of the election date from December to November it was necessary to specify in the Act that the term of office of the present incumbents will expire on the last day of November 1978. Where such members are paid an annual allowance, the allowance for the year 1978 shall be reduced accordingly. So there is an amendment to that effect.

The second amendment is designed to facilitate the verification of nominators. Others clarify the procedures to be followed when the number of candidates nominated at the end of nomination day is not sufficient to fill the number of vacancies that exist. Those nominated will be acclaimed, and additional

nominations for the remaining vacancies may be received on the Wednesday following nomination day. On the Wednesday following nomination day the acclamation provisions will also apply similarly.

The remaining amendments clear up the procedure to be followed when a new, as opposed to a regular, election is required to be held.

I might add that as a result of the change in the date in the Municipal Elections Act there will be a series of amendments required to the Municipal Act and the regional Acts in order that county and regional councils can select the heads of council and set up their committee structure at an earlier date.

MINISTRY OF GOVERNMENT SERVICES AMENDMENT ACT

Hon. Mr. Henderson moved first reading of Bill 31, An Act to amend the Ministry of Government Services Act, 1973.

Motion agreed to.

An hon. member: It's an increase in salary, is it, Lorne?

Hon. Mr. Henderson: Mr. Speaker, the purpose of the amendment is to clarify the authority of staff of the ministry to carry out some of the responsibilities of the minister as they may be delegated by the minister to such staff from time to time.

Mr. Foulds: Need this to fix the Thunder Bay courthouse?

Hon. Mr. Henderson: It may be.

ANSWER TO PETITION

Hon. Mr. Welch: Mr. Speaker, before the orders of the day I wish to table the response to petition 2 presented to the House. (See appendix, page 539).

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Mr. Speaker, I wish to table the answers to questions 1 and 11, standing on the order paper. (See appendix, page 539).

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS GASOLINE AND HEATING OIL UNIFORM PRICING ACT

Mr. Lane moved second reading of Bill 3, An Act to require a Single Price for Gasoline and Heating Oil sold in Ontario by a Wholesaler.

Mr. Lane: Mr. Speaker, the purpose of this bill was to require a wholesaler of

gasoline and heating oils in Ontario to sell gasoline and heating oil products at a single price throughout the province, thereby preventing the wholesaler from charging a higher price in certain regions. I understand I have 20 minutes to speak on my bill, and if I wish I can reserve some part of that time for summing up after other speakers have been heard.

Mr. Speaker: That is correct.

Mr. Lane: Thank you. I would like to point out that my colleagues the members for Cochrane South (Mr. Pope) and Timiskaming (Mr. Havrot) are both in support of this bill and would like to be able to speak on it. They are not able to be here and the time will not allow them to speak, in any case. I want that on the record.

Mr. Wildman: He is right over there.

Mr. Lane: They will not be here later in the afternoon.

I guess the first question is, why do I bring this bill before the House?

Mr. Foulds: That is a good question.

Mr. Lane: The reason I do that is that I want some answers that I haven't been able to get. I want to find out why there are 17 or 18 cents per gallon differences in price for the same grade of fuel at various places in this province.

Mr. Bolan: Because of the tax structure.

Mr. Mancini: Because of 35 years of Tory rule.

Mr. Lane: Yesterday in Toronto, regular gas was selling at 91.9 cents. In Elliot Lake the same gasoline was selling for \$1.08. On Manitoulin it was selling for \$1.05 and in Sudbury it was selling for 91.5 cents.

[3:45]

My understanding is that to put a gallon of gasoline on the market costs about 87.9 cents, and it is broken down like this: Ontario gasoline tax, 19 cents; federal excise tax, 10 cents; federal sales tax, 4.9 cents; average dealer margin, 8.5 cents; cost of refining, distributing and marketing, 9.5 cents; and cost of crude oil, 36 cents—for a total of 87.9 cents a gallon.

I would just point out that in Elliot Lake the price of gasoline yesterday was slightly more than 20 cents per gallon higher than the cost of producing it.

It's a conundrum to me why a farmer who has on his farm a fuel tank—holding 500 or 1,000 gallons in some cases—can go to a service station and put 10 or 15 gallons of gasoline in his tractor for fewer cents per gallon than the cost of getting it delivered to the storage tank on his farm. This gasoline

is not going through a service outlet. It is not being pumped by a dealer. It seems to me that a part of that average of 8.5 cents that's going to the dealer should be available to the farmer as a benefit for buying 500 or 1,000 gallons at a time.

I have talked to different people in different oil companies over a period of years. This problem is not a new one as far as I am concerned. As those hon. members who were around here in 1972 know, I raised the matter when I introduced a bill last May—the same bill as I am speaking on today, as a matter of fact—but, because we were forced into an election, the bill died on the order paper and I didn't get a chance to debate it. But I still want some answers—

Mr. Ruston: The election was forced by your leader.

Mr. Wildman: If we had changed the government, we might have got some legislation.

Mr. Lane: We were forced into an election, as the hon. gentlemen will recall.

Mr. Wildman: John, if we had changed the government, we would have had some decent legislation.

Mr. Lane: At one point I was told that the difference in price is because of the transportation cost. That is not a fact.

Mr. Wildman: That's right. You're right.

Mr. Lane: In my riding we have storage tanks at Little Current and at Cutler, and the big tanker that comes from Sudbury hauls the gas a total of 160 miles—80 miles each way. The little retailer in Little Current can follow that truck to Sudbury and fill his gas tank at the pump there cheaper than he can get the gas dumped in his storage tanks at Little Current for resale to his customers. There's something sadly wrong with the situation when that happens, but it certainly isn't a transportation problem.

Mr. Wildman: No, it is free enterprise.

Mr. Ruston: Ever heard of competition?

Mr. Lane: The same thing goes for Elliot Lake. If people at Elliot Lake are getting their gas from the storage tanks at Cutler, it involves a round trip of about 56 miles as opposed to 160 miles return to haul the gas from Sudbury. Despite that, the gas in Elliot Lake yesterday cost \$1.08 a gallon and in Sudbury it was 91.5 cents—and the two places are only 100 miles apart. So there is something wrong with the situation.

Mr. Wildman: Right.

Mr. Lane: Apart from mining in Elliot Lake and paper mills in Espanola, the bulk of

my riding is made up of farming and tourism. The farmers have been selling their cattle below the cost for production for the last three or four years, and many tourist camp operators find it very difficult to make any money because of overhead costs. Would-be visitors to the area are looking at areas where gas prices are cheaper; and even if gas prices were the same in the north as they are in the south gas would still cost more, because it is farther from point A to point B. Anybody going there for a holiday or living there has to use more gas; so if they are paying the same price, they are still paying more. If they are paying 10 cents a gallon or 15 cents a gallon more, then of course they are paying a lot more. That is what I am complaining about.

Mr. Wildman: They should have a lower price.

Mr. Lane: I have a letter here from the Manitoulin Tourist Association. It has a membership of 150 different firms; 66 of these people are camp operators and 84 are associate members. I noticed, in going over the list, that 15 of these people have a retail gasoline sales outlet on their premises.

The letter I refer to is addressed to the Minister of Energy. It says:

"Dear Mr. Minister: It is obvious that if the tourist industry is to survive in north-eastern Ontario there must be an equalization in the prices of gasoline at the wholesale level."

Mr. Foulds: What was the minister's reply?

Mr. Lane: It says: "As you know, the north country is very attractive to tourists because of its great beauty, but it mainly consists of a vast rural countryside with small towns and villages scattered throughout. The distances are great."

Mr. Foulds: Rural countryside? Six of the seats are held by New Democrats.

Mr. Lane: It continues: "The price of gasoline ranges as much as 17 cents per gallon within the large heavily populated areas and the sparsely populated areas of this province. When a family is looking for a place to spend their vacation, the attractions of northern Ontario do not compete well with other parts of Canada or even other countries, when many of the miles to be travelled are to be considered in relation to the fact that the prices of gasoline are well over a dollar a gallon. Something must be done and done soon."

"All the tourist operators and affiliated members of this association which appear on that tax list"—that's the 150 people I was referring to—"and thousands of other north-

erners are in full support of our member, John Lane, in his efforts to get the wholesale price for gasoline and heating oil equalized across this province. We hope the government gives his private bill on this matter its full support."

The letter is signed by Carl Irwin, secretary.

Mr. Wildman: Do you have a copy of the minister's answer?

Mr. Foulds: What was the minister's reply?

Mr. Lane: I don't know.

Mr. Wildman: Is the minister going to speak in the debate?

Mr. Reed: Come on over to this side.

Mr. Lane: In an effort to find out why we have this discrepancy in prices, I've asked some other officials from other oil companies, when I couldn't live with the transportation problem, and they explained to me that wasn't the problem.

Mr. Wildman: That's right. It isn't.

Mr. Lane: One official quoted the reason for the difference in price between Sudbury and Manitoulin Island as being that the sale price is based on Toronto price, plus shipping cost. He said: "If one of our dealers cannot meet the competition, we place him on consignment, which means we buy back all of the gas in his tanks, regardless of the loss, and pay him eight cents a gallon to sell our gas to meet the competition at that point."

Mr. Wildman: That's the thing right there.

Mr. Lane: He went on to say that there is as much as 300,000 barrels of surplus gas being produced per day.

Mr. Philip: It's a lot cheaper for the gypsies to take a truckload of gas than a truckload of milk.

Mr. Wildman: That's right.

Mr. Lane: It's a little hard to accept because it's not so very long ago since we were told there was a shortage of fuel and we should not burn very much gasoline. Yet here's a gentleman who says we have a surplus production of over 300,000 barrels a day. That's a lot of gas. Sometimes when there's a surplus, one doesn't pay too much money for it, but we're paying \$1.08 in Elliot Lake.

Another official of the same company said: "There is too much refining capacity chasing too little volume and, with another refinery under construction in Ontario, this problem of overcapacity is going to get worse before it gets better." It sounds as if there are no better days ahead, according to the officials of that particular company.

None of these statements really provides acceptable answers to a very serious problem. It is out of sheer frustration on behalf of my constituents and myself that I bring this bill for debate into this House. I personally think the government should stay out of the marketplace as much as possible. I would also hope to keep regulations and legislation to a minimum because sometimes, I'm sure, we interfere in people's lives and businesses too much. But somehow this great difference in price between one point in this province and another must be corrected.

After all, we are all Ontarians. If our federal government had had the foresight 25 years ago to come up with some good energy policy for Canada, the provinces would now be sharing our resources one with the other and we would be depending on each other so much we would not have to worry about unity or these crazy gasoline prices. But, of course, hindsight is a lot easier than foresight.

I'll now listen to what other speakers have to say on this matter. I'd like to use whatever time is left of my 20 minutes to sum up after they have spoken.

Mr. Reed: I appreciate very much the intent of the member for Manitoulin or Algoma-Manitoulin who wants answers to this problem.

Mr. Foulds: You don't even know where the riding is.

Mr. Reed: I'm learning.

Mr. Kerrio: Are we supposed to?

Mr. Reed: We all want answers to this problem. Hopefully, through the course of the debate, information and points of view will be exchanged that will perhaps help to put a better perspective on the problem.

I want to say that I sympathize with the concern the member has about the discrepancy in gasoline and heating oil prices in northern Ontario. I would submit to him that if the provincial government had moved to provide some tax dispensation for that fuel some years ago when the Liberal Party asked for it, this bill would probably not have to be presented today.

I would also ask him, getting into the content of the bill, what in heaven's name is a wholesale price in the petroleum industry? It is a very difficult thing to assess.

Mr. Foulds: Good question.

Mr. Reed: I have done some investigating and I am even more confused now than I was before, and I guess I was pretty confused before. We have things like the delivered price, which is the price the oil company

delivers to its branded dealer, and that includes the cost of production plus certain other incurred costs. We have the rack price, which is, I suppose, the price an unbranded dealer pays, in cash or whatever, to the oil company when he goes down and makes a block purchase of gasoline. That does not include cost of transportation; it doesn't include the cost awarded to the branding of the product or the sale cost that is incurred.

Then we have what is called the posted tank-wagon price which, I understand, is the price paid by farmers and heating oil customers. So we have a whole hodgepodge of bases to assess. Then we add to that the fact that the forces of competition are very active in the petroleum industry at the present time.

Mr. Wildman: To the detriment of the consumer.

Mr. Reed: I will go on to explain that it is currently very much to the advantage of the consumer—

Mr. Wildman: Only in some areas.

Mr. Reed: —that the forces of competition are operating just now.

We have an overbuilding of refinery capacity in the province of Ontario and it is being further extended in Nanticoke at the present time; to such an extent that if you asked Texaco privately how they assessed their prospects with the Nanticoke refinery, they will probably tell you that they wish they had not considered it.

This overbuilding of refinery capacity is general around the world—the Arabs did it; the Europeans did it; we did it in North America. As a result, anyone who has studied the economics of refinery petroleum knows that in order to break even we have got to keep the refinery moving at about 85 per cent capacity.

The projections about growth and consumption did not pan out in recent years. So, consequently, last year, the consumption of petroleum in Ontario was revised by one oil company three times during the course of the year. It started out at something around four per cent or a little more in terms of the projected growth. Last June or July, if I remember correctly, it was revised downward in the three per cent area, and it came out at the end of 1977 at two per cent.

So we can see that the petroleum companies made an error. All of the petroleum companies across the world made an error. That error is currently working to the advantage of the consumer—

[4:00]

Mr. Wildman: Only in some areas.

Mr. Reed: In some areas, quite correct. In three areas of northern Ontario—the member for Algoma-Manitoulin pointed out one area—the price of gasoline is lower today than it is in Toronto.

Mr. Wildman: That's right.

Mr. Reed: That's the result of competitive forces. They're involved in a very hot war in order to try to keep their refineries going. I would submit to the member that if we were to introduce a standardized wholesale price across Ontario those localized advantages would of necessity be brought to an end. I hope the members of this House would be prepared to live with that eventuality should they vote in favour of that.

There are a few other factors which should be pointed out too. First of all there are some petroleum companies who do not operate in northern Ontario, so the problem is not relevant to them. The Act states in section 6 that the minister may make regulations exempting any wholesaler, either generally or in respect of a particular sale or a particular class of sale. I would suppose the reason for this inclusion would be to exempt those companies who are not operating in northern Ontario. Let me submit this thought to the member, that if those exemptions were made, the competitive forces of course would once again take over. We would then experience a greater disparity than we have at the present time. This is of particular concern.

It is also of concern to me that the incentive for investment by the petroleum companies in northern Ontario would be diminished by these resulting exemptions. It would stand to reason that if the petroleum company considered that it would elect to do business in its largest-volume area, then one would consider that it might divest its holdings in northern Ontario in order to qualify for such an exemption as is contained in this bill. I hope the member for Algoma-Manitoulin might have something to say about that in rebuttal.

Whether or not we should give this bill our support, I suppose, is a question of being seen to be concerned about the problem in northern Ontario, as opposed to getting down to the nitty-gritty and actually being able to do something about it. While I support, in every respect, any move to allow us to be able to come to grips with this very real problem, I see only in this bill the ability to be seen to do something. I really can't find in this bill the means by which these necessary corrections—and we all agree that they are needed—can be made.

The member quite rightly pointed out some of the cost awards and said that dis-

tribution was not a major factor here. It is a factor and it's an important one.

Mr. Speaker: The hon. member's time has expired.

Mr. Reed: All right, Mr. Speaker, thank you. In conclusion, then, I would say that while this is a free vote, I will not be able to support this bill. But I would, on the other hand, support an alternative for consideration of the reduction in taxation.

Mr. Wildman: I rise in support of the purpose of this bill, which is to reduce the excessively high gasoline prices in the north and in rural areas of the province.

I'd like to point out, in relation to what the member for Halton-Burlington was saying, I appreciate his concern, as a southern Ontario member, for northern Ontario. I'd like to point out that the problem the member for Algoma-Manitoulin (Mr. Lane) is attempting to address in this bill is not just the problem of northern Ontario but a problem of rural Ontario generally.

It's a problem for rural and small communities throughout the province and not just the north. Obviously, as a northern member, along with the member for Algoma-Manitoulin, most of what we might have to say relates to the north. But this is a problem, as the member for Halton-Burlington indicated, in relation to competition especially; I think that's what we have to look at.

I said I was supporting the purpose of the bill; however, I must say that it's certainly my position that this bill would require extensive amendments in order for it to be effective in doing what it purports to do.

Mr. Foulds: It has to be rewritten.

Mr. Wildman: Obviously, something has to be done to equalize the differences in prices between the competitive markets of places like Toronto and other, rural parts of southern Ontario, but it should be pointed out for the benefit of the member for Halton-Burlington that places like Timmins, Sault Ste. Marie and Sudbury have prices which, in some cases, are comparable to the ones in Toronto. It's the small communities outside of those centres that are suffering from the exorbitant gasoline prices that we now face.

Mr. Foulds: And Thunder Bay.

Mr. Wildman: Yes. The price of gasoline in cities like Sault Ste. Marie and Timmins is less than 90 cents a gallon.

Mr. Gaunt: And Wingham.

Mr. Wildman: When the drivers drive out of those cities into the more isolated communities and have to stop for gasoline then

they face paying 10 cents to 20 cents more per gallon.

I can give you a couple of examples in my riding, Mr. Speaker. In the Sault Ste. Marie area the price of regular gasoline is 88.9 cents a gallon. In Blind River, which is close to Elliot Lake, to which the member for Algoma-Manitoulin referred, the same gasoline purchased for 88.9 cents a gallon in the Sault Ste. Marie costs over 95 cents.

If you go north of the Sault, Mr. Speaker, you run into even more serious problems. Up there they don't sell gas by the gallon any more, they sell it by the half gallon. I think that's to try and hoodwink the tourists. They see a sign saying "52 cents" or "56 cents" and they say, "What a bargain." They drive in and find out when they get in there that the price in White River is \$1.10 a gallon. The price in Wawa is \$1.11 a gallon. It's the same in Chapleau. In Horne-payne and Schreiber it's \$1.13 a gallon.

Mr. Foulds: Is that for unleaded gasoline?

Mr. Wildman: No, this is regular gasoline that I'm talking about. Unleaded gasoline is more expensive and as more cars require unleaded gasoline you're paying even more.

An interesting point is that seven miles from Wawa, where you're paying \$1.11 a gallon for regular gas in comparison to about 90 cents a gallon in the Sault, there is a large Imperial Oil tank at Michipicoten Harbour. The gasoline is transported by boat to Michipicoten and then, seven miles into the town of Wawa where you're paying over 20 cents more than you are in the Sault.

Mr. Foulds: Just figure that one out.

Mr. Wildman: Besides hurting the consumers it really hurts the businessmen up there as well.

Mr. Foulds: A very good point.

Mr. Wildman: The problems of competition and developing an industrial base, or even tourism in the north as the member for Algoma-Manitoulin suggested, are compounded by this high price of gasoline. Frankly, northerners are very angry about the whole situation, Mr. Speaker, and feel that they're being exploited by the oil companies.

Mr. Foulds: They sure are; it's shameful.

Mr. Wildman: We know that transportation costs which have been used as an excuse for years for the differential prices are only a fraction of the increase in the price. One can talk of about one to five cents difference in the gallon price for the towns that I am talking about in comparison to Sault Ste. Marie, and yet they are paying about

20 cents more. Frankly, when one talks about White River and Wawa, the wholesale price there—that is what the dealer is paying for his gasoline in most places—costs more wholesale than the consumer pays retail in Sault Ste. Marie. There's no reason for that; it's really an unbelievable situation.

The problems with the bill, though, have to be addressed. There is already a uniform posted wholesale price in the sense of what the member for Halton-Burlington was talking about, the tank-wagon price if one wants to use that. I don't know what the member for Algoma-Manitoulin really means by wholesale price, but if we talk about a tank-wagon price they have a posted price in that sense.

What I am leading to is that that price doesn't in the end determine the retail price, because the oil companies in many cases are forced by independent retail competitors, or because of excess competition in certain areas, to lower the prices by consignment sales in that they rebate, as was pointed out earlier; in essence, they are rebating up to eight cents a gallon to the dealer in a competitive market to try to keep him in business. This doesn't happen in areas where competition isn't strong. They don't offer the rebates, and of course retailers make an additional mark-up in many cases, so the consumer is paying double the margin between the tank-wagon price that the member for Halton-Burlington was referring to and the consumer price.

We in this party have been arguing for years, on the basis of equity, that northern consumers should be protected from being victimized by the oil companies. While this government, before the election, gave us a lower licence fee of \$10, which they eventually learned also had to cover pick-up trucks and vans, it can't be forgotten that this really doesn't compensate for the higher gasoline prices that we pay. Even with the increase in the licence fee in southern Ontario, the difference between the two prices doesn't compensate for what you are paying, considering the distances we drive and the amount of gasoline we use.

Frankly, I congratulate the member for Algoma-Manitoulin for standing up, in spite of the reticence of the members of his government to do anything about the problem, and pointing it out in introducing this bill. But, frankly, I wonder if he's alone over there. If the minister is going to participate in the debate, I am looking forward to what he has to say, especially in relation to the letters I have received over the last two years from him and his predecessor on this very

problem; it shows a complete misunderstanding of the whole problem and a complete lack of desire to do anything about it.

The question is how do we deal with this problem; and we have some suggestions. According to the bill, the problem would be dealt with through wholesale prices, the companies determining the wholesale prices themselves. Also, of course, there is the problem of the need for exemptions and the companies being allowed to vary those prices themselves. There is no regulatory agency responsible, according to the bill as it's proposed, and that's a tremendous hole in the concept as far as I can see.

There's nothing in this bill that would prevent the refiners from undercutting the so-called posted wholesale price by offering support payments to retailers in the same way they do now by the consignment sales process, unless something can be done to equalize those rebates for the areas that are not competitive, in the rural areas and areas of the north. That applies if the member considers this to be a maximum posted price. If he is talking, however, about a minimum posted price, if he is not allowing the company to sell below some posted price—

[4:15]

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. Wildman: If he is not allowing this, I just want to conclude by saying he would be cutting the feet out from under the small independents who in the competitive areas are keeping the prices down. We think the Ontario Energy Board should be given the power to set a competitive price and to require the companies to pay the same kind of rebate to all of the dealers in the areas to which they are delivering gasoline, if this is to be an effective bill. Because of the problem I will support it on second reading, but it obviously needs to be amended at the committee stage.

Hon. Mr. Baetz: I rise to speak on the proposed single price bill with really mixed feelings.

Mr. Wildman: I can imagine.

Mr. Reed: Make an announcement about lowering the tax.

Hon. Mr. Baetz: I respect the intentions of my colleague, the hon. member for Algoma-Manitoulin, in presenting for the consideration of this House a bill he feels would lead to a more rational, a more equitable and a comprehensive pricing system for motor gasoline and home heating oil in Ontario.

Mr. Kerrio: We could use one for uranium too.

Hon. Mr. Baetz: He wants to reduce the differentials among communities throughout Ontario in gasoline and heating oil prices. Many of us in government share the very same concern as does the hon. member. That was one reason why in August, 1975 the government established the Ontario royal commission on petroleum products pricing, also known as the Isbister commission. As you may recall, Mr. Speaker, Commissioner Isbister concluded in his final report—

Mr. Philip: A shoddy Tory rag if there ever was one.

Hon. Mr. Baetz:—that the consumer in this province was, in his language, well served by a competitive petroleum industry.

Mr. Philip: The worst whitewash that ever was tabled in this House.

Hon. Mr. Baetz: Full-scale regulation was therefore not recommended after a very thorough study of the problem. Since receiving that report in July, 1976, the Ministry of Energy has monitored market development closely and has held discussions on a regular basis with executives of the petroleum industry.

Mr. Philip: You could drive to Manitoulin on the methane gas produced from the Isbister report.

Hon. Mr. Baetz: We feel these meetings have been generally fruitful in spite of rapidly escalating world prices, over which I would remind all members we have had no control. The increase of oil and gasoline prices here in Ontario has generally been kept to a minimum through efficient operations and competition.

The need for competition was expressed by the hon. member for Halton-Burlington and was also alluded to by the hon. member for Algoma.

Mr. Philip: You haven't driven to Florida lately, have you?

Hon. Mr. Baetz: There is no doubt that both wholesale and retail prices of gasoline and home heating oil could be made uniform across the province. But this could only be achieved through complete government regulation of petroleum manufacturing, distribution and marketing in this province.

Mr. Philip: Nonsense.

Hon. Mr. Baetz: A partial cure or a Band-Aid approach to higher prices in certain locations, such as proposed in this bill, could be worse than the disease. The consumers in Nova Scotia have had to suffer higher prices—

Mr. Wildman: Only if you live in the competitive areas.

Hon. Mr. Baetz: —as a result of their provincial government's tinkering with regulations. I feel there are a number of weaknesses in this bill, both in its ability to achieve the hon. member's objectives and in the undesirable implications which would arise from its enactment. In the first place, the bill will not provide a uniform price for the Ontario consumers for either motor gasoline or home heating oil. This is because different wholesalers, under the proposed legislation, would still be free to charge different prices.

Mr. Wildman: So tighten it up.

Hon. Mr. Baetz: Furthermore—and the hon. member for Algoma seems to have missed that point because he just wanted to deal with that one section—there is no provision in this legislation for regulation of retail prices.

Mr. Foulds: Amend the whole bill. Why didn't you get some help in drafting it?

Mr. Wildman: Give it to the Ontario Energy Board.

Mr. Deputy Speaker: Order.

Hon. Mr. Baetz: It is important to note the impact of service station dealer margins, which I'm advised can vary from as much as four cents a gallon in some of the larger centres to 18 cents per gallon, depending on market circumstances.

Mr. Foulds: Yes, and gallonage, eh? Do you expect the people in smaller communities to get service or not?

Hon. Mr. Baetz: To achieve the objective would require imposing regulations on the whole commodity, which they would like to see but which is against our policy and which in turn—

Mr. Foulds: Yes, you'd rather gouge the consumer, like you did the Hydro deal.

Hon. Mr. Baetz: —would create a need for an evergrowing bureaucracy, my friend; something we're trying desperately to reduce, not to expand.

Mr. Bolan: If you want to look at bureaucracy, look at Hydro.

Hon. Mr. Baetz: We want to deregulate, not regulate, and all the members opposite can think of is regulate, regulate, regulate.

Mr. Foulds: Why don't you just try protecting the consumer for a change? Are you attacking the member for Algoma-Manitoulin?

Mr. Deputy Speaker: Order.

Hon. Mr. Baetz: Moreover, accountability for petroleum product pricing would become

a direct responsibility of government, which would be a further intrusion into the operation of the market economy. That's what they want, I guess.

Mr. Wildman: That's right. That's what the member for Algoma-Manitoulin wants too.

Mr. Foulds: Where is the Minister of Northern Affairs (Mr. Bernier)?

Hon. Mr. Baetz: Regulations designed to provide more uniform prices would in reality be an estimated \$6.5 million transport subsidy on petroleum products moving to destinations more remote from refineries. That's what it would be. Directly or indirectly this would lead to higher petroleum product prices for the majority of the consumers.

Mr. Wildman: Do you think it's just transportation?

Hon. Mr. Baetz: Regulating the petroleum product prices would undermine the highly competitive petroleum market which does exist in this province at this time.

Mr. Wildman: In some areas.

Hon. Mr. Baetz: Indeed, as the hon. member for Halton-Burlington has indicated, competition is currently so keen it is of concern to us, because in certain parts of the province it has resulted in retail price wars which can pose a real threat to the independent dealer, who we feel should remain in the marketing picture in order that the consumer continues to be well served in the future.

In conclusion, I believe Bill 3 as envisaged would not achieve the ultimate objective which my colleague desires and which is one I share. In fact, I believe firmly that the opposite would be true—

Mr. Wildman: All right then, what are you going to do?

Hon. Mr. Baetz: —that such a measure could have the opposite effect. That is why I feel that the present government's policy should continue and why I cannot support this bill.

Mr. Foulds: You mean the present government's non-policy. You're repudiating the north.

Hon. Mr. Baetz: In reaching this conclusion I would, however, like to say that my colleague, the hon. member for Algoma-Manitoulin, has done us a service by directing our attention to this issue at this time.

Mr. Nixon: You have been saying he is wrong.

Mr. Bolan: Who wrote your speech?

Hon. Mr. Baetz: I would like to assure my colleague and the public that in pursuing our

policy of encouraging competition rather than the state-imposed regulations which the members opposite would like to see on motor gasoline and fuel oil pricing—

Mr. Foulds: Just try protecting the consumer, you clown!

Hon. Mr. Baetz: —we will continue to monitor closely the petroleum industry to make certain that a competitive market system will continue to be in the best interest of the consumer.

Mr. Foulds: When are you going to become a Minister of Energy instead of an apologist for major oil companies? You are a disgrace.

Mr. Deputy Speaker: Order.

Mr. Bolan: First of all, I support the bill in principle, because I think that what the member for Algoma-Manitoulin is trying to do is to bring to the attention of this House and bring to the attention of the people of Ontario the inequities which exist in the structure of the gasoline and fuel prices in this province.

In looking over the bill, it would appear to me that it arises out of two frustrations. The one frustration, of course, is the high price of gasoline in northern Ontario—not only the high price of the gasoline, but also the irregularities which exist within the gasoline industry. You never know from one day to another what the price is going to be. You never know what the price is going to be even if you drive 15 or 20 miles from where the price is known.

Mr. Foulds: Or even from day to day.

Mr. Bolan: Even from day to day.

People like to point to the people of northern Ontario and say, "Why are you people always complaining about the high price of this and the high price of that? Why were you complaining about the high price of licence fees on cars and trucks?" The simple fact of the matter is this: It does in fact cost more to live in northern Ontario than in any other part of this province.

That being the case, I think that the government owes some obligation to the people of northern Ontario to treat them in a more equitable fashion.

I think that the member for Algoma-Manitoulin was expressing his frustration in the sense that the party of which he is a member, which forms this government, is obviously not prepared to do something about these inequities.

Mr. Foulds: Where is the Minister of Northern Affairs?

Mr. Bolan: He is not even here—that is how much he even thinks about the bill.

Hon. Mr. Baetz: What will you do? Let's hear it, what have you got?

Mr. Wildman: You told us what you weren't going to do; you are not going to do anything.

Mr. Bolan: I might also point out—and I say this to the member for Algoma-Manitoulin—he has got guts. The member for Algoma-Manitoulin has guts to stand up on his own two feet and to point out to that party over there that he disagrees very much with the way they are treating people in certain parts of this province.

An hon. member: There is no comparison with what Hydro does to rural customers.

Mr. Bolan: It is absolutely shameful what they do to rural customers.

Hon. Mr. Baetz: Get on with your proposal.

Mr. Bolan: I would have expected that the member for Algoma-Manitoulin would have been able to present his case to his party caucus in such a way that they would have done something about the high price of gasoline in northern Ontario.

Hon. Mr. Baetz: Sault Ste. Marie.

Mr. Wildman: I mentioned that.

Mr. Bolan: Obviously his inspiring remarks have fallen on deaf ears. It certainly is not the intention of that government, and this is clearly demonstrated by the Minister of Energy, who I presume speaks on behalf of the cabinet, and who can't even give it lip service. Probably the Minister of Energy does not even understand what it is like to be up there when you are going from one area to another without even realizing whether you have enough money in your pocket to pay for the next gallon of gasoline.

Mr. O'Neil: Give it to 'em, boy.

Mr. Bolan: As was pointed out by one of the previous speakers they sell gas there by the half gallon. That is how ridiculous the price has gone out of sight.

Hon. Mr. Baetz: Get on with your proposal; let's hear what you have to offer.

Mr. Bolan: When the minister gets up and speaks on behalf of the government, which he has just done, he confirms what I have been saying in this House and what I have been saying on the street. He is confirming that his government, his party, has abdicated its responsibilities and it has abdicated its will and its desire to govern the province.

Hon. Mr. Baetz: Give us your better idea, come on, I am waiting.

Mr. Ruston: Resign, let's go.

Mr. Bolan: Addressing myself to the bill, I say to the member for Algoma-Manitoulin

it would be with much difficulty that he would be able to effectuate this bill. I look at, for example, his definition for uniform gasoline price and I look at the wholesale price. How he arrives at a wholesale price is something, I would suggest, which would have to be determined. We don't know how he arrives at it. In effect, he is leaving it up to the government, through regulation, to determine what that wholesale price will be. So unless he has some kind of regulatory mechanism to set that wholesale price, then I would say to him that he is in difficulty with the bill.

But as I indicated to you earlier, Mr. Speaker, we will support the bill in principle, because I think the member is right in trying to do what should be done for that area.

There is another way, of course, but this can't be done through a private member's bill. That is through the gasoline tax structure. The member for Algoma-Manitoulin may be able to impress upon these other people who sit over there that what the government ought to consider is tax rebates in certain regions of this province. I suggest to the member for Algoma-Manitoulin that that may be a more appropriate way of trying to remedy this inequity.

[4:30]

One clause which really does give me some concern—it is what I call a catch-22 clause—is paragraph 6, where he says that the minister may make regulations exempting any wholesaler. Let's assume that the bill were to pass: Under this, the minister can exempt any wholesaler from the provisions of this bill. With that clause in the bill, and assuming that the bill were to pass, we are giving the Minister of Energy, who has denounced the bill, the opportunity to exempt any wholesaler who applies.

Mr. Foulds: Putting Dracula in charge of the blood bank again.

Mr. McEwen: I would suggest to the hon. member for Algoma-Manitoulin that the bill really loses whatever impact it has by including that particular clause.

As I indicated earlier, on general fundamental principles I will support the bill. Perhaps something can be done with it in committee—if it should go to committee—to beef it up. But, as I also said earlier, I personally want to congratulate the member for Algoma-Manitoulin for bringing some of the inequities which exist to the attention of this House and to the attention of the people of Ontario.

Mr. Deputy Speaker: The hon. member for Etobicoke. And I would like to remind

him that the hon. member for Algoma will resume his remarks at 4:38.

Mr. Philip: I would like to compliment the hon. member for Algoma-Manitoulin on his bill. The hon. member and I served together on a committee that studied regulation at some great length. He certainly has a better grasp of the value of regulation, at least in terms of the trucking industry, than does his minister, who had the audacity to introduce a silly bill like Bill 21, which I guarantee will not pass in this House.

Mr. Gregory: What bill are you debating?

Mr. Nixon: That's out of order.

Mr. Philip: The member for Algoma-Manitoulin has raised a number of questions. The fact is that his government has failed to get the answers to the questions that the member has raised and to many other questions that have been raised in this House. They had a perfect opportunity to obtain that information in the Isbister commission, which heard much testimony that the essence of the problem was the large vertical integration by the large, monopolistic oil companies. Anyone who has read through the reports on matters concerning the gasoline market in British Columbia, tabled in December 1975, or indeed who sat through any of the Isbister commission hearings, could not help but understand that the real problem deals with the whole vertical integration of the oil industry.

A number of members have pointed out that there is a problem of overcapacity, and there is little doubt that is the case in the case of the refineries. There is little doubt in my mind though, that the problem we are facing is a problem of monopoly. While there is competition, as the member for Ottawa West (Mr. Baetz) has pointed out, and certain price wars, they only exist at local levels. When you examine what takes place in those price wars, you invariably find that the consumer is being squeezed because the monopolies are squeezing out the independent dealers and the independent service stations.

Hon. Mr. Baetz: No, they are not; we are watching that.

Mr. Philip: A number of members have suggested it would be difficult to discover what the wholesale price would be. I suggest that the Ontario Energy Board could determine a competitive price level on the basis of the maximum or average rebates offered to dealers in the major regional centres.

I suggest that this government has failed to come up with any energy policy. If they had, they would have realized that at the

centre of that policy would be divorcement legislation that would get the oil companies out of the retailing game.

Mr. Foulds: Damn right. Exactly right. And get Denison out of the uranium game.

Mr. Philip: I suggest that at the centre of that legislation would come the power of the Ontario Energy Board to find out what the oil companies really are doing in this province not to do the kind of whitewash the Isbister commission did. I suggest that if this government were serious, it would work with the Ontario Energy Board and we would have competition; then we wouldn't need to have the kind of well-meaning, piecemeal legislation which the member for Algoma-Manitoulin has just introduced.

Hon. Mr. Baetz: You'd regulate all the competition away—more government interference.

Mr. Deputy Speaker: The member for Algoma-Manitoulin. I believe there are nine minutes left.

Mr. Lane: Thank you, Mr. Speaker. I will respond in the order that the members spoke.

My friend from Halton-Burlington said we should have listened to the Liberals when they wanted to make some adjustment on the tax. Well we need the tax in order to build roads and keep the roads up. We in northern Ontario maybe are more aware of that than some people down here.

Mr. Reed: I suppose you could say you need some licensing fees.

Mr. Deputy Speaker: Order.

Mr. Lane: The only thing I could say to the hon. member regarding the tax is that the federal government is taking 14.9 cents a gallon and I don't see them putting any money into highways in Ontario, not even the Trans-Canada Highway, even though they do it in other provinces. We here in Ontario must support our entire network of highways and municipal roads through the gas tax that we now collect.

Mr. Reed: Tell your Treasurer (Mr. McKeough) to get busy.

Mr. Lane: So I really can't agree that we should cut the tax.

Mr. Reed: Put them to work and make our case in Ottawa.

Mr. Lane: Of course, the other thing, as the member for Algoma has pointed out, is this isn't a north-south problem.

Mr. G. Taylor: They won't listen in Ottawa.

Hon. B. Stephenson: We keep trying.

Mr. Lane: This is a sparsely populated area problem against a heavily populated area problem—

Hon. B. Stephenson: Like the UIC program. We've been trying that for a year.

Mr. O'Neil: Behave yourself, Bette.

Hon. B. Stephenson: You don't get anywhere.

Mr. Lane:—so you just can't have tax apply here and tax not applying someplace else or a differential in the tax. I don't really think we can do it that way.

Again, I would say to the member for Halton-Burlington that I'm not as concerned about the big oil companies as he seems to be.

Mr. Foulds: You are losing credibility, John.

Mr. Lane: I'm more concerned about the farmers and the tourist operators and the small business people in the sparsely populated parts of this province.

Mr. Reed: I'm concerned about investment in northern Ontario.

Mr. Foulds: They have to buy gas.

Mr. Lane: Maybe that member has more shares in the gas company than I have, I don't know.

Mr. Reed: Not yet.

An hon. member: He's putting his commercial money into that.

Mr. Foulds: Do you have any? Do you have shares in a gas company, John?

Mr. Lane: To my colleague from Algoma, I would like to say that I'm sure he understands the bill probably better than some people in this House, because he and I share some of the same kinds of problems in our adjoining ridings.

Mr. Kerrio: I think we pay more money for gas in Niagara Falls.

Mr. Lane: I can appreciate that the bill, if it is carried today, will need to have some amendments—

Mr. Foulds: Force a vote on it, John.

Mr. Lane:—and will need to go into committee. I'll see that it goes into standing committee on resources development where we can all look at it and hopefully the we can all look at it and hopefully the members opposite can help me improve the bill.

Mr. Foulds: The Minister of Northern Affairs will help you.

Mr. Kerrio: It's about time the Minister of Northern Affairs arrived.

Mr. Reed: Where were you? We were talking about your bill.

Mr. Lane: I would like to thank the Minister of Energy for his remarks and offering to monitor this problem if this bill should fail to get through the House today. If that should be the case, I shall be watching and waiting—

Mr. Foulds: The bill will get through if the cabinet doesn't block it, John.

Mr. Lane: —and asking the minister for results from the monitoring he is doing with the oil companies, because this differential in price just has to be corrected.

Mr. Wildman: He still thinks it's only transportation. He doesn't understand.

Mr. Philip: Where are the independent service station operators now that they're bankrupt?

Mr. Lane: It has to be corrected.

I would thank the member for Nipissing (Mr. Bolan) for his remarks. I know he is a legal person, and he can understand that I, not being a legal person, probably would not have the correct wording in the bill.

Mr. Kerrio: Don't apologize for that, with their record.

Mr. Lane: Again, as I said to the member for Algoma, if we get into committee with the bill—

Mr. Ruston: Right.

Mr. Lane: —hopefully the members can help me make it a better bill so that it will do a better job.

Mr. Foulds: Not if, when. Why are you so pessimistic?

Mr. Lane: The member for Etobicoke (Mr. Philip) pointed out that he and I sat together on a committee. We didn't always agree but we had a fair bit of respect for each other and we both learned a great deal, I think, about transportation and transportation costs.

Mr. Philip: About the value of regulations.

Mr. Lane: I appreciate very much his remarks and thank him for his moral support in any case.

Mr. Foulds: Legislative support.

Mr. Deputy Speaker: That completes the time allotted for Bill 3. It will be dealt with further at 5:45.

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. O'Neil moved second reading of Bill 2, An Act to amend the Employment Standards Act.

Mr. O'Neil: Mr. Speaker, in the explanatory note, if I might read from the bill: "The purpose of this bill is to increase the time for notice to an employee whose employment

is to be terminated where the employer plans to terminate the employment of 50 or more employees within a short period of time. The bill also requires the employer, when requested, to confer with the minister and any trade union that represents the employees to discuss alternative methods of reducing the number of terminations."

Mr. Speaker, before I start on the explanation of this, I would like to reserve approximately 10 minutes at the end for the final discussion.

The minister might note that the amendment relates only to mass terminations, that is the termination of 50 or more employees during any period of 12 weeks or less, as has occurred all too frequently in Ontario recently, as exemplified by the layoffs at Inco and Falconbridge. There are two main components to the bill: Increasing the period of notice which an employer must give; and secondly, requiring the employer to give notice to the Ministry of Labour in the event of a mass layoff.

The purpose of increasing the period of notice is fairly obvious, namely, to enable discharged employees to make suitable arrangements with respect to other employment, housing, schooling et cetera. A long lead time may be required in the case of a mass termination because a large number of employees, perhaps with similar skills, will be laid off in essentially the same job market. The problem is particularly acute when the layoff occurs in a locality where there is only one major employer or type of employer, such as in Sudbury or Port Colborne.

I have been able to do a little research into notice provisions in other jurisdictions. It appears that the period of notice of termination required in France is one year and in Sweden six months. I am sure that the minister, with the resources available in her ministry, could undertake more comprehensive research in this regard and provide it for us, if this does go to committee.

I have also obtained a copy of Swedish legislation dealing with individual as compared to mass terminations. In the Swedish legislation, it appears that where an employee has been working for the same employer for at least two years, the length of notice which must be given by the employer varies with the age of the employee. For example, he must give two months notice to an employee aged 45 but at least six months notice to an employee of 55. I find this a novel proposition and commend it to the minister for further study.

I have also heard the minister speak on many occasions of the need for increased

employer-employee business co-operation. I note that the Employment Standards Act currently requires the employer to co-operate with the minister during the period of notice to employees. I feel this requirement should be strengthened so that the employer is required in all cases to communicate with the minister at the beginning of what I propose to be an extended notice. I feel this might have had a beneficial effect for example, with respect to the recent Inco and Falconbridge layoffs. There seemed to be some concern on the part of the Inco officials that discussion with the minister prior to the period of notice would somehow have been a contravention of securities legislation.

When questioned on this matter in the estimates, I understand the Minister of Consumer and Commercial Relations (Mr. Grossman) disagreed with the view taken by Inco officials, while some of the officials are reported to have agreed with the stand taken by them. I think this entire matter should be clarified with the rights of workers given some consideration.

I have also found that the members of the European Common Market have passed a directive related to collective redundancies, or what we would call mass terminations. I note that the directive stipulates three main requirements as follows: Employers should consult workers representatives in advance about proposed layoffs; employers should notify the relevant government ministry of such layoffs; the relevant government ministries should be able to postpone the layoffs in such situations.

I would commend a study of this document to the minister. We have had some discussion with employer groups with respect to this proposal. They have some concern, particularly with respect to market fluctuation. However, industry in this province has learned to live with a 16-week notice, and it is not clear to me that they could not also adjust to the longer period of notice.

As I have mentioned, this bill would apply only to mass layoffs. Our members have also been informed of certain problems and inequities with respect to the operation of the bill concerning temporary layoffs. For example, one of our members received a letter whereby a long-term employee was to be temporarily laid off with only several hours notice. While this may technically be in accordance with the current employment standards provision, in my view, the provisions with respect to individual layoffs may also require further examination.

In any event, I urge that this bill be given second reading and sent to committee so that it can be examined in detail.

Mr. Renwick: I arise to join in the debate with a considerable degree of interest and concern about the bill. We will, of course, support the bill and trust that the government will have the good sense to send it to a committee so that we can give some consideration and depth of attention to the intention of the bill.

[4:45]

It's an interesting coincidence that it's exactly eight years ago this week that the employees of the Dunlop Tire Company plant in my riding were given notice that the plant was to be shut down. There had been no prior communication, apart from one sort of afternoon tea party exchange between the Minister of Labour and the president of Dunlop. Notice was given to the employees on a Friday afternoon, on March 6, 1970; the plant was closed and vacated by May 1, and at the end of May the minister introduced the first provision dealing with this whole question to amend the Employment Standards Act, and it was passed by the House after a long debate at the end of June, 1970.

I think it may be well worthwhile to recall the traumatic effect which that closing had on the persons directly affected, the riding of Riverdale, Local 132 of the United Rubberworkers and all of the people who were involved in that occasion. There was nothing that was left undone by anybody in the union, amongst the employees and in the neighbourhood to try to persuade the government to protect the men and women in that plant. So 600 or 700 men and women lost their jobs in a very short period of time, the great bulk of them men and women of very long service. When I say very long service, I spelled it out when I spoke in the assembly, both in the Throne Speech debate in 1970, in March—

Mr. Nixon: I remember it well.

Mr. Renwick: —and when I spoke again on the second reading, as did the member for Brant-Norfolk or wherever it is—

Mr. Nixon: Those places.

Mr. Renwick: —because we were all very much concerned that the government did not seem to understand that there is now an obligation on corporations not to take unilateral decisions without lengthy and adequate prior consultation. The government had commissioned the Rand commission to study the whole question of labour relations and the mutual responsibilities of employers and employees to themselves and the public interest

which is involved in it, and it specifically stated that in this day and age it was not proper for that kind of decision to be made.

I can recall the specific statement made by Mr. Justice Rand, and I quote from his report: "Industry and business today are carried on for the benefit of all three interests—employer, employee, and public—a conception which does not admit the right of an employer, regardless of the circumstances, to send a senior employee into the wilderness as a result or a means of gaining an operating benefit." I just want to say that was in 1970, in June, and there was in my opinion a direct causal connection between the Dunlop closing and the introduction of the first provisions related to this notice, which are now before the House for amendment proposed by my friend.

It does seem to me that there is still something seriously wrong when we have to talk about the kind of notice which even my friend has incorporated in his bill, when we consider men and women of very long service being given that very short termination notice. It is instructive to note in a very class sense that the only person really protected at common law with respect to the termination of their employment are persons who have a professional capacity, such as engineers, or lawyers, or accountants, or persons who have a particular skill. In case after case where they have a contract of service for a definite or indefinite period, they're given notice, they go to the court and they're protected up to a year, a year and a half, two years.

We had many such cases fought in this province at the time of the shutdown of the aircraft plant at Malton under that disastrous decision of Prime Minister Diefenbaker, and each time we get the impression that the only person who gets adequate protection—adequate protection—is somebody who has a special skill or a special trade.

In those circumstances, the whole question of availability of other employment, loss of remuneration and the length of time to be given is considered by the court. Principles were established and notice was given, but we are still using, for ordinary men and women in the work force, a uniform method, not graded at all with respect to the length of time of the service which people have given to a particular plant. So in the case of Dunlop, it didn't matter whether you were hired two months before, or were an employee of two years' standing, or whether you were an employee of 30 years' standing; you got the identical notice, you got the identical remuneration. That was at a time when only the company made the decision

about the length of time that the notice was to be given.

I went back to Hansard to check, and at the time the bill was introduced into the House we moved a reasoned amendment which tried to give effect to two principles. One was that there was an obligation not to treat everybody the same way, but to take into account the length of time that each of the persons affected by a shutdown were in the service of the company. It required the employer to pay on that basis.

In the reasoned amendment, we also tried to give to the minister, and to the ministry, the authority to look into the whole question of curtailment of operations; the whole question of shrinkage of labour force of any plant; and to decide whether or not, as a business matter and as a matter of obligation to the society in which that plant had been operating, it was a fair and reasonable adjustment which was being made by the employer with respect to his employees.

We were then, as now, quite unable to change the mind of the government. But I do hope that at some point we will be able to give to the minister the power and authority which will require companies to give adequate advance notice of intended layoffs, both to the minister and to the working men and women in the plant, adequate opportunity for discussion about the way in which the termination of employment is going to be carried out; and adequate consideration for the varying lengths of time and duration of service of the many employees.

I don't know why it is that, even at this late date, we still have to treat everybody who happens to be a working person in a plant as if he is identical with everyone else, regardless of any variation in the length of time which he has served the company. I would hope very much that the Minister of Labour (B. Stephenson) will persuade her colleagues that this is a bill, when it passes today as I believe it will, will get to a committee, will be considered in committee, and will at some point allow discussion in committee, with representations being made, so that we can have at least this step forward in the provisions relating to the termination of employment in the case of mass shutdowns. Thank you, Mr. Speaker.

Hon. B. Stephenson: Mr. Speaker, the intent of Bill 2, An Act to amend the Employment Standards Act, is very laudable—to soften the financial, the social, the psychological impact of a mass termination.

The concern for terminated workers, I think, is expressed very clearly by the hon.

member for Quinte (Mr. O'Neil) in the pre-amble to his bill, and it's a concern which I share very deeply.

I believe it was this same concern which led to the introduction of section 3 of regulation 251 in 1970, as the hon. member for Riverdale has noted. Perhaps I should take just a moment to outline the purpose of section 3 of regulation 251.

It's designed to give advance notice of mass termination so that the employees can make the necessary adjustments in order to continue their careers without major interruption in earnings.

Secondly, it is designed to provide government with enough lead time to explore all possible means to assist either the company in resolving the problem or the workers in finding solutions to their termination difficulties and to minimize the potential disruptive effects. Like the hon. member, the members of my staff have, during the past year, questioned whether section 3 of regulation 251 fulfils these two objectives appropriately. They undertook an intensive review of mass terminations during the year 1975. This is also part of a total review of the Employment Standards Act which is at the present time being carried out by my staff.

They found—and I can report this to you—that terminated employees fell within two groups. The first group was the group that began to seek alternative employment immediately after the termination was announced. The second group was the group which does not do that, expecting that the termination will be rescinded at the eleventh hour, I suppose. This pattern was obvious, regardless of the length of time of advance notice.

Those with an optimism that I suppose could be construed as somewhat unrealistic, waited until they were actually terminated to start looking for another job, whether they had been given eight weeks' or 12 weeks' or 16 weeks' notice.

Our research has shown as well that the first six weeks after a notification of termination is the most crucial period of time. Most of the people who find alternative work in this kind of situation do so within the first six weeks of the notice of termination. I really have no evidence which would support the concept that lengthening the period of notice required would be productive in assisting the terminated workers, or the potentially terminated workers, in finding alternative employment, which is certainly one of the goals of this bill.

On the second point, regarding government action, the staff has also carried out a

fair amount of research which shows that all possible government action can and is explored and implemented within the length of time required under section 3 of regulation 251. I believe that more time would not appreciably affect government's ability to either change or prevent the termination or to soften its effect upon the workers. I have grave concern on that point and feel that a lengthening of the period of time might not be beneficial at all.

Some may feel that the bill would, in effect, provide one benefit—another eight or 12 or 16 weeks of work. That isn't necessarily so, because if you take, for example, the case of an employer who must terminate 60 employees on June 30, under the present section the employer is required to notify those employees of the termination by no later than May 5. The proposed bill would not mean that the plant would remain open an additional eight weeks until August 25; indeed, what this bill would ensure was that the employer would simply notify the workers eight weeks earlier, on March 10, and regardless of the length of notice, the plant would still close on June 30.

An extension of the notice period through government action would not appreciably benefit the employee directly or indirectly; and I am afraid that it could have a negative effect because with mass termination—since most employees find other jobs before the date of termination and leave to take up their new jobs—there can be rather damaging effects during a very prolonged period of notice, and we have had some evidence of that within the past several weeks.

This situation often makes it very difficult for the employer to maintain the plant in operation and thereby continue to employ those individuals who have not found alternative employment. Obviously, the employer in that situation can't replace the employee, because no one's going to take a job knowing that the plant is going to close; therefore, the operation may have to be suspended earlier, the workers who are remaining there are put out of work earlier; and in fact it could provide an additional fairly hefty cost to the employer in that situation in terms of money in lieu of notice.

I doubt very much that extending the notice period could improve that problem. I think it would probably exacerbate it, except for one provision which is not included within Bill 2, and that is the provision that would freeze the employment of those employees for the period of notice, ensuring by law that all of those employees would be required to remain in their jobs until the period of notice

had been concluded. That, I think, is a requirement which most employees would loathe to become a part of.

[5:00]

I cannot concur with the hon. member's suggestion that the four-week period in section 42 of the Employment Standards Act should be extended to 12 weeks. As members will understand, it is far more difficult for a terminated employee to find alternative work if there are hundreds of others seeking jobs at exactly the same time, particularly in small communities.

Take, for example, a situation in which 100 workers are to be terminated. If all 100 employees were to be terminated on the same day, the effect on the individual and on the community I think would be much more serious. If, however, the termination of 100 employees is spread over six months, for example, the effect while still serious is very much less so in the community context.

Section 42 of the Act was designed to encourage employers to space out terminations where it was necessary to have them, while protecting the worker's right to reasonable advance notice. And increasing that four-week period to 12 weeks would not reduce the number of persons terminated; it would merely mean that they would all be terminated on the same date.

The intent of the hon. member's recommendation, as I said, is laudable. But I have a suspicion that it might worsen the effect, rather than improve the situation. Under the Employment Standards Act as it is presently written, the mass termination requirements are prescribed in regulation 251. The purpose of stating the requirements in this manner is to allow some flexibility to make changes to the regulation when experience shows that those changes are necessary. That is something that can be done.

The intent of the hon. member's amendment is to move these portions into legislation, thus inhibiting the kind of flexibility that is now available—of the type suggested, for example, by the hon. member for Riverdale—for amending the regulation. In this instance, I believe that a legislative strait-jacket would not be in the best interests of either the employees or the employers.

I share the member's sincere concern about mass termination. As a result of that concern, the ministry has been not only attempting to prevent such terminations when they do occur but to limit the damage. In addition, we have been reviewing actively all the provisions of the Employment Standards Act related to this specific area. However, I cannot support Bill 2 at

this time because I do not believe that it will do much to alleviate the financial, social or psychological effects of a termination. In fact, in certain instances it may indeed intensify them.

The ministry recognizes that changes are needed in the termination legislation and to this end our study is being carried out. We will continue that study. It should be completed within the very near future—I would say within the next two months—and hopefully at the end of that time the suggestions which have been made during the debate upon this very laudable bill suggested by the hon. member for Quinte—a bill which has some major imperfections—I think will be of great help to the ministry review staff in reviewing the termination provisions of our Act so that indeed we can make the required improvements.

Mr. Bolan: I would like to start off by saying that I support this bill introduced by my colleague from Quinte for various reasons which I will express. I do not expect to take my full allotted time because my comments are brief, but I would hope that they will be to the point.

Mr. Mancini: Brief but very good.

Mr. Bolan: On going over this bill, I think what really brought this to the minds of the people of this province is what transpired last October in Sudbury. We reacted in such a way to this mass layoff that one of the members of this House has seen fit to bring this bill forward. All I am saying at this time—I'm really addressing myself to all the members of this House—is that I think something can be done with this bill. I think something can be done to improve the lot of the employee who is faced with mass unemployment. This is why I am urging the members of this House to approve second reading of this bill, so that we can bring it to committee and, hopefully, do something with it.

It could very well be that at the committee level it could be debated more extensively. I think that an important piece of legislation like this should not just be given one hour and 10 minutes or whatever the case may be. I think that if the matter were brought to committee, ministry officials as well as members of the opposition—members of all parties—would have a better opportunity to explore the whole bill.

What's so magic about 16 weeks in the existing piece of legislation? Are we playing with numbers or what? My information as to how this 16 weeks came about—and I tried to get some historical background on it—is that

it is the result of a strike which took place a few years ago when it was generally felt, following the strike, that 16 weeks was an appropriate period of time. As I say, what is so magic about 16 weeks? If 16 weeks will do it, why won't 32 weeks do it? Again, why should we be playing with numbers when we're dealing with the livelihoods of so many people.

On going through the bill I've also looked at other pieces of legislation in the western world. These people aren't crazy. These people have some good ideas. These people run sound economies in some of these countries outside of North America. I think we have to take a long, hard look at the type of legislation which they have which affects the worker. I suppose there is nothing more frustrating than to walk off the work line at 4 o'clock one evening and to be given a notice that says: "This is it, buddy. You're gone. You're not going to be around. You're no going to be wanted here very much longer."

I think this sense of frustration was expressed by the workers who were laid off in Sudbury. I really feel that had there been a longer period of time perhaps something more could have been done. I know that through attrition perhaps not as many people would have been laid off. I suppose one of the complaints of the employer is that he can't tell from one month to six months down the line, for example, how many cars Ford will have to produce. This is the argument which I get from people in industry. Because of the market conditions, they can't determine three months or six months down the line what the market requirements or what the demands will be for that particular product.

Surely there's more to it than just that. Surely these people have market researchers. Surely they study the market conditions. Perhaps they might have to sharpen their pencils. One realizes that when the pinch is on people come up with answers. As I say, perhaps the pencils will have to be sharpened to find alternative ways of dealing with the problems.

The other section of the bill which I would like to address myself to is the requirement that the ministry be notified of massive layoffs and that the notification be done in such a way that the minister and her people can sit down to see if anything can be worked out. I think that's a good idea.

Hon. B. Stephenson: That's what we do now.

Mr. Bolan: I don't think the minister did it in this case.

Hon. B. Stephenson: In Inco?

Mr. Bolan: I really don't think the government did. It knew back in February that this was going to happen when the report—

Mr. Martel: That's right.

Mr. Bolan: —was filed from the Ministry of Natural Resources.

Mr. Martel: The Minister of Natural Resources (Mr. F. S. Miller) sent it to a cabinet committee.

Mr. Bolan: I think it was February 22, 1977, that report was filed. It was filed with the Ontario cabinet and it predicted at that time what was going to happen to the nickel industry.

Mr. Martel: The cabinet rejected it.

Mr. Bolan: In fact, if the Inco officials would have read that report they probably would have seen what was coming.

Mr. Martel: Or if the government had read it.

Mr. Bolan: These were ministry officials of the Ministry of Natural Resources who had done an exhaustive study of the nickel industry in the province of Ontario. These were their findings and these were their reports. Unfortunately, for whatever reason, the ministry did not heed these storm signals that were out, as a result of which we had this massive layoff. All I'm saying is that the more time one has to work on these things, the better it is. I feel that if something had been done in February 1977 with that report this catastrophe might have been avoided.

Again, I don't think it is something which can be decided in the space of an hour and 10 minutes. This is why I am urging the members of this House to bring this bill to committee. Let's have a long, hard look at it. Put your people to work on it. The minister has competent staff. Let's see if something can be done to improve the situation of the worker who is affected by massive layoffs.

Mr. Mackenzie: Mr. Speaker, I am going to be very brief. I don't really think there is that much time needed on it. I want to say at the outset, as my colleague did, that we will support the bill. I think it has a lot of merit. I think the minister is away off base in arguing that it may have exactly the reverse effect.

I remind the minister that necessity is quite often the mother of invention, and certainly a longer period of time could help this government undertake something they should have been doing a long time ago, and that is a planned, long-term employment

policy, or industrial policy, in the province. We obviously don't have one at the present time, and that is part of the reason we are in some trouble.

I would go a little further than the member has—quite a bit further as a matter of fact—but don't want at this particular time to fudge the issue. However, I would ask him what the difference is between an employee who has served five, 10, 15 or 20 years with a company that has 25 or 50 or 100 or 500 employees. I really wonder if we are not in some ways creating first, second and third-class citizens, with the little additional notice one would get, depending whether one worked for a bigger or smaller plant.

Hon. B. Stephenson: You are contradicting your colleague from Riverdale.

Mr. Mackenzie: No, I don't think so necessarily. If I am, fine, I'm in disagreement; because that happens in this caucus and we are not as straitjacketed as I find the members across the way are when it comes to employment policies in Ontario.

Mr. Bounsall: Or votes on members' bills.

Mr. Warner: Inflexible, dogmatic Tories.

Mr. Mackenzie: It seems to me that there should be a longer period of notice—considerably longer—and it should apply to employees of a plant of any size, but certainly not less than the 50 employees plant size, and I would go lower than that.

The minister fears that it might result in an earlier closure; however, the companies are going to look at it very carefully because they are responsible for the salaries and benefits of the employees for the period of time once they have given the notice. In terms of corporate planning, most of them should have, if they are as good as we hear from the members across the way, the ability to know what they have to do, when they are in trouble, what kind of planning is necessary, and what costs they are going to have to allow for in terms of the employees.

I say that simply because everything we seem to do seems to be an incentive for business. We have seen, in my honest opinion, darn little in this House that deals with the employees and the problems they have when they are faced with layoffs. There certainly wasn't very much advance work done in the situation in Sudbury.

I think also there could be some real merit in—and I mentioned this before in committee and in the estimates—taking a look at the Swedish system, taxing some of these companies in good times and putting away a little bit for the bad times. Maybe if there

were something they could draw on in terms of their own earnings, they might find their way out of a situation rather than close down a plant.

But certainly I wish the member had not broken it up into three sections and created the differential between the employees, depending on the size of the plant. As I said, I don't think it makes any difference how you do it.

Mr. O'Neil: You weren't here when I made my comments. I covered a bit of that.

Mr. Mackenzie: In any event, I just don't think the minister's comments hold water. I think if this kind of notice has to be given it puts an added obligation on the government, which is responsible for any welfare program costs. It gives the employees notice further in advance that they have to start looking for other employment. I think if the company were locked into the cost for that period of time they would do their best to see that that full period of time was used before the employees were let go.

Hon. B. Stephenson: But if they lose their key employees what happens?

Mr. Mackenzie: I think there is real merit in the bill, and I would hope all members of our party would support this bill.

Mr. Acting Speaker: The member for London South.

Mr. Martel: There is a great fellow to be speaking on this issue, I want to tell you.

Mr. Reid: You want to amend it now.

Mr. Walker: I rise, Mr. Speaker, to support the workers of this province—

Mr. Bradley: Mr. Sunset.

Mr. Walker: —and indicate that I oppose this bill because I think it is contrary—

Mr. Reid: That is having it both ways at once.

Mr. Bounsall: This is a Liberal-type speech.

[5:15]

Mr. Walker: —not only to the long-term but the short-term interests of industry, of economy and ultimately of jobs in this province.

The bill, as we know, basically will double the prescribed time from eight to 16 weeks in the case of 50 to 200 employees, from 12 to 24 weeks in the case of 200 to 500 employees and to as much as 32 weeks from the present 16 weeks in the case of more than 500 employees.

Mr. Warner: It's called protecting the workers.

Mr. Walker: I am opposed to this bill for a number of reasons, but there are two that I would like to touch on specifically. I would ask the question: What would happen if these employees were frozen into their jobs? If they were frozen into their jobs, they would not have the latitude they would need to get out and seek alternative employment when the appropriate time came. On the other hand, if they were not frozen into their jobs, what would happen if some of the skilled workers were lost in the line perhaps one month into the mission of some seven and a half months?

Mr. Mackenzie: Have you seen the lineup of unemployed?

Mr. Walker: Thirty-two weeks, of course, is almost three-quarters of a year. If a line were being shut down at some point in time 32 weeks on, or seven and a half months on, and if workers in some significant and integral part of that line were to leave their jobs—say the electricians or some form of mechanic were to leave their jobs—what would happen would be that the entire line itself would be shut down. How else could it happen?

No skilled employee would ever take on the balance of the job, to continue for that period from, say, the end of the first month to the end of seven and a half months, when the job would be finished; and the firm itself would be not inclined to hire. What would happen is they would end up paying full salary and having to shut down the whole line at that particular point in time, which would be well premature to the ultimate date of separation.

I take it in this bill there is no reference to the freezing of employees' jobs; so we have to assume there is no freezing of employees' jobs.

Mr. Mackenzie: Why not? They're still the ones who are facing the layoffs.

Mr. Walker: If that is the case, I could see the jobs being destroyed as soon as the line is shut down.

The next thing relates to the unnecessary burden that this would bring upon the employer.

Mr. Warner: You are getting silly.

Mr. Walker: There is a responsibility that we have to the workers. But there is a responsibility that we have to the shareholders of a company as well; they have to be acknowledged as being an integral part of our whole economy.

Mr. Mackenzie: That's all you ever looked at.

Mr. Martel: For a change, we thought about the workers.

Mr. Walker: What this bill is attempting to do is to destroy and emasculate the entire operation of our economy.

Mr. Warner: Take your jelly beans and go home.

Mr. Mancini: You are a heartless Tory.

Mr. Walker: In the case of Inco—and I served on the Inco committee—

Mr. Warner: No, put it the other way: You served for Inco.

Mr. Walker:—just look at that situation: There are 1,850 employees there who, I suppose, are averaging about \$15,000 per year in terms of income. If they were to be given 32 weeks' notice—seven and a half months' notice—that would be about \$9,600 per employee. For the 1,850 employees, it would have cost Inco well over \$16 million just to carry the line when they had made the decision to cut out the line.

Mr. Martel: What did it cost society to see the layoffs?

Mr. Hodgson: You're the guys who destroyed Inco.

Mr. Martel: What did it cost society? The cost will be \$60 million in unemployment insurance for the year.

Mr. Walker: That additional \$16 million would have been imposed on that company instead of the \$8 million.

Interjections.

Mr. Walker: The NDP are trying to squeeze the last drop from the lemon. That's what they are trying to do.

Mr. Mackenzie: Do you want to pass that on to the taxpayers?

Mr. Acting Speaker: Order.

Mr. Bounsell: You wonder why your revenues are down in the province.

Mr. Bradley: They should have let the cat out of the bag earlier.

Mr. Hodgson: Elie, you were the guy who destroyed Sudbury. Take credit for it.

Mr. Walker: This kind of thinking being displayed by the opposition—by the member for Quinte—

Mr. Martel: You'd sooner pay \$60 million in unemployment insurance.

Mr. Walker:—would destroy any marginal firm. If this had been applied to a firm like Falconbridge, the company would likely have gone under. That's the kind of thing that would have destroyed that company. And wouldn't the NDP have been happy then?

Mr. Martel: Come on. They had to give 16 weeks' notice.

Mr. Laughren: You don't know what you're talking about. You are being silly.

Mr. Mackenzie: As long as they had you in the House, they didn't have to worry.

Mr. Laughren: You are being silly.

Mr. Walker: Then the NDP would have been happy. They would be gleefully happy when that company fell completely. Then they would be delighted, I can tell.

Mr. Laughren: What a silly speech.

Mr. Walker: This is more than a firm can bear, to go on to the 32 weeks; it's absolutely ludicrous to continue on for that time.

Mr. Sargent: He is out of order, Mr. Speaker. He is out of order.

Mr. Walker: There would have been all kinds of firms that would have declared bankruptcy. I know the member for Owen Sound is going to support the position I am advancing right now, since he is a person who has worked in this area—

Mr. Sargent: The money was spent offshore, Gordie—hundreds of millions of dollars.

Mr. Walker: If the employees had some 32 weeks' notice, almost three-quarters of a year, before the period of actual severance—

An hon. member: Oh, terrible!

Mr. Walker: —what then would be the value of unemployment insurance?

Mr. Mackenzie: Finally looking after workers.

Mr. Walker: That's exactly why we have unemployment insurance: to cover off the problem of the individual who in that period of time cannot find another job.

Mr. Bounsall: Let the taxpayers pay.

Mr. Mackenzie: They know they will get a tax credit from you people, so what the heck.

Mr. Walker: There would be another 50 weeks of unemployment insurance available on top of the 32 weeks.

Mr. Warner: The member for London South should start collecting immediately.

Mr. Mancini: He knows what it is like to be without a job, doesn't he?

Mr. Walker: I think that is reasonable. We have to ask, and understand, what do we expect the firm to really bear? What do they really have to bear in terms of their responsibility to society?

Mr. Bounsall: You are embarrassing the minister.

Mr. Warner: You should resign: You should do that right away.

Mr. Walker: I think that in the case of 16 weeks, these firms are respecting their responsibility to society and balance that off with their responsibilities to the shareholders.

Mr. Bounsall: You're embarrassing the minister.

Mr. Walker: It's absolutely impossible for companies automatically overnight to come to the conclusion that there should be a layoff.

Mr. Warner: Is this one of your personal concerns?

Mr. Walker: It takes a while to arrive at the conclusion that 500 or 600 or 700 employees should be laid off—

Mr. Mackenzie: One look at the balance sheet.

Mr. Walker: —so there is a significant period of lead time that would add perhaps two or three months.

In the case of Inco, it was obvious there should have been layoffs occurring in July, perhaps even sooner—

Mr. Germa: You're provoking me.

Mr. Martel: You heard the good news but your cabinet forgot to act on it. You might mention that.

Mr. Walker: —but that did not happen. They carried people something like one full year beyond what was necessary and I think there's a responsibility these companies have to have—

Mr. Bradley: They are all heart.

Mr. Walker: —particular when they're marginal industries. I'm not saying that Inco is a marginal industry, but there are a good many marginal industries which have had large layoffs.

Mr. Martel: What did your government do when they were warned, Gordon?

Mr. Walker: It would completely destroy companies like that to insist on some 32 weeks. In fact, it would end up triggering bankruptcies in a good number of cases where those companies would not otherwise have gone bankrupt.

That is the essence of the points I would like to make. We have to take a responsibility, not just to the employees. We have to balance that off with a responsibility to people who are owners of the company, such as the owners of Inco where this has been most prominent in the last few days.

Why, I think the members would even agree, some of us more quickly than others—

Mr. Bounsall: Some of us not at all.

Mr. Walker:—that MPPs after four years don't even get 32 week's notice of cancellation of their contract.

Mr. Bradley: We'll give you notice right now.

Mr. Mancini: Mr. Speaker, I rise to support Bill 93—

Mr. Bradley: Now here is a working man.

Mr. Mancini:—An Act to amend the Employment Standards Act, 1974. This bill has been introduced by my colleague and Liberal Labour critic, the member for Quinte. Once again, we see—

Mr. Warner: The man who's against the 40-hour work week.

Mr. Hodgson: That's the member for Rainy River (Mr. Reid) you're talking about, Liberal-Labour.

Mr. Mancini:—we see the Liberal Labour critic bringing forth legislation for the benefit of working people of the province of Ontario. And I hear some heckling from my left, Mr. Speaker.

Hon. B. Stephenson: But Remo, it is Bill 2, not Bill 93.

Mr. Mancini: I hear the third party howling and crying, for once again the NDP have been sleeping on the job.

Mr. McClellan: How would you know? You are never awake.

Mr. Mancini: I realize that when a party is demoralized and confused and slips into third place the way they did, I know that now and then they can sleep on the job.

Mr. Mackenzie: Mr. Speaker, on a point of order.

Mr. Mancini: It now is up to the Liberal Labour critic—

Mr. Acting Speaker: Request for a point of order.

Mr. Warner: He is out of order.

Mr. Mackenzie: Mr. Speaker, a point of order, simply because the word "confused" has been used. The member said he was speaking on Bill 93. I've been speaking on Bill 2. Could you tell me who is right and who is wrong?

Mr. Acting Speaker: We're discussing Bill 2. The member for Essex South may continue.

Mr. Martel: Who is confused?

Interjections.

Mr. Acting Speaker: Order. Order.

Mr. Mancini: I wish to thank my good friend, the member for Hamilton East—

Mr. O'Neil: Point of order.

Mr. Acting Speaker: There's another point of order by the member for Quinte.

Mr. Mancini: Another one?

Mr. O'Neil: Mr. Speaker, this was more or less prearranged. We wondered how long it would take the NDP to wake up.

Mr. Bounsall: We waited until he used the word "confused."

Mr. Acting Speaker: Will the member for Essex South please continue uninterrupted?

Mr. Martel: Would you give that fellow a shovel?

Mr. Mackenzie: We have seen how confused you are. Like the 40-hour week.

Mr. Mancini: I would like to thank the hon. member for Hamilton East for catching that slight error, but that still does not detract from the fact that it was the Liberal Labour critic who took the initiative to introduce this bill—

Mr. Martel: Liberal Labour. Sounds like Pat Reid.

An hon. member: Sounds like a contraction.

Mr. Mancini:—when our friends to the left are still in a state of confusion since June 9, and I'm sure that their friends in labour, who have supported them over the past few years, are wondering to themselves just what kind of a mess they've got themselves into by supporting—

Mr. Warner: They wonder about your critic who opposes 40 hours a week.

Mr. Mancini:—one party which is in third place and is constantly confused.

Mr. Bounsall: There is no confusion over the support of you.

Mr. Mancini: There are two important points to this bill. First of all, it gives extended protection—

Mr. Martel: I hear they are going to guillotine it—led by the Minister of Labour.

Mr. Mancini:—to people who are going to permanently lose their jobs.

Mr. Martel: I wish she defended labour as much as the Minister of Agriculture and Food (Mr. W. Newman) defends farmers.

Mr. Mancini: I don't know if the Minister of Labour understands exactly what that means—to permanently lose your job.

Mr. Bradley: They'll know after the next election.

Mr. Mancini: When a person has been employed for a number of years and has built up a standard of living, I think this society and our corporate citizens should take all possible steps to make sure that the transition from an employee to a jobless person is done in a very orderly fashion and in a very humane fashion. That's why I don't think it is extraordinary at all that my colleague, the member for Quinte, would see fit to move this bill and to have notice extended, for 50 or more employees who are being laid off, to 16 weeks from eight; for 200 or more employees who are being laid off; to 24 weeks from 12, and finally, for 500 employees, from 16 to 32 weeks. I don't know how any one in this Legislature can tell me that when one lays off as many as 500 employees it's just done, as if there was no consultation, as if it just came upon us, as if we did not know that in the future the market was going to slump. It just happened.

Hon. B. Stephenson: That's not true.

Mr. Mancini: There are four automobile corporations that control the whole market here in North America. Is the minister trying to tell me that their market analysts and their researchers cannot project the layoff of 500 employees, when year after year they have been smart enough to make huge profits and yet when they have to lay off employees they are not smart enough to be able to know what is going to happen?

A part of the bill which I think has been demonstrated to be so very necessary in the past few weeks is where the employer must consult with the Minister of Labour or the appropriate ministry and the trade union involved which is representing the workers. I would like to quote from an article written by Richard Gwyn, which states: "I was informed of the layoffs 24 hours in advance." This is a statement made by the federal Minister of Finance, Jean Chretien, October 21, 1977, and it deals with the Inco and Falconbridge matter. Can anyone tell me why in our society today the most important people in public office would not be told of such a devastating action of one of our corporate citizens longer than 24 hours before the action took place? I think that's insulting to the people of the province and also to us as their representatives.

I don't think the bill is calling for anything extraordinary. It asks corporate citizens to consult with their government. It asks corporate citizens to consult with the representatives of the workers, and this bill asks that corporate citizens give people who

are going to become jobless after having permanent jobs the chance for a human transitional period. I urge all members of this Legislature to support this bill and, once again, I would like to congratulate my colleague from Quinte.

Mr. Bounsall: I will be very short, Mr. Speaker. I will start right at the start that as far as this particular private member's bill goes I have no problem supporting it. I am sure other speakers have indicated what it does. It deals with the mass lay-off section of the Employment Standards Act dealing with termination of employment, and it doubles the amount of notice time for the various categories of employees that are already so defined in this case in the regulations.

[5:30]

I might just say that over the years, from the spring of 1972 through to the spring of 1977, when I was Labour critic for our party, I had argued that mass layoffs, irrespective of percentage of persons employed in the plant, should pertain when 20 or more are laid off. I saw no reason for the figure 50 being retained in the Act or for the figure being as high as 50. Mass termination should start at the figure 20. That is when the weeks of notice pertaining should prevail. This Act is fine as far as it goes in that it doubles the weeks for those contained in the regulations under this Act but it is flawed in the sense that it should have started at a much lower figure.

Also there's a problem with the Act, though not particularly with the bill in so far as it goes. In a bill dealing with termination of employment, the section of the Act with which it is much more important to deal is section 1 of the Act and not section 2. Section 1 deals with the notice required to be given to individual employees. In the Employment Standards Act under section 1 if an employee has worked from three months to two years, an appalling short amount of one week's notice only is required.

Our sister province in Quebec gives one month's notice after one year of employment. They have given that length of notice, I believe, since the fall of 1972, or it may be the spring of 1973. For all those years, either since late 1972 or early 1973, in the Quebec statutes the amount of termination notice required to be given to an individual employee after one year's service is one month.

Here in this province this Labour minister and Labour ministers before her, I might say, of which I notice there is one here in the House today, are content to have and

always have been content to have just one week's notice if someone has worked up to two years. It's that individual notice to employees, irrespective of how many others are laid off, which has always been of much more concern to me and which will have much more effect in the workplace.

The present Act under section 1 gives two weeks' notice for from two to five years' employment. That should be two months. It provides four weeks' notice for from five to 10 years. That should be four months. It states eight weeks' notice for someone employed over 10 years. That should be six months or even be eight months. Our proposals over the years have been six months. I might say that the minister can refer to the in-depth studies which the ministry has done. They reside in the Ministry of Labour library and have been there since 1974. All the arguments are made therein for giving much longer termination notice. All the advice has been tendered by the people charged with making the study to the successive Ministers of Labour about how the times under this Act need to be extended, particularly in part A of the Act. And nothing has been done.

One of the arguments used by previous Ministers of Labour, and I would assume by this one—we certainly got it from the member for London South—is that if the employer is required to pay for further weeks of termination notice in lieu of continuing to hire that employee, then that would interfere with the unemployment insurance system. We all know in this House that the unemployment insurance system payouts for a few years now, have overrun the income which has been taken in. When they say they don't want these notices to interfere with the unemployment insurance payouts, what they are saying is they are content to have the taxpayers of this province ripped off in terms of termination payments rather than have the companies pay them, which is where the onus for that should be residing.

They're saying they will let off the companies, whose lack of organization and lack of proper planning are responsible for the layoff anyway, and they'll let the taxpayers of Canada pay for that lack of organization, foresight and planning on behalf of the employers in this province. I put to you that it is reprehensible to take that attitude. You're quite willing, over there—at least, as stated today, the member for London South is quite willing—to do that.

If the former Minister of Labour, now the member for Humber (Mr. MacBeth), speaks to the bill, this was his argument for not

making this change when it was presented to him in the 1975 Labour estimates. As I say, that is a position which says: "We would prefer to have the taxpayers of Canada ripped off through payments out of UIC than to put the proper onus on the employers in the province when that occurs." It's simply not a valid argument. I don't see, in this instance, why the taxpayers should pay when the responsibility lies clearly with the lack of planning of the employers in this province.

Because of another meeting I wasn't in the House to hear the remarks of the member for Riverdale, whose effort was responsible for this section coming into the Act in the first place. But I would say that what was obtained then was the very maximum which could be squeezed out of the government of the day, while we recognized it, on this side, to be bare minimum protection. To think it has not been changed for nine years indicates the attitude of the government with respect to terminations of workers by employers of this province.

Hon. B. Stephenson: Oh, come on.

Mr. Bounsall: It is an attitude of saying to employers: "Go ahead, and do virtually anything you wish."

Hon. B. Stephenson: There's exactly the same thing in every other jurisdiction in Canada.

Mr. Mancini: You have no social conscience.

Mr. MacBeth: Thank you very much, Mr. Speaker.

Mr. Martel: There's the former Minister of Labour. There is another defender of the working people.

Mr. Sargent: How does it feel to be a private citizen, John?

Mr. MacBeth: I want a little time to say a few words. I hadn't intended to rise on this bill but the good member for Windsor-Sandwich took my name in vain and I thought perhaps I should say a word on my own behalf in the matter of labour.

When it comes to notice, fair is fair. So many of the people on the opposite side of the House always put the employer in the black hat. Some employers wear white hats and some employers don't have very big heads either, and they don't have very big pocketbooks. But, as I say, fair is fair, and if they're to give notice then perhaps the employee should have to give notice too.

I remember, when I was Minister of Labour, the number of complaints I got from employers whom the Ministry of

Labour took to court because they hadn't given proper notice. Yet when an employee suddenly walked out and gave no notice at all there was little that the Ministry of Labour would do for them and there was little point in getting after those people individually.

So I'm saying that if you want to make the employer give this kind of notice, perhaps it is fair that the employee, likewise, should have to give the employer that kind of notice—if the planning is all that far advanced as some of the people in the Liberal caucus seem to think it is.

Mr. Makarchuk: It might be fair to tell the OPP to lecture management too on strike breaking.

Mr. MacBeth: No employer wants to lay people off. They only do it for one reason and that is because their business is not succeeding.

Mr. Laughren: Yes, you're right, John.

Mr. MacBeth: They don't do it because they want to ruin their own business. They don't do it because they don't like their employees. They do it out of economic necessity.

If we're to encourage the small businessman—and I tell you that all business people in this province are not Inco—there are a lot of small corporations who—

Mr. Mancini: Small businesses lay off 500 people?

Mr. MacBeth:—try to do fairly by their employee. But, at the same time, if we want to encourage these people, then we must make reasonable laws for the employers as well. We hear from the other side so often how they want to encourage people to invest in this country. As I said, fair is fair and if we're going to have one set of rules for the employees we better make sure that the set of rules for the employers is equally just.

Mr. Speaker: The hon. member for London Centre, for no more than two minutes.

Mr. Peterson: Mr. Speaker, in fairness now, I always get caught at the end.

An hon. member: What, are we out of time?

Mr. Peterson: I am very happy to rise on this bill, with the very mixed point of view that I have. At the outset, I want to compliment my colleague, the next Minister of Labour in this House. I want to say that I think he has shown a great deal of sensitivity and understanding in bringing this bill forward. It amazes me how this chap has grabbed hold of his critic's job in labour, Mr.

Speaker, and we are still friends and we are still associates.

Mr. Martel: Yes he has. He voted against a 40-hour work week. Tell us how he grabs it by the handle.

Mr. Peterson: Every day the working people of this province are coming to my friend, the member for Quinte, and responding to his leadership.

Interjections.

Mr. Peterson: I will tell you, Mr. Speaker, he has done wonderful things for the Liberal Party. He has opened up new avenues for this party, and legions of support heretofore belonging to our friends on the left.

Mr. Nixon: More, more.

Mr. Peterson: Mr. Speaker, with a combination of that kind of support plus other kinds of support in this province, there's no doubt in my mind that we will be forming the government at the next election, due in very large measure to the efforts of my friend.

Interjections.

Mr. Peterson: However, Mr. Speaker, I want to just speak very briefly on this issue, because I cannot support this bill at this time. It is with great regret that I am on the same side of this issue as my red-necked friend from London South (Mr. Walker) because I really don't like to be associated with him in any way.

Mr. Sargent: That's understandable.

Mr. Peterson: Unfortunately, I hope that it's not construed that way.

Hon. Mr. Timbrell: What makes you think his feelings are anything but the same?

Mr. Peterson: I want to say at this time that I have sympathy with the import and with the ideas behind the bill.

Mr. Martel: That's what he said about the 40-hour work week too.

Mr. Peterson: Ideally it's the kind of legislation that we do need, but in this time of great economic trouble in this province, in a time when we are facing very serious de-industrialization, when there's a very major crisis of confidence in the investment community, then I say that this may be just one more nail in the coffin of industry and enterprise in this province and I say that this should be delayed.

Mr. Mackenzie: Are you going to cross the floor too?

Mr. Peterson: This is the kind of bill that would not help the situation now. My very great regret is this, that decisions that are made in the investment community, in the corporate boardrooms and when the people—

Mr. Speaker: The hon. member's time is up.

Mr. Peterson: Mr. Speaker, I know my friend, the member for Quinte, who was going to take 10 minutes, wants to cede to me at least three or four minutes of that, he being a decent sort of chap.

Mr. Hodgson: Withdraw the bill, withdraw the bill.

Mr. Martel: Oh there is the friend of labour.

Mr. Foulds: Cut him off, his time has expired.

Mr. Peterson: I just want to say, Mr. Speaker, we will never know in this House the ill effects of this bill because there is no scientific way of measuring them; but I can say this, that the investment community, the people making these decisions are getting increasingly disgruntled about the province of Ontario as a place to invest or as a place to participate on future growth.

Mr. Foulds: Boy, it sure is nice to get stabbed in the back by your own colleagues.

Mr. G. Taylor: David, come on over.

Mr. Peterson: We cannot afford at this point in our history any more of this kind of self-defeating regulation, in my judgement.

Mr. Foulds: Marvin Shore moved over, David; why don't you?

Mr. Peterson: That is why, even though patently on the face of the bill there is great benefit to the working people, and I understand that, as I say; I want to repeat we will never know the ill effects but we will see a gradual deterioration in the economic climate in this province, something that we will all be dealing with from a much more urgent point of view in two or three or four years, unless of course a Liberal government is elected.

Mr. Speaker: The hon. member's time has expired.

Mr. O'Neil: Mr. Speaker, I would first of all like to thank all those members of the parties who have supported this bill of mine.

Mr. Foulds: Except the previous speaker.

Mr. O'Neil: It's also a pleasure to see the NDP falling in behind the Liberal labour policy. We realize it has taken them a long time but they are finally coming around to the way we see things.

I would like to comment on a couple of the minister's statements. I think the minister and her staff also see the benefit of a bill such as this. She mentioned that there is a study at the present time being undertaken by her ministry and I would hope she would

change her mind and those of her colleagues to see that this bill is supported. She mentioned that she felt a six-week period was sufficient for people to find other employment. I don't think this has been the case with the Inco and Falconbridge layoffs. These people have not found jobs over a six-week period and I would ask her to change her mind on it.

When we get listening to that far-to-the-right member there for London South, I wonder if he has ever had anything to do with the working man.

Mr. Havrot: He is one; he is a working man.

Mr. O'Neil: I just don't think he knows what it's all about.

Mr. Havrot: Describe a working man.

Mr. O'Neil: I can say that there was no intention of a freezing as part of this bill; and I don't believe that you are going to have any of these lines in the larger companies closing down just because they can't find other employees to fill a position. So I don't think that stands at all.

As previously stated, I hope that the members of this Legislature will vote in support of this bill; and I would urge that it then be sent to committee to be studied and to possibly bring about some great changes in this province of ours.

ANSWERS TO WRITTEN QUESTIONS AND PETITION

Hon. Mr. Welch: With the consent of the House, I could table some answers to questions. I wish to table the interim answer to question 10 standing on the notice paper; to table the response to petition 1 presented to the House, and to table the answers to questions 8 and 14 standing on the notice paper. (See appendix, page 539).

VISITOR

Mr. Bounsall: Mr. Speaker, I wish the House to recognize that the former member for Victoria-Haliburton (Mr. R. G. Hodgson) is here with us today.

PRIVATE MEMBERS' BUSINESS

GASOLINE AND HEATING OIL UNIFORM PRICING ACT

Mr. Lane moved second reading of Bill 3, An Act to require a Single Price for Gasoline and Heating Oil sold in Ontario by a Wholesaler.

Sufficient members having objected by rising, a vote was not taken on Bill 3.

EMPLOYMENT STANDARDS
AMENDMENT ACT

Mr. O'Neil moved second reading of Bill 2, An Act to amend the Employment Standards Act, 1974.

Sufficient members having objected by rising, a vote was not taken on Bill 2.

BUSINESS OF THE HOUSE

Hon. Mr. Welch: May I take advantage of this time to indicate the order of business for the balance of this week and for the next week. This evening we will be in committee of the whole to continue consideration of Bill 59.

It had been understood earlier that perhaps we could wait until all the amendments had been considered by the committee and have one bell next Tuesday evening, but there appears to be an amendment presently before the committee which would have to be disposed of one way or another, because it has some implications as to whether another amendment is introduced in its place. So it's felt that we should advise members of the House that there is likely to be a division in committee in connection with Bill 59, some time this evening from about 9 o'clock on.

After that particular amendment is handled then it's my understanding the remaining amendments will be stacked. The plan at the moment is that we might reach the completion of that bill in committee by next Tuesday evening.

Next week's schedule: On Monday afternoon of next week, a financial critic, the member for London Centre (Mr. Peterson), speaks on the budget.

Mr. Nixon: That'll be good.

An hon. member: Another Tory speech.

Hon. Mr. Welch: Then if time permits, if the hon. member is finished before 6 o'clock, we will then go into committee of the whole and carry on with Bill 59. On Tuesday the member for Ottawa Centre (Mr. Cassidy) will make his contribution to the budget debate in the afternoon.

An hon. member: That won't be a Tory speech.

Mr. Martel: He's not even a plumber.

Hon. Mr. Welch: If time remains when he finishes, between then and 6, we'll do Bill 59 as well. Then on Tuesday evening, in the evening session from 8 to 10:30, we will do Bill 59 again and hopefully complete the work in committee of the whole some time before 10:30 next Tuesday.

The House does not meet in the chamber on Wednesday, and on Thursday we deal with two other ballot items standing in the

names of the members for Welland-Thorold (Mr. Swart) and Simcoe Centre (Mr. G. Taylor), with the House adjourning at 6 o'clock for the winter break.

I might also indicate to members of the House at this time that there have been some discussions with respect to handling the supplementary estimates which have been tabled in the House. We'll have the motion ready tomorrow but perhaps I might take advantage at this time to indicate to the members the disposition of the supplementary estimates.

Those estimates standing in the name of the Minister of Education (Mr. Wells) will be referred to the standing committee on social development, which will start its work on Monday afternoon, it's my understanding.

Agriculture and Food and Northern Affairs will go to the resources development committee for consideration on Tuesday evening, March 14.

Treasury, Economics and Intergovernmental Affairs and Government Services will go to the general government committee on Wednesday afternoon, March 15, it being the understanding that all of the supplementary estimates will be completed not later than March 15 in order to be reported back to the House on Thursday prior to the spring break.

Also, we would indicate by motion that the resources development and the justice standing committees may sit next week on Wednesday morning if they require time for meetings.

As far as the main estimates are concerned, we'll have a motion that will spell out those in some detail. However, the Ministry of the Environment and the Ministry of Culture and Recreation will start in their respective committees on Tuesday, March 28 after the break. The Ministry of Government Services will start in the committee of supply in the House on Monday afternoon, April 3.

Some time is being found to honour the statutory requirement with respect to a debate on the 1976 annual report of the Workmen's Compensation Board, which will go to the resources development standing committee next Wednesday, March 15.

Mr. Foulds: A point of order, Mr. Speaker. It is my understanding that should we complete Bill 59 early next Tuesday evening we would proceed with Bills 25 and 27. Is that correct?

Hon. Mr. Welch: Yes, thank you very much. If by any chance we did complete Bill 59 before 10:30 next Tuesday evening, we would then turn to Bills 25 and 27, being orders 16 and 18 on the order paper.

The House recessed at 6 p.m.

APPENDIX

(See pages 513 and 537)

Answers to questions were tabled as follows:

1. Mr. Ziemba—Inquiry of the ministry: Would the Minister of Revenue table the names of property holders in the borough of North York, Scarborough and Etobicoke receiving farm tax rebates during 1976 giving the number of acres upon which the rebate

was paid, the assessment, the property tax levied and the amount of farm tax rebate paid in each case? (Tabled February 21, 1978.)

Answer by the Treasurer (Mr. McKeough): Payments to property holders under the 1976 farm tax reduction program were as follows:

BOROUGH OF SCARBOROUGH

Owner	Acreege	Farm Assessment	Property Tax	Amount of Rebate
Calderone, Francesco	1	\$10,265	\$1,372.63	\$ 686.31
Calderone, Serena				
Watson, Cameron	4	8,575	1,151.19	575.59
Varbut Cons. Ltd.	5	10,020	1,339.87	669.93
Tumino Holdings Ltd.	4	500	67.12	33.56
Calora Inv. Ltd.	2	300	40.27	20.13
Metrontario Inv. Ltd.	9	3,685	494.71	247.35
Purcell, Lionel R.	5	7,940	1,065.94	532.97
Purcell, Rita				
Revlis Securities Ltd.	71	7,785	1,041.01	520.50
Great Falls Agencies Ltd.	88	9,680	1,299.54	649.77
Melford Dev., Inc.	88	9,960	1,337.13	668.56
Great Falls Agencies Ltd.	50	5,445	730.99	365.49
Great Falls Agencies Ltd.	35	3,795	509.47	254.73
Routledge, Leonard V.	22	6,795	912.22	456.11
Trustee				
Routledge, Leonard V.	10	8,225	1,104.20	552.10
In Trust				
Glazier, Wesley	5	495	66.45	33.22
Runnymede Inv. Corp. Ltd.	25	2,755	369.85	184.92
Runnymede Inv. Corp. Ltd.	23	3,880	520.89	260.44
Tap. Steeles Inv. Ltd.	20	2,200	295.35	147.67
Fescariai, J & A	13	1,500	201.37	100.68
Gemello, G.				
Narek, T.				
Runnymede Inv. Corp. Ltd.	89	9,800	1,315.65	657.82
Tap. Steeles Inv. Ltd.	64	9,450	1,268.66	634.33
Runnymede Dev. Corp. Ltd.	14	5,170	694.07	347.03
Holmes, Campbell C.	112	23,000	3,087.75	1,543.87
Reesor, Russell N.	1	2,835	380.59	190.29
Reesor, Russell N.	88	6,475	869.26	434.63

BOROUGH OF NORTH YORK

McDougald, John A.	13	32,525	3,924.71	1,962.35
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BOROUGH OF ETOBICOKE

Reid, Calvin R.	3	34,125	4,507.91	2,253.95
Reid, Frances M.				
Runnymede Dev. Corp. Ltd.	46	27,750	3,665.77	1,832.88
Chipper, Norman H.	84	52,050	6,875.80	3,437.90
Paramount Dev. Corp. Ltd.				
Cape Horn Co. Ltd.	18	11,500	1,519.15	759.57

8. **Mr. Reid**—Inquiry of the ministry: 1. Will the ministry advise the total revenues received from the mining industry in Ontario, exclusive of aggregates, for the last five years ending December 31, 1977? 2. Will the ministry provide a breakdown of the different provincial taxes paid by the mining industry in these five years? (Tabled February 22, 1978.)

Answer by the Minister of Natural Resources (Mr. F. S. Miller):

1. Total revenues received from the mining industry in Ontario for the past five years, ending December 31, 1977, amounted to \$316,800,000 *excluding Ontario Corporations Income Tax and Capital Tax, and Ontario Sales Tax.

Figures for the latter are shown under item 2.

2. Profits Tax	\$303,500,000
Royalties	3,600,000
Acreage Tax ..	3,100,000
Lease Rentals ..	3,700,000
Fees, Licences and Permits	2,400,000
Miscellaneous ..	500,000
Subtotal	\$316,800,000
*Retail Sales Tax	11,700,000
*Corporations Income Tax	110,600,000
	(4 years only, up to March 31, 1976)
*Corporations Capital Tax	12,200,000
	(4 years only, up to March 31, 1976)

*Supplied by the Ministry of Revenue.

10. **Mr. Peterson**—Inquiry of the ministry: Would the ministry provide an updated list of all boards, agencies and commissions to which the government makes appointments, the administrative costs of the above boards, agencies and commissions including names of commissioners and method and amount of indemnity, and the amount of funds administered by the said boards, agencies and commissions in the current fiscal year? (Tabled February 23, 1978.)

Interim answer by the Chairman of Management Board of Cabinet (Mr. Auld):

I respectfully request an extension of time required to complete the answer to question 10, order paper 4.

11. **Mr. Reid**—Inquiry of the ministry: Could the ministry provide details of the contract between the Ministry of Industry and Tourism and Trillium Advisory Consultants

of Sudbury? How long has there been such a contract? How much has been paid to Trillium? What are the details of the contract? Please advise the same information in regard to other consulting firms under this program. (Tabled February 27, 1978.)

Answer by the Minister of Industry and Tourism (Mr. Rhodes) tabled as sessional paper 31.

14. **Mr. Warner**—Inquiry of the ministry: Will the Minister of Government Services table an inventory of all provincially owned vacant land located within the city of Metropolitan Toronto, and the accompanying appraised "book value" of the lands? Further, will the ministry forward the information to the Minister of Housing so that he might make lands available to the city of Metropolitan Toronto solely for the purpose of developing housing? (First tabled November 25, 1977. Interim answer December 8, 1977. Tabled March 6, 1978.)

Answer by the Minister of Government Services (Mr. Henderson):

The following is a list of provincially owned land which is currently vacant and located within the city of Metropolitan Toronto:

1. The former Driver Examination Centre (1349 Kennedy Road).
2. The former Rouge Patrol Yard (West side of Sheppard Avenue East and one mile North of Highway 2).
2. A portion of the proposed site for the Scarborough Courthouse (McCowan and Ellesmere Roads).
4. Property located on Falstaff Avenue near the Driver Examination Centre (Keele Street and Highway 401.)
5. Property east of Bay Street adjacent to the Queen's Park complex.

Current appraised values are not available for these lands.

These lands would not be suitable and/or available for the purposes of developing housing for various reasons, such as property partially surrounded by commercial development and secondary industry, property being negotiated for sale, plans being developed for future use, close proximity to multi-lane highway, et cetera.

It should be noted that this ministry has in the past and does continue to discuss with the city the disposal of any surplus government lands which might be suitable for housing development, whenever such lands become vacant.

In addition, it should be noted that the Ministry of Government Services recently re-

viewed with the Ministry of Housing all surplus and/or vacant lands in Metropolitan Toronto, as well as other areas of the province. It was determined from this review that current surplus and/or vacant land in Metropolitan Toronto would not be suitable for housing development.

Petition 1:

Response by the Solicitor General (Mr. Kerr) to petition to the House requesting change in the Coroners Act:

A petition has been filed in the Legislature requesting that an amendment be made to the Coroners Act enabling forensic pathologists to remove pituitary glands from all cases where an autopsy is performed pursuant to the provisions of the Coroners Act. The principle behind this petition is that some 10,000 autopsies are performed a year pursuant to the provisions of the Coroners Act and this would enable the medical profession to obtain pituitaries to treat persons who are suffering from a rare growth hormone deficiency.

A couple of years ago this matter was considered in the form of an amendment to the coroner's case is the result of a coroner's gists to remove pituitary glands in cases coming to autopsy pursuant to the coroner's warrant, if there was no contrary intention of the deceased known at the time of death, or if the next-of-kin did not object.

It was thought that as the coroner's autopsy is done in many cases without the approval of the next-of-kin, that it was unfair and indeed improper to remove organs or tissue for medical purposes. The autopsy in a coroner's case is the result of a coroner's warrant pursuant to sections 9 and 23 of the Act because the cause of death is not apparent without this medical procedure.

At that time it was also thought that more organs for transplant and tissue for medical research would become available through an expanded information program.

In January, 1978, the Ministry of the Solicitor General, in conjunction with the chief coroner's office, commenced an education and information program per the attached news release of February 2, 1978, and the enclosed brochure *Help Somebody Someday*. This expanded publicity program has had a most beneficial effect on the number of organs donated for transplant and tissue provided for scientific research. In addition, the public has been made aware of the form which is now available on their driver's licence which can be filled out and carried on one's person in the event of death. This card then informs the family physician, the coroner and the police. Action is then taken to have the organs

removed which have been designated on the voluntary donor card.

I am informed that one of the petitioners in this case is Linda Geiger, whose son Brett Watson, is suffering from a rare growth hormone deficiency that requires treatment. Chief Coroner Cotnam has been in conversation with Dr. John Bailey who is in charge of this program at the Hospital for Sick Children. Dr. Cotnam is informed that this particular youngster is now about to receive treatment. Dr. Bailey at one time was of the opinion that compulsory taking of pituitary glands would be necessary to fulfill the medical needs of this program. However, with the expanded information program, people are becoming aware of the need for such tissue and this has resulted in an increased number of glands over the past few years. In 1972 there were only 2000 glands donated to this program. In 1976 there were 3945 glands and in 1977 before our new expanded program commenced requesting this type of tissue donation, there were 5703 glands. It is estimated that the total number of glands required to meet this medical program would be 10,000 per year. Dr. Bailey is of the opinion that mandatory taking of such glands is not necessary for this quota to be met in the very near future.

It is submitted that it would be better for this anatomical tissue to be donated voluntarily by persons while still in life or by the next-of-kin after death, than to take them from deceased persons who have not indicated while still in life, a desire to have their bodies used for such purposes.

In the event that these glands are not forthcoming in the numbers required, I would recommend an amendment to the Coroners Act providing these glands be removed by forensic pathologists after obtaining the consent of the next-of-kin.

Petition 2:

Response by the Minister of Consumer and Commercial Relations (Mr. Grossman) to petition filed by Mr. R. Van Horne:

The government has already indicated that the age at which one can consume alcohol is under study. A formal decision will be announced during the current session of the Legislature.

The advertising of alcohol beverages is a complex area which has substantial social and economic impact in this province. The government intends to continue to strengthen its monitoring and control of beverage alcohol advertising but has no plans at the present time to ban advertising. Recent studies commissioned by the federal government ques-

tioned the direct relationship between advertising and consumption. In addition, other influences such as uncontrolled advertising from US media, loss of jobs in Ontario, changing consumption patterns, et cetera,

lead the government to believe that its current course of action in allowing advertising which meets carefully prepared guidelines is in the best interest of the majority of Ontario's citizens.

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No. 15

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Second Session, 31st Parliament

Thursday, March 9, 1978

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

THURSDAY, MARCH 9, 1978

The House resumed at 8 p.m.

FAMILY LAW REFORM ACT (continued)

Resumption of the adjourned debate in committee of the whole House on Bill 59, An Act to reform the Law respecting Property Rights, and Supporting Obligations between Married Persons and in other Family Relationships.

Mrs. Campbell: On a point of order, if I may, Mr. Chairman: My point of order is that this committee did engage in a procedure by which the votes were to be stacked. We are now informed that there has been an intrusion of change on that and that there will be a vote at 9 o'clock. If I am correct about that, my point of order is that the member for Carleton East (Ms. Gigantes) in moving the adjournment of the debate indicated that she would be speaking at some length on this particular amendment, and I would ask whether there is any provision for some division of time among the other parties in view of the limitation of debate tonight on this section.

Mr. Deputy Chairman: I would inform the member for St. George that the debate is not limited. The vote at 9 o'clock is only an estimate. As far as I am concerned, lacking any other instruction, the vote on this clause will not be taken until everyone who wishes to speak has spoken.

I would remind the hon. members that we are dealing with section 3, and particularly with the amendments by Mr. Bounsall.

On section 3:

Ms. Bryden: Mr. Chairman, I rise in support of the amendment moved by my colleague the member for Windsor-Sandwich (Mr. Bounsall), which says in effect that family assets which are to be shared should include all assets which are acquired after the marriage or the appreciation of any assets which were acquired before the marriage as well as the appreciation of those acquired after.

In my opinion section 3 is the key section in the bill, because it says what assets shall be shared on the 50-50 basis that comes in section 4.

It seems to me this amendment is the test of whether the members of this House are really going to recognize the equality of the spouses and that marriage is a partnership, which is set forth in the preamble as the objective of the bill. If we do not accept this amendment, we are not recognizing those objectives in the preamble. It is as simple as that.

I can understand to some extent the reluctance of some members to broaden the concept of assets, because they have lived for so many years with an unequal situation where one spouse, the spouse who stayed at home—and usually it was the wife, of course—was expected to contribute all her services for love and not to get any recognition for her contribution to the growth of family wealth. In fact, they used to try to dignify her role by saying that she filled many roles; that she was in effect a seamstress, a laundress, a cook, a child psychologist, a household economist and many other things.

But if you look at the way her contribution was recognized, she was just one thing: She was a philanthropist. She was a philanthropist in that she gave all of those services and performed all of those roles for nothing. There was no recognition that in performing those roles she was contributing to the opportunities of the other spouse to build up assets. Nor was there any recognition that in fulfilling all those roles she was denying herself career opportunities, education opportunities and experience opportunities.

Generally, she would not be in any sense an equal of the other spouse at the time of marriage breakup when they both were entering the employment market together, because over those years she had lost a great deal of the opportunities to develop herself for the employment market. Moreover, she would be entering an employment market which is biased against women, in which basically only the lower-paid jobs are open to women in any quantity. So if we are going to change that thinking and start to recognize the contribution that women have made by being the spouse, who stayed in the home and who forwent all those things, we must include all assets. Otherwise we

are making a mockery of the preamble and of the objectives of the bill.

I find it difficult to understand the reason that the member for St. George does not appear to be supporting this concept.

Mr. Sterling: Because she understands the law, that's why.

Mr. Bounsall: Oh, come on, Norman.

Mr. Swart: The whip's been at work.

Mr. Bounsall: It is what the law should be.

Ms. Bryden: I find it rather strange that the only contribution to an attempt to improve the Act appears to be one amendment from the Liberal Party which would perhaps clarify section 4. It sets forth equal sharing, but it would clarify it only in the guidelines given to judges when one goes to court to settle whether there should be other assets included.

The one thing the member for St. George does not seem to understand is that women do not want to have to go to court to settle what assets they should be entitled to. They want it laid down in the law that they are entitled to a 50-50 sharing of all assets. If there are inequities, because of perhaps the shortness of the marriage, then there may be reason for judicial discretion, for going to court to have some different division of the assets. But to leave it all to judicial discretion is to leave women at the mercy of the court, to force them to the costs and the delays involved in courts, and also to leave them to the whims of judges.

I'm afraid there are still some judges who have 19th century ideas—or perhaps Stone Age ideas. There are still some judges who think even that the testimony of women at certain periods of their lives is untrustworthy. There are some judges who still believe that the commercial assets should not be shared unless the woman has contributed work or money towards those assets, that have not yet recognized the contribution that women do make through enabling the other partner to build up a career.

So to leave the division of any other assets, except the paltry few that are covered under section 3 right now, to judicial discretion is to really leave women at the mercy of courts, and their past experience has not been too good in that field.

I point out also that the Ontario Law Reform Commission, in its recommendations, said on page 119: "that the committee recommends that all property acquired during marriage by either spouse should be subject to the equalizing claims between the spouses." The Ontario Law Reform Com-

mission recognized that any equal splitting of assets should include all property acquired during marriage. I submit that judicial discretion is not sufficient—that judges need more than guidelines as they would be given under the Liberal amendment if that is adopted.

In fact, the judges already have that guideline under section 8 of the bill which is really a re-enacting of the 1975 family law reform bill. That was the first timid step by this government towards family law reform, but it did at least say that a judge should be guided by the contribution of the spouses, notwithstanding the fact that they were acting simply as a normal spouse, in other words, fulfilling the role of running the household.

What is suggested in the Liberal amendment is already in there. I don't know that it needs very much more clarification to tell the judges that they should consider the wider contribution of the spouse who stayed in the home.

I would like to tell the House about a little incident that happened this week, I understand. A group of doctors in Toronto was meeting with one of their accountants who was giving them some instruction on the new family law bill. He was telling them that if this bill passes they would have to arrange their affairs thus and so if they wanted to keep their assets out of the hands of their wives. There happened to be one woman doctor in the group. She spoke up and asked was it not the objective of the law to share the assets between the two spouses. At that point, they decided to adjourn for coffee.

It seems to me that failure to adopt this amendment is a denial of the equal sharing and the recognition of partnership. I think if one could take the government to court, one could take them to court on a charge of fraud because without this amendment to section 3 we are not getting the objectives in the preamble. We are not getting half a loaf, though some people say let's pass the bill because it's got some good things in it and is getting rid of a lot of archaic laws. We are not even getting a quarter of a loaf for the women of Ontario.

What we are getting is a betrayal of the government's tentative objectives of providing equality for the sexes and a recognition of the marriage partnership. I submit that any person who does not support this amendment is perpetrating a fraud on the women of Ontario.

Mr. Reed: That sums it up.

Mrs. Campbell: I am glad we have a new definition of the term fraud. Coming from one who is so knowledgeable of the law, I don't suppose it is appropriate for me to go into the matter of what does and what does not constitute fraud. It interests me very much to have the kind of a threat held over this Legislature that if we don't agree with the member for Beaches-Woodbine, then we are indeed a fraudulent bunch of people. I will tell you, Mr. Chairman, that I feel no sense of defrauding anybody. Rather I feel it is important that we view this legislation very seriously. When I think that the Manitoba legislation was lost because of posturing, I do not wish to be a party to posturing.

Mr. McClellan: That was because of the Conservatives.

Ms. Gigantes: The Liberals got wiped out.

[8:15]

Mrs. Campbell: Mr. Chairman, I have earnestly tried to look at this legislation, calling, as I must upon whatever small ability I have in the field of law, so that what we shall wind up with is legislation which will be workable and which will, indeed, recognize the equality of the partners in a marriage.

I do go this far, however, and say that as a member of the legal fraternity, I blush—as every lawyer must blush—that the women of this province have such suspicions of judges, and that suspicion is due to their very real bad experiences before the courts. I think we have lent ourselves in no small measure to the process by which women have justifiably formed these suspicions, and I, as a member of the profession, take responsibility for that.

I hope the Attorney General (Mr. McMurtry) joins with me in his concern that so many people could have this kind of suspicion with a piece of legislation which, in my view, is certainly not perfect. If I thought it were perfect, I would feel I had rocks in my head. But it is a step forward. I would like to say that it was the member for Beaches-Woodbine who dragged in that old red herring about dower; and I'm sure she doesn't understand that. Yet I would have thought she might have consulted her very able colleagues, either from Riverdale (Mr. Renwick) or from Lakeshore (Mr. Lawlor), to acquaint herself with the meaning and the viability of dower.

So, I suppose, when I listen to debate, I am inclined to review what is said on the basis of what I perceive to be the knowledge of a person on the subject. I have given to my friends in the third party, as well as

members of my own party, an amendment which I shall be moving. It is virtually the same amendment I had moved for section 8, but quite appropriately it is moved in section 4.

Ms. Gigantes: Wrong place, Margaret.

Mrs. Campbell: This section does indeed delineate, at the breakdown of the marriage, the functions of spouses in the marriage, and it does provide for joint functions in all of the aspects of the marriage.

People have—I think, inadvertently—misled some of the women in our community into believing that all we are doing is to recommend through this bill and this amendment that we incorporate the economic partnership; but because we do not incorporate the commercial assets we somehow or other are denigrating the woman in that process. I'm a little saddened by that because I think women must have a view to their own position, but also to that which is in the best interests of the total family where children are involved. It is this concern that I have, when one blithely, and I use the term advisedly, incorporates everything into that disposition, because there will be a court decision in that event, make no mistake about that.

What we are saying is that the court may make a division of any property that is not a family asset, where the effect of the assumption by one spouse of any of the responsibilities is as set out in subsection 5 on the ability of the other spouse to acquire, manage, maintain, operate or improve property that is not a family asset.

We have had many representations that this should be included and that that should be included. I think we have to understand that if we resort to the sort of shopping list which is contemplated within the aegis of this, that we may desperately limit the ability of a spouse to establish a position.

Mr. Chairman, it is probably the easiest, most facile kind of emotion in the world to move that all of the assets just be lumped together and divided in half. It is desperately easy for me to want to support that, having fought as long as I have for equality of women before the law. But you know, we don't want to make the same mistakes here that we made in passing Bill 60, because now we are beginning to see some of the problems which have been created in not using this matter globally.

I want to say that I very much appreciate the fact that the Attorney General is prepared to give this House an undertaking that we will sit down and review that portion of that bill.

It seems to me that if we really want to work on an equal partnership basis—and I'm sorry that some of the members of the third party do not see the other side of the coin—we do want to look at women whose roles are not the stereotype roles. So, if we want to deal with a balance, then I must state quite frankly that I cannot support this amendment and for the reasons given.

I wish those who are speaking on this subject would, indeed, be concerned enough with the bill that they should not be rushing around this country stirring up women, misleading them as to what the bill, in fact, does say; and—

Ms. Bryden: Women are stirred up anyway.

Mrs. Campbell: They are, you know. When you start running around talking about this bill getting rid of dower—

Mr. Philip: If you had been present at the hearings you would realize they were already stirred up. Where were you when the hearings were on?

Mrs. Campbell: When you stand around talking about getting rid of dower and what a terrible thing that does for women—

Mr. Gregory: We know where you were. You were out stirring them up.

Mrs. Campbell: —you have to be guilty of misleading the people.

Mr. Deputy Chairman: Order, please.

Ms. Gigantes: Is that parliamentary?

Mr. Lewis: What are you talking about, stirring people up?

Mr. Deputy Chairman: Order. The member for St. George has the floor.

Mrs. Campbell: I am aware of that fact from the letters I have received—

Mr. Philip: At least the Attorney General (Mr. McMurtry) was there.

Mrs. Campbell: —and fortunately they are not from my riding; I am happy about that—which say, “Under no circumstances shall you vote for Bill 59.” It takes us back to the dark ages. Who has been saying that? With all its faults and shortcomings it does not, with respect, take women back to the dark ages; but who has been telling them that?

Ms. Gigantes: That is a straw woman you are setting up, Margaret; that is a straw woman you are setting up.

Mr. Reid: They are in the dark ages anyway. They can't—

Mrs. Campbell: Now wait a minute; don't you talk like that either.

Mr. Reid: I meant the NDP were in the dark.

Mrs. Campbell: Mr. Chairman, under the amendment which I will be proposing, for the first time in the law we are recognizing the stereotype role of woman in the home as having an economic and financial effect on the marriage. We are recognizing it in economic and financial terms, and that is not done on the basis of this sweeping thing about looping all the assets together. Of course, I wonder what we do if we divide commercial property in half and how we provide for the wife assuming all of half the liabilities of the business—out of what I wouldn't know.

I think that's something you have to think about, because if you truly believe, if those people who truly mouth these things believe in equality, they have to believe that a wife has to assume the liabilities of the assets that she gets in the proportion in which she gets them, but we don't talk about that when we talk about this amendment. We don't talk about the family either, and I think we are talking about a family law reform bill. We are not talking about a woman's reform bill or a man's reform bill, it's a family law bill. So you have to look at the whole aspect of the family and the availability of the assets for the protection of the children as well.

It seems to me that the only way you can deal adequately with a fair division is to give to the judges the right, the opportunity and the guidelines to take into consideration these functions and the responsibilities adopted in the marriage.

[8:30]

As I say, the one place on which I am in absolute agreement with those who have spoken on behalf of the third party is a very real suspicion of women about the way in which the administration of justice functions. They have a right to that suspicion. I would expect, as with other new legislation, that there would be an opportunity for the Attorney General to meet with all of those administering this Act in whatever form it finally comes out to make the thinking abundantly clear.

Mr. Deputy Chairman: The member for Carleton East.

Mr. Sterling: On a point of order, Mr. Chairman, I believe I wasn't given an opportunity to speak prior to the last speaker. I would appreciate a chance this time.

Mr. Deputy Chairman: I'm sorry. The member was not in his seat at that time, I

believe. I have recognized the member for Carleton East. I will recognize you after this member.

Ms. Gigantes: Thank you, Mr. Chairman.

Mr. Lewis: You'll get a chance. For the moment we will have a little enlightenment instead of pre-palaeolithic man.

Ms. Gigantes: It seems I am among the group that is now being called those people who, it is implied by the previous speaker from St. George, have been misleading women around this province about the nature of this law, the changes that it brings to family relationships in Ontario and the way in which 50 per cent of our population—most women in this province get married—acquire a right to property and an interest in property.

I find it hard to accept the kind of implication that when I support an amendment, such as this one, that I am among a group called those people who are misleading women and that I am among the group whom the hon. member for St. George chooses to term Johnny-come-latelies.

Some hon. members: Shame.

Mr. Kerrio: That's not right.

Ms. Gigantes: We will leave that aside for the moment. I'd like to go back to the essence of this amendment, particularly for the benefit of those people who are joining us this evening for the first time in this debate. What we are talking about is a redefinition of what constitutes family assets in Bill 59. Family assets are those assets which are assumed to be shared until proven otherwise. Until contested in court, those assets are assumed to be shared on an equal partnership basis between the partners in a marriage.

It is true to say that this section has absolutely no application for a large proportion of the families who live in Ontario because there is a large proportion of Ontario families that have no assets whatsoever.

The principle involved in the definition here is one which is very important because it relates very directly to the essence of this bill or at least to the essence of this bill as it has been presented to us in the preamble. I will repeat it because I think that whenever we speak here in the third party—us people, us Johnny-come-latelies—to the clause in this bill, what we're talking about are those principles which are laid out in the preamble to the bill. It states: "Whereas it is desirable to encourage and strengthen the role of the family in society and whereas for that purpose it is necessary to recognize the

equal position of the spouses as individuals within marriage and to recognize marriage as a form of partnership"—and the therefore follows.

It is those principles enunciated in the preamble to which we speak when we say that the family assets section of this bill must be redefined. When we talk about a redefinition, I think it's very important for us to recognize that in subsequent sections, following section 3, family assets are defined as something which can be contested. The equal division of those things called family assets can be contested under this legislation. So it should be; no two cases are ever the same.

What we're talking about is where we start—the beginning of the question of sharing. What assumptions do we make about what financial interests are shared in a marriage? After that we discuss whether they should or should not be divided on a 50-50 basis.

What this amendment attempts to do is to establish a base line where equality is assumed. After that one discusses whether equality on this financial interest or that financial interest should in this particular case be implied.

When we try to persuade other members of this Legislature to redefine where the 50-50 begins, what the assumptions are about the basic 50-50 in section 3, we must not only consider section 3, we must turn to section 4 which says, "Each spouse is entitled to half the family assets divided in equal shares." That is what family assets mean, that's why the definition is important.

Then we go to section 4(2), and let me read from this section, this is what happens after we establish the base line. Section 4(2) says: "The court may make a division of family assets resulting in shares that are not equal where the court is of the opinion that a division of the family assets in equal shares would be inequitable, having regard to: (a) any agreement other than a domestic contract; (b) the duration of the period of cohabitation under the marriage; (c) the duration of the period during which the spouses have lived separate and apart; (d) the date when the property was acquired; (e) the extent to which property was acquired by one spouse by inheritance or by gift; or (f) any other circumstance relating to the acquisition, disposition, preservation, maintenance, improvement or use of property, rendering it inequitable for the division of family assets to be in equal shares."

This is a section which follows immediately upon that section which we are now attempting to amend. We want to amend the definition of family assets in section 3 because that

definition is subject to all the qualifications and all the applications that can be made under those qualifications outlined in section 4, which I have just read.

Obviously section 4, which enables a judge to decide that there shall not be in a particular case a 50-50 sharing, having regard to all the items which are contained in section 4(2), allows a wide amount of judicial discretion. Any reasonable judge—even any unreasonable judge—has plenty of room to decide that in a particular case, for any particular reason, family assets shall be inequitably divided.

All this amendment is asking for is that where we start our very definition of what we may vary, and what a judge may vary according to a particular case, the definition be wide enough to make the ultimate disposition of those interests reasonable. We ask only that that definition be wide enough to be reasonable to begin with.

The member for St. George has suggested that what we are doing is throwing in commercial assets; somehow it seems some kind of ultimate indiscretion to the member for St. George that we should be talking about commercial assets. But I put to you that given all the reasons for which a judge can decide that the division of family assets—perhaps including commercial assets, if our amendment carries—can be varied, I can't see why it should be such a horror to the member for St. George. How else are we to begin to talk of a base line of sharing between marriage partners? A base line of sharing of only those financial interests built up—as the amendment suggests—during the period of the marriage or the partnership.

The member for St. George has proposed first one amendment to section 8, and now a second amendment, which I assume she will mean to replace the previous amendment to section 8 and which would be an amendment to section 4. In both amendments what is being proposed is an enablement clause. I would like to give you my understanding of what those amendments might mean.

I have had several looks at those amendments because I have had a personal request from the member for St. George that I look at the amendment again and try to increase my understanding of what it would mean; and I have honestly tried to do that. I have gone back again, with goodwill, to look first at the proposed amendment to section 8 and now the proposed amendment to section 4. What has been suggested in these amendments is that somehow it is good enough to leave family assets as they are narrowly defined in the bill before us and to suggest in

one section or another that the judge shall find that a woman or a man, a spouse, has enabled another spouse to acquire financial interests.

The problem with that proposal is this: To say to a judge he should assume that one partner may have enabled another to acquire a financial interest, and therefore may have a claim on those interests, is in a sense to ask the partner, who may have done the enabling for the financial benefit of the other partner, to prove that that enablement did in fact occur. It puts the shoe on one foot as opposed to the other. It requires the supplicant partner in whose name the financial interests are not held to prove to the judge that that partner has enabled the other in whose name the financial interests are held to acquire those financial interests.

I think that puts the onus in the wrong place. I don't think it is adequate.

As I have conscientiously met the request of the member for St. George, to rethink the significance of the amendment that she has put forward, I would ask her to rethink the significance of what we have proposed in this amendment. It is a very simple question of broadening the assumption of sharing, the assumption of those financial interests that are shared between partners. So whatever judgement a judge may make in his discretion on a particular case—about whether there may be an unequal division of those financial interests—that is where the discussion begins. I think it's most important that when the discussion begins, that's where it begins—with everything.

[8:45]

It's been suggested by the member for St. George that the amendments proposed by her, first to section 8 and now to section 4, are amendments which, for example, would mean that one partner had a right, as a matter of right, to share on a 50-50 basis on a pension plan acquired by another. I don't believe that is true. I am not a lawyer, but it seems to me that if you are talking about enablement, that one partner enables another to acquire a pension plan, and the partner who did the enabling is going to go and have to prove it, I don't think that is where the onus should be. I don't think these amendments meet that as a matter of right, as a matter of first point for discussion.

It certainly would not cover registered retirement savings plans—and that is a very big asset held in partnership in Ontario—to which supplicant partners, upon the break-up of a marriage or a partnership, would have no given assumption of a right to a share. Under existing legislation that partner would

have to prove that he or she had enabled the other partner to acquire a registered retirement savings plan before having a right to share in that plan under these amendments proposed by the member for St. George.

I would also like to touch on some comments that have been made by the member for Simcoe Centre (Mr. G. Taylor). The member for Simcoe Centre talked a good deal about the meaning and reality of business partnership and the financial intricacies and obligations involved in business partnership. I won't go into the legalities of what he was talking about, because I expect that my colleague from Riverdale (Mr. Renwick), who has drawn up many partnership agreements during the course of his work as a corporate lawyer in his previous existences, will speak to that point in legal terms. I am no expert on the law, but there has got to be something wrong in a society which says that the business life of our economy is going to be upset if women have some kind of share in it.

Mr. McClellan: That's exactly the point.

Mr. Warner: That's the point.

Mr. Lewis: An amazing view of society.

Ms. Gigantes: It reminds me very much of a recent brief presented by the Ontario chamber of commerce to the Minister of Labour of Ontario. She had asked for comments on the possibility of bringing into legislation in the province of Ontario law which would implement that principle which says that one gets paid equal pay for work of equal value. The response of the chamber of commerce to that concept was to say our economy can't afford it.

Mrs. Campbell: And the Steelworkers.

Ms. Gigantes: Mr. Chairman, there has got to be something drastically wrong with a society which says that it has an economy which can only chug along if it hugs along on the backs of women, either because they are paid low wage rates or because they have no right to shares in the financial interests built up in business partnerships in this province.

The member for St. George spoke the other night about her vision of a future in which men and women in our society would operate individually and in partnerships in a kind of new world. She spoke of her idea of the new woman who has not been bound by tradition, who perhaps has had greater opportunity than most women in society are permitted, who has gone to university or inherited a bit of money and managed somehow to struggle to that cream level in our

society where she is a professional. And she talked with feeling in her voice about how she did not want to see this new woman crippled, at the moment when she had got to the top of the heap, crippled by the need to share those financial interests she had acquired.

Mrs. Campbell: I didn't say that.

Ms. Gigantes: I think I'm correct in quoting the member for St. George when I say this amendment which is before us tonight "would knock women down," because presumably once they had got to the top of the heap, they would be asked to share.

Mrs. Campbell: No, that wasn't it.

Ms. Gigantes: The member for St. George has a dream of a new world, a dream of a new woman; and I guess a dream of a new man in that new world. I appreciate that vision. I appreciate the imagination and the experience and the understanding that drives her to say that she sees this new world. I admire her for that. But I too have this vision. I too dream of a new world in terms of the relationship between men and women operating and living in partnership in our society. My vision differs from the vision of the member for St. George, and I say it regretfully. I would like to be in accord with her in this vision.

My vision of the new world and the new woman in the new world, operating and living in partnership with the new man in the new world that we can dream of and work for, is not to see the new woman take on the same characteristics as the old man. The new woman in the new world that I dream about not only has rights but responsibilities. In my own inadequate way, when I raised my daughter and I tried to teach her about the rights I feel she should have—and I think she's learned some of that—I also want her to know what I consider to be the duties that go with those rights. They're not the old duties in the old marriage vows, "to cherish, honour and obey." But I want her to know also as one human being involved in an intimate, honourable and honest relationship with another that she needs to be committed to sharing.

Here I will go back to the old marriage vows. These are parts of the vows that I really like and that I still see in the new world: "For richer, for poorer, in sickness or in health." Now that's sharing. That part of the old world is what I want to preserve for the new world. I want to see it grow and flourish and I want to see it work 50-50. I don't want to see the new woman take on the characteristics of the old man.

If there's going to be sharing in this new world, then it should be sharing not only in emotional terms or physical terms but also in terms of those things one owns, in worldly terms, that very often determine what one's individual opportunity for independence and growth will be.

This bill gives us a chance to provide basically for women. Women have been the supplicants, women have been the dependants, women have been the people in whose name the financial interests were not held. This bill gives them an opportunity to take a very big step towards the creation of a new world.

What we are discussing in the amendment is the very principle of the bill. What we are proposing with this amendment is a redefinition of where we start the process of sharing. The limitations will follow. The cases are particular, judicial discretion will remain; but when we talk about sharing family assets, let's begin with a concept of family assets which is real. Let us begin talking about family assets as being all those assets acquired during the time of a partnership. Let us make them as broad as possible so that we can begin reasonable discussion of how they shall be shared on a reasonable basis.

This amendment says very simply that family assets mean all property and assets, including commercial assets, acquired during the marriage or in contemplation of the marriage, and the accrued appreciation of all property and assets owned by the spouses prior to the marriage. It does not include any damage award, insurance claim, insurance benefit, gift, inheritance or trust benefit conferred upon a spouse with the express or implied intention of benefiting that spouse exclusively or the accrued appreciation of the same.

I feel it is a very reasonable definition of family assets and that it is vital to the creation of an important step towards the new world spoken of by the member for St. George and the new woman spoken of by the member for St. George that we have such a definition of family assets.

Mr. Sterling: First of all, I would like to comment on the specific amendment proposed by the member for Windsor-Sandwich (Mr. Bounsall). I believe that it not only widens the terms of the number of assets that would be included in family assets but it also lengthens the time for which assets would be included within the definition. I bring to the attention of the hon. member that he has included also assets that would be acquired after a separation of the

spouses. I don't know whether he had intended to include those.

When this was going through the committee stage, the member for Windsor-Sandwich and myself appeared on a radio talk show. One of the people on the radio show had separated some period of years before and had acquired assets subsequently. This particular woman therefore felt that she alone should be entitled to those assets which were acquired after the separation.

The definition which is in the bill at this time includes family assets acquired only during the period of time the spouses are residing together. In other words, they would have to use the home, that's a technical part of this amendment.

Ms. Gigantes: Very technical and very wrong.

Mr. Sterling: I don't know—

Mr. Swart: You don't know; that's right.

Mr. Sterling:—whether the member for Windsor-Sandwich meant that or if he was trying to widen it to include assets acquired by a spouse after they separate.

Mr. Swart: You just don't know.

Mr. Sterling: I don't know what his intention was and I was just trying to find out.

[9:00]

Interjection.

Mr. Chairman: Order please; will the hon. member please disregard the interjection.

Mr. Sterling: I have no difficulty myself with the concept of dividing equally down the middle all the assets of the marriage. I don't think that the member for St. George has any difficulty with that concept either. I think we must look to the practical effects of what a deferred community of property regime really means. What it means to me, having had some experience as a practising lawyer, is that it virtually forces every married couple, through a lawyer, to enter into a marriage contract.

In the province of Quebec where they have a deferred property regime, 60 per cent of married couples enter into a marriage contract and contract out of the Act. If for no other reason than that, I could not support the deferred community property concept. Basically we would be defeating the purpose of the Act. The problem is in a lawyer drawing a contract, which is equitable at the time of the marriage, to take into account the circumstances which have arisen since that marriage has taken place. Quite often at the time people are entering into marriage, they cannot foresee what

wealth or what lack of wealth the marriage may turn out on the date of separation.

There are serious practical problems with a community of property regime in law in dealing with business assets, as the member for Simcoe Centre pointed out. It is all very nice to say to this Legislature the principle must not stand in the way of the other, but my experience tells me that it is a hornet's nest that just cannot be untangled as easily as that.

Mr. Lewis: You have too much experience. Experience is the destroyer of good legislation.

Mr. Sterling: I don't think, Mr. Chairman, that I would like to enter into a marriage contract with my wife. If we had a deferred community of property regime, I would be forced to.

Mr. Foulds: Don't bare your personal problems in front of the legislature.

Mr. Lewis: Heaven forbid.

Mr. Sterling: The fact is that if I did enter into a marriage contract with my wife, she would probably be done out of much more than I would have been. But at any rate—

Mr. Lewis: That's a nice view of contractual equality.

Mr. Foulds: What a mean little person you are.

An hon. member: You probably have her for a client.

Mr. McClellan: I would ask to change lawyers if I were her.

Mr. Makarchuk: Or husbands.

Mr. Chairman: Order; the member for Carleton-Grenville has the floor.

Mr. Sterling: I see a real practical problem in drawing a marriage contract when you cannot foresee what the real circumstances are when the day comes when they are separated. It is almost impossible. What practically will happen is that people will contract out of all of the rights under the Act—

Mr. Bounsall: That is all right; eyes wide open.

Mr. Warner: The way Darcy did with the Edmonton commitment.

Mr. Sterling:—and in doing that, it is not going to happen as frequently if we stick to the family assets as defined in this Act. In fact you are wiping out discretionary sections later on in the Act; therefore you are not giving the court the right, as in the Murdoch case, to look at the wife's contribution to that farm. So therefore you are defeating, in a great sense—

Mr. Bounsall: They wouldn't have had to.

Mr. Sterling:—what we are trying to remedy in this bill.

Mr. Lewis: Listening to you I begin to believe that Trudeau was right in what he said about property—which I won't repeat.

Mr. Sterling: I am sorry, Mr. Chairman, but I have no problem in the concept, as do the member for St. George and the member for Carleton East.

Mr. Warner: Then support the legislation.

Mr. Sterling:—that things should be divided equally. But the problem is with the mechanics of it.

Mr. Makarchuk: Except I want to hang on to what I have got and more.

Mr. Sterling: Therefore, I cannot support this amendment.

Mr. Warner: That is sad; a fiscal weasel.

Mr. Bolan: Before speaking about the proposed amendment of the hon. member for Carleton East, I would like to make some reference to the Dower Act. This word has been banded about somewhat by, I believe it was the member for Beaches-Woodbine (Ms. Bryden).

Mr. Chairman: I would like to suggest to the hon. member that he keep his comments to the amendment before him.

Mr. Bolan: Yes, I will do that.

Mr. Warner: Address the chair.

Mr. Bolan: Mr. Chairman this was also commented upon by the member for St. George. There is reference to the fact that the dower rights of women would be lost by this particular Act.

Perhaps we should examine what will be lost.

Mr. Foulds: By this amendment?

Mr. Bolan: The Dower Act is a very interesting Act. It is a bit ancient.

Mr. Warner: Older than the Attorney General.

Mr. Bolan: I'd just like to read some sections if I may, so that you can see what the women of this province will be losing.

I'd first of all like to read parts of section 1: "A widow, on the death of her husband, may tarry in his chief house for forty days after his death, within which time her dower shall be assigned her . . ." Is this what you want to keep? Is this the kind of legislation that you want to keep?

Let's look at another section, a very interesting one, section 8.

Mr. Foulds: Not a bad idea either.

Mr. Bolan: The side note says: "Dower forfeited by elopement with adulterer." And it goes on to say: "Where a wife willingly leaves her husband and goes away and continues with her adulterer . . ." Is this the kind of legislation you want to keep? Surely, that is not the kind of legislation that we are trying to keep.

Mr. Foulds: What are you talking about?

Mr. Bolan: A further explanation of the Dower Act, and to try to explain to some members how it works, it works something like this, Mr. Chairman: The husband has property in his name.

Mr. Swart: What section are we on, Mr. Chairman?

Mr. Bolan: The wife does not appear on title to the property. This is the matrimonial home. The husband and the wife separate. What the wife has, through her dower rights, is one-third life interest in that piece of property.

The husband wants to sell the property. He does not require the wife's signature to sell that piece of property if he applies to a court which determines the life interest of that particular woman. That life interest is then paid into the court and the wife can only get the life interest when the husband dies; so in the meantime, she has been done out of the house, the moneys have been paid into court and she can only get them when he dies.

That's the kind of legislation you want to keep on the books in the province of Ontario. This should have disappeared a long time ago. If anything will be accomplished by Bill 59, it's at least to remove this antiquated and ancient piece of legislation from our books.

Mr. Warner: Speak to the amendment.

Mr. Bolan: I wish that the hon. member for Carleton East were present now.

Mr. Warner: She is listening.

Mr. Bolan: I'm very pleased to hear that she is, because she delivered a wonderful speech, a speech that was well thought out; she had lots of feeling in it.

One can appreciate the sense of frustration which has built up in women over the years; but I can only say that the proposed amendment which will be introduced by the member for St. George really reflects the way the court has been dealing with the question of alimony orders and lump sum payments. Because what a court will do today—

Mr. Lewis: That is exactly what is wrong with it.

Mr. Bolan: —in spite of the remarks of the member for Carleton East about this fear

that women have for judges and sometimes they are well founded.

Mr. Lewis: If the fears are well founded, why don't you give them the opportunity?

Mr. Bolan: When judges are making an order under the Divorce Act they will consider exactly the types of things which are in the amendment by the member for St. George. They will consider the contribution which the woman has made to the matrimonial home.

They will consider the contribution which she has made by babysitting the children, by looking after the home while the husband is out earning or running the family business. A court considers that today, and the court today constantly makes lump sum awards of money to compensate the wife for some of the many duties and work which she has done over a period of time. And that is justified.

Mr. Swart: As long as the considerations start from a 50-50 split.

Mr. Bolan: Then, on top of that, there is ample money supplied to the wife for the maintenance of herself and of her children.

So, I say that the amendment which will be proposed by the member for St. George fully covers the situation. As for the amendment made by the third party under section 3, in my opinion, and in the opinion of the majority of members of this House really, where would we be in the business world in the province of Ontario if their amendment were accepted?

Mr. Warner: Equality so long as it is not equal.

Mr. Bolan: They know exactly where we would be. Where would the husband go to borrow money to start up a business? He wouldn't be able to get it if it means that five years down the line or 10 years down the line the wife is going to run to the partner and say: "Oh just a minute now, I want a one-half interest in that business."

Mr. Lewis: Oh, boy; am I glad it is in Hansard. More, more.

Mr. Bolan: That's in the kind of legislation they propose.

Mr. Kerrio: That is going all the way. That is the way they want it.

Mr. Bolan: I say with the greatest of respect that kind of legislation is not proper and is not the type of legislation with which this House should be dealing at this time.

Mr. Warner: Sheer nonsense.

Mr. Bolan: I say that the amendments proposed by the member for Carleton East (Ms. Gigantes), or by the third party, to me

do not deal with the real problem. What we are trying to do is to deal with it in an equitable fashion. The amendments to be proposed by the member for St. George will fully take into consideration the assets of the family and the position of a wife.

Mr. Foulds: The problem is lawyers like you becoming judges.

Mr. Warner: That's sad.

Mr. McClellan: I always think when a Liberal lawyer is speaking on matters pertaining to the law, he is once again applying to be a judge; that's what it sounded like.

Mr. Bolan: Not provincial court anyway.

Mr. McClellan: I have never heard such twaddle in my whole life as I have heard from the other two parties—

Mr. Lewis: And that dignifies it.

Mr. McClellan: —on the subject of this bill. I have never heard such a plethora of male chauvinist piggery. I have never heard so many blatant sexist arguments as have been pouring forth from the members across and the members to my right.

The issue is whether or not commercial assets shall be excluded from this bill. The arguments that have been put forward by the Conservatives and the Liberals for the exclusion of commercial assets are based solely on sexist arguments. They are arguing from the sheerest chauvinist piggery that commerce is men's business. It is something that ought to be preserved for men. The assumption somehow is that if it is included in the bill—

Hon. Mr. McMurtry: Keep that up and you are going to be the fourth party.

Mr. Kerrio: Don't tell us women are not free.

Mr. Bolan: You want to bankrupt commerce and industry.

Mr. Lewis: Since when is commerce the right of the male? What kind of nonsense is that?

Mr. Chairman: Order.

[9:15]

Mr. McClellan: The interjection proves my point. The assumption that commerce is the preserve of the male was uttered again in the heckling interjections. The assumption is that if commercial assets were included in the bill, the economic apocalypse would descend on us. There would be chaos and catastrophe, the roof would fall in. They just said it would; the member from North Bay just said it would, the member for Simcoe Centre (Mr. G. Taylor) said it would; the member for Carleton-Grenville (Mr.

Sterling) implied some kind of economic catastrophe if we ever dared to bring in full equality in the family assets bill. What a lot of bunk, what a lot of rubbish; what a sleazy world view it is—

Mr. Warner: Stop being subtle.

Mr. McClellan: —that the very notion of equality can be associated with economic catastrophe. What kind of people are they, what kind of puny little vision do they have? It really is a lousy debate from the other two.

Mr. Kerrio: You're not adding anything to it.

Mr. Sterling: You're not adding a damn thing to it either.

Mr. Warner: You abandon the women in this province.

Mr. McClellan: I had hopped for some serious discussion of that issue—

Mr. Kerrio: When are you going to start?

Mr. McClellan: —not this kind of economic rubbish, this kind of free enterprise ideology that seems to need sexism to prop it up.

The issue, I think, is relatively simple. Those women who are in need of the protection of our amendment are women who find themselves trapped in the traditional stereotype of today. Women who have managed to emerge from the bonds of traditional stereotyping are not particularly in need of our amendment; it is women who have failed to escape from those bonds who do need the protection of this amendment, because they are the ones who are victimized economically; they are the ones who will not have redress unless the bill is amended according to the amendment before us.

The issue before us is very simple; whether we go with the kind of partial equality that an unamended bill would give us, or whether we go all the way into the modern world, all the way towards full equality with this amendment. Thank you.

Mr. Kerrio: Mr. Chairman, I have a couple of points that I would like to make. I've talked to this amendment before. I would suggest that, as far as the laws of the land go, those of you over there who are concerned always have the option of entering into an agreement; in this way the two partners know from the start what they are going into.

I can't agree that what the previous speaker has suggested was all that meaningful, because I would like to bring into this debate another aspect that hasn't been discussed to any great degree. When we talk about families, certainly we don't talk about

just the two spouses; we must, in fact, talk about the siblings, the children of that relationship. I would suggest to those assembled here that we should address ourselves to the responsibility of that particular part of a family relationship. I draw to your attention that if, in fact, there is a breakdown of a relationship, and that we talk in terms of the amendment for a 50-50 arrangement, put forth by the socialists, I would suggest that the family isn't being thought of at all. In my particular circumstances, I would like to think that if there were some kind of a breakdown the children of that original relationship had some rights in the family picture and structure; that when people get a little older and for want of companionship come to a convenience arrangement, we wouldn't lose the complete family structure; that we would be able to pass on to the children some of the worthwhile things that were attained by the original marriage and the children of that marriage. I think those aspects of it, as it applies to the family relationship, certainly move beyond the immediate husband and wife relationship.

I say with respect that many of the laws of the nation are made by people who sit here and relate them to their own circumstances. I don't have to stand here and say that my wife happens to be very pleased about the type of relationship that we have and that we built together for our family. Under the rules as they exist, under the rules we're going to change to make a better relationship maybe it was inadequate before, maybe we're going to be able to carry that responsibility on. I think that's very important in my relationship, and maybe to many more people in this Legislature.

Hon. Mr. McMurtry: Mr. Chairman, I'd like to respond briefly if I might at this point in respect to the proposed amendment. I suppose it's more in sorrow than in anger, as someone said, that I have to state that I am very distressed by some of the remarks that have been made about this legislation, both inside and outside the House—remarks to the effect that this is going to put women back into the dark ages; remarks such as those made only a few moments ago that this is sexist legislation.

Mr. Foulds: No, a sexist debate.

Hon. Mr. McMurtry: The truth of the matter is that a number of us in this Legislature, I know, have responsibilities that take us about the province, and women about the province have been consulted in this legislation in a very significant and comprehen-

sive way. As a matter of fact, there are a number of women who have been very involved in the creation of this legislation. I think some of the remarks are just silly and depreciate the efforts of many people who have spent many months in bringing to this Legislature what is, quite frankly, very good legislation.

No one would be presumptuous enough to suggest that any legislation is going to be the last word, but it's a remarkable and very important reform of the family law of this province and a very major step forward.

As I keep hearing this red herring about women being excluded from sharing in commercial assets, I would like to make two or three comments. First of all, women are not excluded from sharing commercial assets. We have debated this in committee, and members who continue to repeat that statement for some reason known best to themselves simply don't seem to want the public to be properly informed about the effects of this legislation.

The truth of the matter, of course, is that a judge in any particular case can attach any asset—commercial, family or otherwise.

Mr. Chairman, I've travelled about this province and, I expect, consulted with far more women's groups than some of the members opposite who are speaking so knowledgeably on this bill. I can tell you, I've spoken to many women who are very active in commerce of one kind and another and who don't want to be placed in the sort of strait-jacket that the member of the third party would seek to accomplish by this amendment.

Mr. Foulds: What strait-jacket?

Mr. McClellan: Equality is his strait-jacket.

Hon. Mr. McMurtry: We hear about allegations that the women of this province are not going to be well served by this legislation. That certainly has not been my experience in consulting women of this province and in the thousands of letters, literally, that have come into my ministry over the past two years.

Mr. Foulds: With the legislation not in place, how do you know how they're going to be served?

Hon. Mr. McMurtry: Maybe it's about time the members opposite listened to the irresponsible fringe on the other side. I think all of us in this Legislature were the recipients of an open letter to the MPPs of Ontario, dated March 6 of this year, from a gentleman in Oakville.

Mr. Lewis: Please, spare us.

Hon. Mr. McMurtry: No, I would like to put this quote in Hansard from the irresponsible fringe.

Ms. Gigantes: You're desperate. You're grasping at straws.

Mr. Foulds: What other irresponsible fringe?

Hon. Mr. McMurtry: This is one male viewpoint of the legislation, but it has been echoed in a lot of other letters. I think it should be put in Hansard.

Ms. Gigantes: Put it on the record.

Hon. Mr. McMurtry: It states as follows: "Look, you males, have you not got the guts to say no to women? It has always been the men who in the end have had to bring the country through war, economic depression—"

Mr. Mackenzie: What are you accomplishing with this?

Ms. Gigantes: Shame on you.

Hon. Mr. McMurtry: "—or catastrophic acts of God. Nothing has changed in that respect in your lifetime. Bill 59 ought to have been completely rewritten or thrown out by the standing administration of justice committee."

Mr. Lewis: You suddenly have added the ramblings of a lunatic to your side to make a case. You can do better than that.

Mr. Chairman: Order.

Hon. Mr. McMurtry: Just listen to this.

Interjections.

Hon. Mr. McMurtry: Mr. Chairman, I don't expect any courtesy from that direction.

Mr. Mackenzie: With that you don't deserve it.

Mr. Chairman: Order.

Mr. Lewis: Don't use that arsenal.

Hon. Mr. McMurtry: The letter to all of us goes on: "Were your committee members afraid of McMurtry or did Karen Weiler flutter her eyelashes at you, and you all go limp in fawning agreement?"

Ms. Gigantes: Shame.

Hon. Mr. McMurtry: "For God's sake, you men, buck up."

Mr. Lewis: Of whom was that representative?

Hon. Mr. McMurtry: Sure, that is a very irresponsible letter. But I am just going to say that some of the nonsense I have heard on the other side of the fence is no more ridiculous than this letter.

Mr. Foulds: No more.

Mr. Mackenzie: You have sunk pretty low.

Hon. Mr. McMurtry: The truth is you are not going to satisfy irresponsible people on either side of the fence who simply choose not to understand this legislation and what it did attempt to accomplish.

Mr. Swart: Deal with the principle.

Hon. Mr. McMurtry: I really wonder, judging by some of the remarks that I have heard—not so much in this House but by people who should know better in the press—

Mr. Foulds: Let's pay attention to this debate.

Hon. Mr. McMurtry: —whether or not some of the commentators on this legislation have even chosen to read it.

As this legislation proceeded through committee I detected a willingness on all sides to create legislation that would serve the best interests of the community.

Ms. Gigantes: As defined by whom?

Mr. Mackenzie: What do you feel so guilty about?

Hon. Mr. McMurtry: And I regret, in that context, some of the silly allegations that have been made during this particular debate. It is true our friends in the New Democratic Party would like to provide a very rigid framework—

Mr. Foulds: Nonsense.

Hon. Mr. McMurtry: —rather than recognizing the fact that each family has its own special needs and its own special problems.

Mr. Foulds: No one could be more rigid than you.

Ms. Gigantes: Read section 4.

Hon. Mr. McMurtry: I know that to recognize people as individuals, or families as individual families, is very difficult for a party that seems to be completely sold on a very rigid approach to society as a whole.

Mr. Foulds: That's a pile of crap and you know it.

Hon. Mr. McMurtry: What we have attempted to do in this legislation—

Mr. Foulds: That's a complete distortion and fabrication and you know it. The Attorney General should serve this House better than to create distortions like that.

Mr. Chairman: Order.

Hon. Mr. McMurtry: —is create a framework whereby the individual judge—

Mr. Makarchuk: Read section 4.

Hon. Mr. McMurtry:—in the individual case will have an opportunity to reach a just result.

Mr. Kerrio: I bet you don't have a contract.

Mr. Lewis: Have you read the bill?

Hon. Mr. McMurtry: The judicial discretion is obviously very wide in this legislation—

Ms. Gigantes: Read section 4.

Mr. Foulds: Is there any amendment to delete section 4?

Hon. Mr. McMurtry: I know the member for St. George and I don't entirely agree on the role of the judiciary in this province, but I can say that having had some many years of experience in the courts of this province that for every complaint following a matrimonial case from women we have had an equal number, if not a greater number, of complaints by men who believe that they have not been fairly treated.

Mr. Lewis: Where have you been practising law?

Hon. Mr. McMurtry: The simple truth of the matter is that lawsuits, particularly in family matters, are not very friendly matters.

Mr. Foulds: Lawsuits generally aren't.

Hon. Mr. McMurtry: All the efforts that have been poured into this bill were with a view to assisting people to know what their responsibilities are, to know what their rights and obligations are, to be encouraged to resolve their disputes outside the courtroom. Certainly that has been the thrust of all our family law proposals during the past two years.

[9:30]

To suggest that this party or that party is unhappy with the result of a particular lawsuit, in my respectful opinion, should not be interpreted as some inability on the part of the judiciary to arrive at just results in the individual case; it simply is a very difficult matter for any judge in resolving a family dispute to make both sides content. With the legislation as it is framed and with amendments that we are going to consider—and we have heard about the amendment that is going to be proposed by the member for St. George, which I am prepared to accept as a good, well-thought-out amendment—

(Applause.)

Hon. Mr. McMurtry:—the simple truth is that this legislation gives the judiciary—and I am satisfied that the judiciary in this prov-

ince is totally committed to arriving at just results in the individual case—

Mr. Foulds: Give them just laws to work from. It's our job to give them just laws to work from.

Hon. Mr. McMurtry: This legislation provides the judges with guidance, with the tools to provide for more just results than they have been able to accomplish in the past, on some occasions hamstrung by some of the old fault-finding concepts in the common law. As legislators it is up to us, by legislation, to overrule some of the outworn and unfair concepts of the common law.

Mr. Foulds: Only some of the outworn and unfair concepts?

Hon. Mr. McMurtry: This is what this legislation is going to accomplish. Members from all three parties in this Legislature have made a significant contribution to the development of this very important legislation. For that reason I should like to think that there could be perhaps a greater degree of pride shared by all members of the Legislature with respect to the legislation, Bill 59, and without so much emphasis on what are considered to be the negative aspects of the bill.

I realize there are areas which reasonable people will disagree on reasonably, but let us not lose sight of the fact that this is good legislation—

Mr. Foulds: Let's make it better.

Hon. Mr. McMurtry—no legislation is perfect legislation—and very major reform legislation and much more, it's fair legislation.

Mr. Foulds: What about the amendments?

Mr. Bounsell: Mr. Chairman, I hadn't intended to enter this debate again, but let me say this is one member in this House who will not feel any pride about the passage of the assets section of this bill. This is where it is flawed. It is flawed seriously and makes no advance in the equality between spouses in this province. Neither myself nor my colleagues in the New Democratic Party will ever feel any pride as long as this type of division remains in this bill. We need that 50-50 split, ensuring that equality takes place, before one can talk about marriage being in any way, shape or form a partnership.

I voted against this bill on second reading on its introduction because of this family assets split and I am tempted to do so again on third reading. That's how strongly I feel about it and I will never take any pride in this section of this bill. The Attorney Gen-

eral has shown his true colours and his true feelings by not just having in hand but deliberately bringing into this House to read into Hansard that piece of garbage which he read. Those are the Attorney General's true feelings and his true colours.

The member for St. George tonight, and the member for Ottawa East (Mr. Roy) on Tuesday afternoon, both accused the mover of this motion and this party of posturing by moving this 50-50 amendment—there is some excuse for the member for St. George, because she was not a member of the committee that sat most recently on this bill—because the further sections of the assets did not make entirely clear several concepts which should be made clear.

Let me make it very clear. Perhaps the member for St. George will think back to the private member's bill debate in which she participated in the spring of 1975, in which this was the basic thrust. I went further in that bill and outlined several of the points which the member for St. George mentioned, one of them being that if it's fair to split property and assets, it's fair to split liability. That was in the private member's bill.

I will confess to the member for St. George that I had the feeling—perhaps not quite true in her case; one would always hope that the member for St. George would join us on this if her other colleagues in that party couldn't—but I had the really strong feeling in my mind, based in their performance in the committee in the month of January, that there would not be any likelihood of their accepting this general concept. This is the reason I did not go to all the trouble of making further amendments to the asset section of the bill and making deletions to make it clear that liability would also be shared.

In addition, I did not go on to make it clear—again for those very same reasons—that the reason that I would leave judicial discretion to the judges would be if it were argued the equalizing payment in one lump sum required to be made in that 50-50 split would endanger the ongoing success of the business or the farm, the judge in his discretion could make that payment take place over some period of years. If you'll recall, my private member's bill had up to three years. The member for St. George spoke to me privately afterwards and said, "Five years," and I was quite prepared to put "up to five years" into that section.

I'm sorry that the member for St. George didn't quite recall that debate. However, there is no excuse—and I wish he were here

tonight—for the member for Ottawa East saying we were posturing in terms of this amendment and mentioning other portions which were left out, because he at least was present at the early stages of the committee meetings in January outside this House with respect to the same amendment moved under this section in which the attitude of our party was made clear on both the equalizing payment and when it could be made. We also made clear the concept that liability would also be shared, as provided for in the Manitoba legislation.

This may well be the appropriate time to call to the attention of this House that the province of Nova Scotia has just introduced their family law reform legislation—no doubt the Attorney General has seen it. It follows exactly the recommendations of the Ontario Law Reform Commission with respect to the asset split. It therefore follows exactly the principle and intent of this asset split section I have moved. I must say, as in various other things such as employment standards and minimum wage, this is yet again another example of the province of Nova Scotia being much more progressive than the province of Ontario.

Mr. Mancini: Liberal government in Nova Scotia.

Mr. Bounsaal: Yes.

I might just make two comments on the comments of other members who have spoken. The member for Niagara Falls (Mr. Kerrio) didn't have the advantage of being a member of the committee, but his remarks dwelt heavily upon the theme. "Why weren't the children included in this amendment?"

I would just point out that that was the whole purpose of the support section of this Act. They are covered fully under and provision is made entirely for them in the support section, a later part of this particular bill. They are not, and will not need to be considered—and the Attorney General would agree with me on this—nor would it be appropriate to consider them, under this asset split section in this part of the Act. It's covered entirely later in this same Act, if the member would take the time to read it.

I might say that I am rather sympathetic to virtually all of the speech except with maybe a remark or two, maybe by the member for Carleton-Grenville. I would say to the House that I think the member for Carleton-Grenville (Mr. Sterling) did a more than adequate job as the acting parliamentary assistant to the Attorney General in the last week of the committee stages of this bill.

Ms. Gigantes: We'd never catch you reading that kind of letter into the record, would we?

Mr. Bounsall: I hope it doesn't prejudice his future when I say he should have a bright future in this House. I, therefore, in that regard thank him for pointing out a way in which perhaps my amendment could have been improved. I thank him for it and say quite seriously to him, would he care to move it I would quite gladly accept this as part of my amendment.

I heard on the speaker outside—I was temporarily absent at that time in his remarks—I heard clearly that he indicated the wording in this section of mine, where it says "family assets means all property and assets including commercial assets acquired during the marriage or in contemplation of the marriage and the accrued appreciation of property owned before marriage," may create a loophole there in that it may mean that after the separation has occurred but before the divorce takes place there may be a period of time in which assets acquired by either during that period may well be required to be shared as well.

I thought that "during the marriage" took care of that, but his suggestion that after "during the marriage" we should add the words "while the spouses are residing together" certainly does close that loophole. I say to him, follow your good intentions, follow your impulses, follow the good feelings of your heart and move that amendment of ours and we will gladly incorporate it.

I know the member for Carleton-Grenville's major argument against this whole concept of ensuring equality of family assets splits is because he fears the expansion across Ontario of marriage contracts. I say to him that I don't fear that. Being a lawyer, he may well fear the costs that might fall to the people of Ontario to have marriage contracts. He would have more experience, of course, in the costs that would befall a couple in the drawing up of a marriage contract than I would, so perhaps my lack of experience in this regard does not lead me to have that same fear which he has.

However, let me tell him this, that within a few weeks of the passage of this bill, if this section is not amended, I will most certainly have in my constituency office in Windsor and in my office here in Toronto a standard marriage contract—which, of course, can have appendices to it to vary it—for use by all married couples, and in my capacity as an MPP I am able to notarize that document. Therefore, at no cost at all to my constituents, I will have a marriage contract which stipu-

lates as a reasonable agreement between couples in a marriage the 50-50 asset split which I feel should be in law across this province, and there certainly will be marriage contracts in the city of Windsor if I have anything to do with it which, in fact, create this split.

Mr. G. Taylor: Don't tell the Law Society.

Mr. Bounsall: We'll deal with the Law Society. Let them do something. I will serve notice now that this is what I am doing.

Mr. G. Taylor: They might deal with you.

Mr. Bounsall: In fact, provide them with standard copies for their offices for free. I won't even charge them for the paper.

Mr. Lewis: If there is a little problem about notarizing we'll solve that.

Mr. Bounsall: There will be no problem with the notarizing.

[9:45]

I still continue to feel exceedingly strongly about this section and I think you, Mr. Chairman, with your great experience in public service and meeting many people coming to see you over the years in your municipal experience, will realize—you can comment if you wish; I might invite you to—that is not a posturing position on the part of myself or my colleagues in this party but a very heartfelt position, that anything else is unfair and unequal; and I will say what my colleagues may not say, or say in the same way—I do not want any discretion, wherever it can be reduced, left to the judiciary in the province of Ontario with respect to asset splits between a husband and a wife in marriage.

I said before, and I will say it again, I would accept it if half of them were women and all of them were children of the fifties, but I won't accept it in the present situation of the judiciary in the province of Ontario.

Mr. Swart: Mr. Chairman, I had not intended to speak again on this bill, until about 10 or 15 minutes ago when the member for Niagara Falls (Mr. Kerrio) spoke on it—

Mr. Lewis: He stooped to politics.

Mr. Swart: —and then the Attorney General made certain additional comments, and he confirmed that I must say something further on this bill.

Mr. Lewis: Even I'm getting agitated by what the Attorney General did.

Mr. Chairman: Order.

Mr. Swart: I think I have to say to the member for Windsor-Sandwich that perhaps he misread or did an injustice to the member for Niagara Falls. I suspect the member for

Niagara Falls had read the support sections of this bill. That would be right, would it not?

Mr. Kerrio: Yes, but it doesn't guarantee the children are being—

Mr. Swart: I thought he had read the support sections and therefore it confirms my interpretation of what he really said. What he really said—and I think the member for St. George (Mrs. Campbell) had inferred this—was that the children are not really looked after in this section of the bill, because if you divide the assets up equally then there won't be enough left to the man to be able to support the children, and I suggest—

Ms. Gigantes: The eldest son.

Mr. Swart:—that here is male chauvinism almost to the extreme when you—

Mrs. Campbell: On a point of privilege.

Mr. Deputy Chairman: There is a point of privilege to be raised. The member for St. George.

Mrs. Campbell: When I discussed the matter of children, I did not refer to enough assets left to the man. It was not the inference and I certainly ask that if I am to be quoted, I be quoted accurately. Thank you.

Mr. Deputy Chairman: The member for Welland-Thorold may continue.

Mr. Lewis: That is a presumptuous request of this House—to be quoted accurately.

Mr. Swart: I think there can be different interpretations put on that and of course the member for Niagara Falls did confirm using his interpretation of that.

Mr. Ruston: Take care of the front row.

Mr. Deputy Chairman: Order.

Mr. Swart: It is my view that the female spouse is just as able and exercises just as much responsibility in the financial care of the children as does the male spouse and sometimes more.

Mr. Kerrio: Have you got a marriage contract, Mel?

Mr. Swart: And a real bearing on this issue is that if we divide the assets equally, the bill specifically provides under section 16 that every parent has an obligation, to the extent that the parent is capable, to provide education and support in accordance with need for his or her child who is unmarried and under the age of 18 years. I just say to you, Mr. Chairman, and through you to the Attorney General, that the children will be as well looked after if there is an equal division of assets as if the male partner gets a lot more.

Mr. Kerrio: Well, there's no dispute about that, Mel.

Mr. Swart: The second point I want to raise is something I recall being raised in the committee—and I'm sure our Attorney General wasn't there at that time. We were discussing the preamble to the bill and discussing some of the other sections in principle—and that's what we were talking about in this amendment: the principle of the division of the assets on an equal basis between spouses. And as stressed over and over by my colleagues here, it can be varied in almost any way by the judge; but we're discussing a principle.

I remember the member for Ottawa West (Mr. Baetz), who now is the Minister of Energy saying that the preamble is important because a judge will always refer back to that to get the principle of the bill. That was agreed to. I think our colleagues on the right, any of them in the committee meetings—and too many of them weren't there too much of the time—would agree that the member for Ottawa East (Mr. Roy) also agreed with the importance of the preamble, the importance of principle.

Mr. Bounsall: That was the only time he was right.

Mr. Swart: I say that this amendment is important, therefore, because it establishes the principle of equal division.

The third point I want to make—and I guess I'll say it very bluntly to the Attorney General after his comment—is that I can understand now how the province of Ontario lost the court case relative to putting its employees under the AIB.

Mr. Kerrio: Oh, that's not fair.

Mr. Swart: I think it's fair. A few moments ago—and I would be glad to have the Attorney General's attention—he stated twice that our amendment would put the division of assets more in a strait-jacket. He used the word twice. It would make it more rigid, put it more in a strait-jacket, he said.

I don't know how the Attorney General, as a lawyer, can make a statement like that. All the qualifications and all the variations from that are in sections 4 to 13. We're not proposing to change those sections. The bill has a rigid section 3 now which includes a limited amount of assets. We will have a rigid section 3 which will say the assets should be divided on a 50-50 basis, but all the qualifications of changing that in any way still remain in the bill. There's no more of a strait-jacket in our amendment than there is in the bill at this time. It simply establishes the principle of a 50-50 split.

One other thing that hasn't been said during this debate, to the best of my knowledge—and I think it should be said—is that

section 3 as it exists is going to create, by the very nature of it, tremendous inequalities.

Our amendment says there shall be in principle a 50-50 split between the spouses. In some cases, under section 3 as it exists, there will be a 50-50 split because that's all the assets they will have. In other cases, where they may not have a matrimonial home—40 or 50 per cent of our people now live in apartments, and they have all kinds of other assets—the split may be 10-90. This section as it exists provides no basis in equality at all; it is our amendment which provides that equality.

Even if the government doesn't want to give as much to the female spouse, even if it only said it should be divided on one-third, that would be more equitable than the present section, because in some instances it's going to mean that one spouse—usually the wife—will be entitled to nothing or very little.

After listening to the Attorney General and after listening to members on my right, who will not even deal with the issue of the 50-50 split—they say they agree with it in principle but they turn right around and say they can't vote for it; all it is, is a statement in principle—I say to you, Mr. Chairman, that the posturing here is being done by those people over there and those on my right.

Mr. Renwick: Mr. Chairman, I am rather concerned that the rhetoric of the debate has escalated since the intervention by the Attorney General. Perhaps we're engaged in driving each other further apart than is necessary. I think it's quite possible for reasonable people to reasonably agree as well. I think the point that has been made about this particular amendment is one on which I would like to have a few minutes to try to see whether or not I could persuade the Attorney General that it is essential that the amendment be accepted. In order to persuade the Attorney General I must obviously persuade the member for St. George. My remarks really are addressed to her and I trust that wherever she may be, she can hear the sound of my voice, because—

Mr. Eakins: You're coming through fine.

Mr. Mancini: I am sure she can. Clear as day.

Mr. Renwick: —the Attorney General and the member for St. George have agreed upon a subsequent amendment to section 4, I take it from what the Attorney General has said. I do want to therefore for all practical purposes address myself to the place in the assembly where the power on this matter resides. That's the member for St. George.

Mrs. Campbell: Thank you.

Mr. Renwick: If I can persuade her to take that small step to recognize that there is no inherent flaw in the amendment by the member for Windsor-Sandwich, that the amendment is quite consistent with the purposes that the member for St. George for many years has espoused. Whatever this insurmountable block which prevents the member for St. George from coming that small step closer to us, I would like to search it out and I would like to see if we cannot dissolve it during the course of this debate.

Incidentally, I would also like to persuade the member for Simcoe Centre (Mr. G. Taylor) and the member for Carleton-Grenville (Mr. Sterling)—I have some chance with them; I have little, if any, with the member for Ottawa East (Mr. Roy) who unfortunately is not here tonight. I gather that for practical purposes the member for Nipissing (Mr. Bolan) falls in the same general category and I do sympathize with the member for St. George. She has this terrible burden of being surrounded by men in that caucus who have been upset from the day the family law bill was first introduced into the assembly.

Mr. Lewis: That's right.

Mr. Renwick: I think it's fair to say that the member for Ottawa East thinks it was the work of the devil and he doesn't want it. He doesn't want to have anything to do with it. He becomes extremely irritated if anybody—all he wants to do now is to get it passed and get it over with.

I can understand that feeling. I fortunately come back to the task somewhat refreshed. I had a relief from the family law bill for a short period of time. That was one of the few minor blessings of being away at my own home for the 100 days, so I didn't have to go through the anguish of the debate.

I say to the Attorney General the reason why I want to try his patience—and I particularly want to persuade the member for St. George about the merit of this—is that I happen to believe that when this bill is passed, we can't monkey with it. We can't tinker with it. We can't start bringing in amendments the way we do to the Municipal Act every session in order to clear up some abstruse point. It has to be laid to rest along with the other group of family law statutes and let the jurisprudence take its course.

It's for that reason that I think we are quite justified in trying, again and again, to see if we could perhaps dissolve the small

hurdle that permits the member for St. George to say that she really agrees with it but she can't agree with it, and permits the member for Carleton-Grenville to say he really wants to agree with it but he can't. I have listened as attentively as I can to the discussion to see whether or not it is possible in some way or other to dissolve that kind of problem and I want to speak very, very simply, if I may, to the member for St. George with whom I have always been able to find a basis of agreement.

[10:00]

I think the member for St. George would agree with me 100 per cent that in our society at the present time a support obligation is not the equivalent of the ownership of property; that if you want security in our society, the way to have security is to have property, not to have somebody's obligation to pay support. Therefore to the extent that we can shift from the support obligations to property interests for the spouses who have terminated their relationship, then we have strengthened the independence of each one of them and not made them dependent upon the other. To the extent that one can do that, one has achieved a remarkable step forward in the relationships between people because secure people and people who know that they are going to be secure, even if they have the misfortune to come to the termination of their relationship, are much more likely to be able to deal with each other in a very civilized manner. There won't be the necessity for the application to the court and the long drawn-out discussions.

I say very carefully and clearly to the member for St. George, and through her to the Attorney General, that sharing as I do the sense that the judges in the province of Ontario are dedicated to doing the very best they can in interpreting what we in this Legislature pass, we have created—and it has nothing to do with the amendment made by my colleague, the member for Windsor-Sandwich—a labyrinth through which the judges are going to have to plod their way in order to try to arrive at what this assembly was saying. What was it saying? What was it saying in a clear way so that the courts will understand it? That labyrinth, in my view, puts the historic maze on the island of Crete to shame.

It is an impossible task that you are asking the judges to do, namely, to read the basic section which we are now dealing with and then try to apply all of the factors which are set out in subsequent clauses and proceedings in the bill. Regardless of the amendments of

my colleagues, the labyrinth is an extremely difficult one. My friend, the member for St. George, will understand that part of it better than anybody else because she sat in that court. She has had some experience with the existing law and she knows what the problems are.

I think it is essential that we do what we can to clearly indicate and signal in a way which is unmistakably clear what the intention of this assembly was. The moment we start fooling around with the definition of family assets which is presently in the bill and which my colleague is trying to amend, we immediately create very shaky ground. The very words which the bill uses calls upon a judge to engage in the minutiae of determining the pieces of tangible property scattered around the family home and scattered around the family cottage or out in the trailer or in some other camperette or item which is used, and create a problem which I don't think we should be asking judges to start right in to have to make that kind of decision.

I think you would agree with me when I say that the language which is: "the property owned by one spouse or both spouses and ordinarily used or enjoyed by both spouses or one or more of their children while the spouses are residing together for shelter or transportation, for household, educational, recreational, social or aesthetic purposes," et cetera, means that for practical purposes you are asking the judges to do what Ward-Price do, to make an inventory. Are these things for the social, recreational or aesthetic use of the members of the family? It is very easy for somebody whom you can call in to inventory the contents of a house or summer cottage. But that's not what we are asking judges to do. We are asking judges to do equity and justice between two people in a situation which is extremely difficult.

It is extremely important, and I go back to my fundamental point, that the independence of people in our society is based upon their property. That's where you get your independence. What we should be saying to the courts is what the preamble says. So far as the property acquired by people during their marriage while they are residing together—and I thank the member for Carleton-Grenville for raising the question of the minor amendment which should be made to the bill in order to preclude the point of draughtsmanship which was overlooked in it and which I have discussed with my colleague the member for Windsor-Sandwich and which can be cleared up—it seems to me we've got to be able to say to the courts that our intention was that the starting point should be all

property acquired during marriage. That would be subject to the exception of language about gifts, inheritances, trust benefits and all of that, but that is not difficult for judges to deal with, because they are used to dealing with that kind of language and those kinds of legal concepts. We're saying to them: "That's the place where you start from, and you take everything in. You take everything in and you say to the people that are involved, 'All right, that's the way you start.'"

I want to emphasize the point that has been made and perhaps has been overlooked, and certainly appeared to have been overlooked by the Attorney General in his comments; that is, we are not proposing any amendments to section 4. We are not altering it, as I understand it, in any way—

Mrs. Campbell: Yes, you have.

Mr. Renwick:—except for the one point, which is an entirely different issue and which is included in an amendment to be proposed by my colleague the member for Beaches-Woodbine (Ms. Bryden).

Mr. Nixon: Two parts.

Mr. Renwick: We say that the discretions in the court are all still left there, but what we have tried to say is: Let's give the judges a judicial start—not a household inventorying start—in order to solve this problem. Let's give them a place where they can clearly start. If they feel there are valid arguments made before them under which some of the discretions and balancing and judgemental factors should be taken in under section 4, fine; we can do that, there's no problem.

I think it is important that we signal to the judges called upon to look at this Act that we have clearly understood what we want to accomplish. I can see that with our amendment accepted as the signal, and in a difficult situation, the very conclusions that could be come to by a court would be acceptable to the member for Carleton-Grenville, as I think they would be to the member for Nipissing. I don't see that the starting point is other than for the sake of clarity and for the sake of principle. Then you let all of the discretions which the judges can balance work from that point.

I draw your attention to what was said by the former Chief Justice of Ontario, who is now Mr. Justice Estey, sitting on the Supreme Court of Canada. When he was Chief Justice of Ontario, if I recall correctly, he drew the attention of this assembly to the immense problem that we are creating for judges by not being clear about what we're saying, by leaving them to make the interpretations about what we supposedly in-

tended to do because we haven't got clear, unmistakably principled legislation from which they can, as a starting point, begin to make the decisions as to what we intended and, in cases such as this, begin to deal, as we say in the Workmen's Compensation Act, on the justice and merit of the cases and not on intricate rules about which piece of furniture falls on which side of the line so far as family assets are concerned.

That is my main and principal point and that's why I say to my friend the member for St. George to see, in the course of the time which is available—and the importance of it would mean that if I'm finished before 10:30 and nobody else wishes to speak on it, I'm quite certain that we could get agreement to stand it down until tomorrow morning—whether we cannot bridge this very narrow gap.

I think what was bothering me—and I say with the greatest respect that my colleague the member for Bellwoods (Mr. McClellan) threw the lighted faggot into the fire—was that from that point on I think everybody was about to give up and beginning to be driven by a rhetoric into opposing positions. The Attorney General was carving out for himself on the extreme right and on the extreme left, he was carving out for himself the middle road.

Mr. Reid: The extreme middle. The radical middle.

Hon. B. Stephenson: The radical centre.

Mr. Renwick: Yes, the radical middle, right down the centre. He was trying to say that people were decrying his legislation and casting aspersions upon the bill, and being rather unclear as to just who was doing it, but somebody called "they" was engaged in destroying this remarkable piece of legislation which has come before the assembly.

Mr. Reid: They are always very handy to have around.

Mr. Lewis: The faces in the crowd.

Mr. Renwick: Speaking again to my friend, the member for St. George, the point of departure of the member for St. George which appeared to raise this unsurmountable block was the words "commercial property." It was almost as if she was saying—and I know it isn't so—"If you take those words out I'll go along with it." I know it wasn't and I quite understand that, but the red flag on which the argument was hung was this question of commercial property. I think that triggered off the member for Simcoe Centre and led the member for Carleton-Grenville to get in. They all got terribly up-

set about this business of one of the spouses being involved in commercial property which they had no business to become involved in. It would almost be like Mrs. McKeough daring to enter into the plumbing business in Chatham.

Hon. Mr. McKeough: Never, never.

Mr. Renwick: Never. No. You couldn't possibly do that.

Mr. Reid: She may need a job after the next election.

Mr. Lewis: It is enough that she has disavowed the budget, never mind the plumbing.

Mr. Renwick: I sometimes think she would make a better Treasurer.

Mr. Lewis: Believe me.

Mr. Renwick: I want to talk a little bit about commercial property and commercial interests, because there are very few people in the province of Ontario who have that kind of problem. Sure, there are a lot of law partnerships and a lot of medical practice partnerships of one kind or another. There are all sorts of family companies of one kind or another. There are all sorts of partnerships disguised as corporations and so on.

We all must understand—and it has nothing to do with the amendment proposed by my colleague the member for Windsor-Sandwich about the entrance into the province of Ontario of this domestic contract—there are going to be a lot of those domestic contracts regardless of whether we change one word in the existing provision of the bill, because we introduced that into the bill, and there are going to be domestic contracts entered into by all partners in marriage relationships where there are any substantial property interests, “shares in private companies,” “interests in partnerships” whatever they are.

That will exist to a greater extent because of the introduction of this legislation, but we have accepted that as a necessary corollary to trying to even out the relationship that yes, you have to permit people to contract out. There may be people who don't think that the contracting out provisions should be quite as wide, but they are extremely wide. As I read the bill, they can contract out on everything except the matrimonial home should they choose to do so.

Therefore, it seems to me that all proper people—it is a significant number of people, but it is not a large number in the province of Ontario who have that kind of problem—will in any event, if they haven't already done it, go to a lawyer in order to have agreements drawn about it.

My friend, the member for St. George, has as much knowledge about commercial practice matters as I do, and you know as well as I do that every time a partnership is entered into there is always provision about what to do for the widow of the deceased partner. There is always that provision, always an arrangement made by which, regardless of the fact that the widow is not a member of the profession which might be involved, such as a law partnership, the partnership is drawn in such a way that the partners try to say: “We are going to find a way, without dissolving this partnership, of paying to the spouse of the deceased partner X number of dollars.” Whether they do it by buying reciprocal life insurance on each other's lives in order to have the funds actually available within the partnership in order to make the payments, those are very common, dime-a-dozen arrangements.

[10:15]

You know as well as I do that it is for tax or other convenient reasons if, instead of a partnership arrangement they incorporate a private company and two partners own 50 per cent of the shares or four partners own 25 per cent of the shares. Just a normal, everyday concomitant of that kind of legal transaction means that you also enter into—if I could use the jargon of the trade—a buy/sell agreement with respect of the share interests of the four persons, so that the same problems—that is the death of one of the persons or a desire on the part of one of the persons to get out—can be covered.

There are any number of variations on that theme. There are so many variations that in some partnerships you come to the other way where they want to create the fiction that the widow of the deceased partner is in fact a partner for all purposes except having anything to say about the business. Because it may be for tax reasons that that's a wise arrangement of the affairs. They bring the widow in as a partner and carefully exclude her from having anything to do with the business which is being run. It seems to fool the tax department and make everybody happy.

So there are those kinds of arrangements today—nothing to do with this legislation, nothing whatsoever to do with it. There are all sorts of agreements that are entered into in which the spouse, usually the wife of the participant in that commercial venture, is something called a silent partner, a silent person who has an interest. She may not sign any documents but her interest has been recognized because of the commercial pressures

of exactly what has to happen in any event. They've got to find the money in the continuing organization to pay the interest of the deceased partner or the deceased shareholder, whoever he may be. They've got to do all those things. Whether it's for love of each other or whether it's normal business practice they've got to settle those matters.

So I'm saying that there are lots of agreements now designed to protect the deceased spouse, usually the widow in our kind of a world, and those will continue to exist. I am inclined to agree that for other reasons there are going to be more of these so-called domestic contracts.

So I don't think that there is any particular magic in trying as I am to dissolve this barrier that prevents the member for St. George and myself reaching agreement on this matter. I don't really think there is a very great deal of validity in the hysterical response made in an escalating sense by the member for Simcoe Centre and the member for Carleton-Grenville that everything was going to fall apart—that the whole fabric of the commercial society and Bay Street was going to suddenly collapse and just disintegrate as the Canadian dollar is disintegrating now on the foreign exchange markets of the world.

So I say that that kind of situation can be dealt with and dealt with quite adequately, simply because it has had to be dealt with in any event in most commercial transactions of any significance in commercial ventures which are undertaken.

Secondly, they will be able to be dealt with much more clearly by contracting out under the domestic contracts provision in any event, and there are going to be more of those. So you say to me why shouldn't we start with an omnibus provision bringing everything in and recognizing what the preamble to the Act says; that it is in fact a partnership and the property aspect of it which has bedevilled the marriage institution for so long. Let's try to make it right once and for all.

Then I think you get the kind of situation into which the great bulk of the families in the province of Ontario fall—they don't have any commercial properties in the sense that is intended to be meant by the amendment proposed by my colleague. But they do have things far over and above the so-called narrow definition of family assets. It's all of those matters which should be brought together and brought into play.

In my riding, for example, my guess is that most situations are ones where they will not be consulting lawyers and, even if they

could afford it, they won't be terribly interested in entering into domestic contracts. All they would like to have, I think, is a law which permitted them to say: "What we in our marriage put together is to be divided in half." If that's fine and that's the way it works out at the termination of the marriage, well and good. It's very simple and very straightforward and there is no need for anybody to go and make an application to the court. If there's a dispute about it, then section 4 is still available.

It does seem to me that we are likely to remove the burden from the courts of a large number of cases, if we go the principal route of having a clear signal to the courts that that's the starting point because there's no point in going to a court if the total mass of assets which are to be divided are clearly defined and you get half. You can then only go to the court because you're asking for more than half, or someone is objecting that the person should not get half.

I think in a funny way that creates a barrier to misusing the courts because you start right out at that 50-50 point. You're not into a mad scramble about whether or not you can get more under section 4. There's a kind of a clear starting point. Because there's such a clear starting point I think we will probably relieve the burden on the courts. I think because of the real cases where the equitable provisions of section 4 and other provisions come into play, you're likely to get jurisprudence of much higher quality and much more important jurisprudence about exactly what these divisions of family properties can or should mean.

I would ask my friend, the member for St. George, to respond either tonight or tomorrow to what I've said, to reflect upon it and to think upon it because, as I said at the beginning, never have I in the time I've been in the House seen so much power reside in one place in this assembly. If she comes, I assume her colleagues will come, and if she and her colleagues come, the Attorney General, who has suffered one defeat at her hands and won't want to suffer another one, will also come along. We will then have an opportunity to have a bill of which we can all be proud and one in which we have resolved this vexed problem. This has bedevilled the discussion of this bill from day one because of the failure to accept the Law Reform Commission's recommendation which led to the kind of amendments proposed by my colleague. For reasons which I have never understood, the Attorney General and his

drafting advisers chose to introduce this ridiculously limited definition of family assets.

From any number of points of view, which I hope I've been reasonably clear about, I can say to the member for St. George, please see if we can't dissolve what to me appears to be a tough but minor obstacle and, finally, in a reasonable way, reach a reasonable agreement on a matter of such fundamental importance. Then I know that the Attorney General will fall into place and we will have a bill on which the whole of this assembly can complete the long and arduous work on which all parties have worked for so long.

Mr. Chairman: The member for Lakeshore.

Hon. W. Newman: There is the evening shot.

Mr. Lawlor: Mr. Chairman, in the very brief time that we have before we adjourn this evening, I wish to tell you in very personal and intimate terms that I've changed my mind. Throughout the evening I was not in the House but I was listening to every word of the debate and have done so. I am now convinced by my colleagues that their position is quite right. If that should add any strength to the member for St. George, so be it, because I think she knew my basic disposition with respect to this bill from its inception.

My basic position with respect to all legislation, just let me say, is that legislation can be approached from two directions. Either it can be approached wholly—you want a complete and global acceptance of a particular proposition—or you take the half loaf or quarter, whatever people want to talk about; you take what you can get. The government proposes—they used to dispose, too, like Almighty God but up to a point these days we do a little disposing too; and with that in mind, over many years here, I think of

it as part of the responsibility of a member of the Legislature to amend, twist and turn; you try to improve what you've got and you save the rest for the glorious day when you may be able to bring it into being.

This particular piece of legislation is quite unique. It is not the common run of the mill stuff and probably has a kind of permanency and, certainly, in terms of human destinies and human lives it has a far more searching and reaching effect than the ordinary piece of legislation that comes before us. The Law Reform Commission of Ontario has proposed a virtual community property concept albeit deferred and while I disagree with my colleague as to the particular mathematics involved in that, the weird business of the balancing claims and equalization claims wouldn't be very much disposed to accept that methodology or particular disposition of the matter. It's all right if you happen to be an engineer and live your whole life with stresses, measuring the peculiar dimensions of bridges, but in human affairs it is not.

But I have argued with him enough. I concede many things to him tonight, many more than I have ever dreamed of doing, and I do it with a certain amount of grace. The only thing I see arising out of this that causes me pause, and has caused me substantial pause is the pragmatic difficulties. We can be frank about it. The proposals made by my colleagues, and with which I now agree, are a fairly searching revamping of the basic principle of the bill.

Mr. Chairman: I wonder if the hon. member could take a glance at the clock.

Mr. Lawlor: All right, I'll tell you about the basic principle tomorrow.

On motion by Hon. Mr. McMurtry, the committee of the whole reported progress.

On motion by Hon. B. Stephenson, the House adjourned at 10:30 p.m.

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No. 16

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Friday, March 10, 1978

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, MARCH 10, 1978

The House met at 10 a.m.

Prayers.

OPP ROLE IN STRIKE

Mr. Deans: I rise on a point of order relating to yesterday's business, if I may, Mr. Speaker. I want to put before you what I consider to be facts with regard to a statement made yesterday. You will recall during the question period I raised with the Solicitor General (Mr. Kerr) a statement which was reported in the press and which was attributed to him. I asked the Solicitor General the following question: "And, further, let me ask you a supplementary question so you can answer both while you are on your feet. Is it true that you said that it was justified because a lot of the employees really didn't want the union anyway?"

The Solicitor General responded as follows: "Mr. Speaker, I should have probably on a point of privilege while answering the hon. member's question. I didn't say that which was attributed to me in this morning's Globe—the words, 'he added that only half the workers of the plant want the union.' What I said to the reporters was that there was a division of opinion there, that there were some exception by a number of employees whether or not they wanted that strike. That's what I said."

As an aside, sir, you'll appreciate that the English in it is not particularly easy to understand, but that the intent is easy to understand.

I want to draw to your attention, and to the minister's attention, the fact that there is a tape recording of the conversation that he had and which was reported in the Globe and Mail and by other media. I have here a direct, unedited transcript of what that tape says, and the tape is available for either you or the minister to hear; for the minister to hear and for you to hear. I quote:

"This is a plant that the union is attempting to organize, and apparently there is a split in the feeling of the employees. About half of them are not interested in joining the union, and about half want to join the union."

Mr. Lewis: Unbelievable.

Mr. Deans: That is, to the best of my knowledge, a complete and accurate quote taken directly from the tape which was used for the purpose of the story which appeared in the Globe and Mail.

It is entirely possible that the minister may not remember exactly what he said; therefore, when he answered the question yesterday perhaps he answered it in all honesty; and I am prepared to accept that. It is entirely possible that the tape recording machine picked up something the minister didn't say—although it is very difficult to understand that this might have happened.

But if you would be kind enough, in the interest of making sure that information given to this House is accurate information and is truly reflective of what is being said in incidents and situations as sensitive as the one we are currently dealing with, I would ask either you and the minister, the minister alone or you alone, to listen to the tape and hear for yourself what was said and then deal directly with the answer which was given and which was in direct contradiction, as I understand it, to the facts of the case.

On the same point of order, dealing with the same question, I want to bring to your attention the minister's statement on page 1510-3 of the draft transcript for March 9, 1978, in which the minister says—he is speaking to me:

"Dealing with the second question, which I feel is much more relevant, I think the hon. member should realize that some days before the strike took place that a representative of the union attended at the police detachment headquarters . . . and asked certain questions regarding picket lines and the conduct of the employees and questions of that nature, very valid questions."

The member for Carleton East (Ms. Gigantes) said: "Very responsible."

The minister went on to say: "Those same questions were also wanted to be known by management, and as a result of this the sergeant of the detachment decided that everybody should know what the situation would be . . . what their rights would be and what their obligations would be in a situation of that kind."

It is reported to us, sir—and I want to ask you to ask the minister with regard to this—that in fact Mr. Grant Turner, the vice-president of the company, on that same Friday called the workers together while their representatives were bargaining in London. He said to them that he had decided to put an end to rumours about the difficulties which may be encountered and that he had called and asked that the OPP attend at the plant—

Mr. Lewis: That's right.

Mr. Deans:—and that he had requested that the lecture which was subsequently given, should be given to the employees.

I raise this matter with you because the information which is being given to this House, perhaps inadvertently, is very inaccurate and misleading and does not reflect in any way the situation as it was or as it is at that plant with regard to the OPP's involvement.

Mr. Speaker: The Solicitor General has not had the opportunity to hear the alleged point of order raised by the member for Wentworth, and I don't know whether he is in a position to respond at this time. If the Solicitor General would like to reflect upon it over the weekend and perhaps give his version of what happened on Monday, perhaps that would be appropriate and agreeable to all members of the House.

Mr. Renwick: On a point of order, Mr. Speaker: Would you just clarify for me what you meant when you said "alleged point of order"?

Mr. Speaker: I am not sure that anything that has transpired here, either this morning or on Thursday, constitutes a point of order; that being something in this House that can be construed or seen as a point of order. There is obviously a difference of opinion as to what was said or what was quoted. That is probably more appropriately a point of privilege. Unless I hear both sides, I am not in a position to say whether it's a valid point of order. That's what I meant.

WRITTEN QUESTIONS

Mr. Peterson: On a point of privilege, Mr. Speaker. On February 23 I tabled a question on the order paper, question No. 10; an interim answer was tabled yesterday, March 9, 1978. That interim answer said that there was no answer, that they want more time. I would like your advice on the rules applying to this situation. How much time do they have? Under what obligation is the ministry—in this case the Chairman of Management

Board (Mr. Auld)—to provide a response to this question? Is this type of response not in defiance of the rules of this House?

Mr. Speaker: Obviously, the standing orders indicate that there are up to two weeks for a reply to something that is on the order paper.

Mr. Peterson: The minister was given two weeks, and the only response—given yesterday—after two weeks was that there was no answer and that he needed more time. I would like to know the rules of this House pertaining to how much time he has got. Can he go on doing this indefinitely? Does he have another two weeks? What is the status?

Mr. Speaker: It is my understanding that an answer should be forthcoming within the time specified in the standing orders, and if it is impossible to do so I think the House—and in particular the member—is entitled to some kind of explanation as to why it is taking longer than that.

Mr. Peterson: I'm sorry to pursue this, but what, then, are my rights as a member, not having that answer after two weeks? How much longer should I be expected to wait in the circumstances?

Mr. Speaker: If there is some reason why the minister in his own judgement should decline to answer, he need only say that; but if he needs more time, if it is a very detailed answer that requires a lot of research, perhaps the hon. minister responsible could indicate why it is necessary to take in excess of the time allocated. He does have the right to decline to answer if he chooses to do so; but I don't think that is the case in this instance.

PAPER MILL CONTROL ORDERS

Hon. Mr. McCague: On a point of privilege, Mr. Speaker. Last Tuesday, March 7, I gave an answer in the House to the member for Huron-Bruce (Mr. Gaunt) regarding the status of the ministry's order on the pulp and paper mills of Domtar of Red Lake and Great Lakes Paper Company of Thunder Bay. An error has appeared in Hansard regarding the date by which time two minor lateral connections are to be completed at the Domtar Plant. The company is being required to complete these two connections not later than June 15, 1978, not January 15, 1978 as was recorded in Hansard.

STUDENT ASSISTANCE

Mr. Sweeney: Mr. Speaker, following my supplementary question yesterday to the Minister of Colleges and Universities, it was sug-

gested that because I had the information only in the morning I didn't know what I was talking about. I would draw to your attention, Mr. Speaker, that I had indicated that last year the parental contribution table kicked in at \$7,300. This year it kicks in at \$6,601, and therefore that was reduced. I have those figures in front of me to corroborate what I am saying. I had also calculated that that meant that a family with a net weekly income of \$127 was expected to make a contribution. I'll change that; it actually works out to \$126.94. There are the figures.

Hon. Mr. Parrott: The member has missed one significant point in that observation. Last year that would have required the student, part of that family, to make a contribution of \$1,000. It was called a loan. Nevertheless the student, a member of the family, was obligated to take a \$1,000 loan first, and I think that would logically be considered as a contribution from the family unit.

[10:15]

Mr. Sweeney: That's not what we're talking about.

Hon. Mr. Parrott: It's a deferred payment, but that was required first last year. This year, agreed, the family contribution in that area is lower, the grant kicks in at the beginning, at the very start. Therefore if one views the family, parents and child together, the contribution from that family in that instance is less. I think one has to look at it that way.

Secondly, if one looks at Canada student loans this year and our Ontario student loans this year and compares those, they are indeed at a higher rate. They kick in—and I don't have those figures in front of me this morning—I think it's \$7,600; therefore they are higher this year than they were last. If the hon. member puts those two things together, he will find that the table and the contribution are fairer.

Mr. Speaker: I think we can get into this either in question period or during the estimates.

Mr. Sweeney: You're comparing apples and oranges.

Hon. Mr. Parrott: They're all part of the same thing. They come from this place, your and my pocketbook.

Mr. Kerrio: I think the tables are turned. I don't think the minister knows what he is talking about.

Mr. Lewis: We have lots more points of privilege, Mr. Speaker.

Mr. Warner: Point of privilege, Mr. Speaker.

Mr. Speaker: Order.

STATEMENTS BY THE MINISTRY

SOFT DRINK CONTAINERS

Hon. Mr. McCague: Since my appointment as Minister of the Environment, I have been reviewing the government's policy with respect to the control of carbonated soft drink containers. As part of this review, I have held meetings with representatives of all segments of the soft drink industry with the result that the regulations affecting this industry have been carefully scrutinized in the light of current conditions.

During the past two years, the government has announced a comprehensive program designed to restore the general availability and use of refillable, money-back containers in the soft drink market. The refillable, money-back bottle is acknowledged as the most environmentally acceptable container for soft drinks. For many people concerned about waste and the overuse of throw-away packaging in our society, it stands as a symbol for the whole issue of good waste management.

The government has met many of its objectives in protecting and restoring the refillable bottle and in reducing the waste inherent in the alternative, non-refillable container. As compared with the situation two years ago, we have made this progress:

The consumer can now be confident that the soft drink of his choice is readily available in the container of his choice in most stores which he patronizes. The consumer can now be assured of a full cash refund on every refillable bottle returned to the store where he bought it and in stores which sell the same brands and sizes. The consumer can also make a direct, simple comparison between the cost of a soft drink in a throw-away container and the cost of the same drink and deposit on its refillable bottle. This compulsory price display indicates the economic advantage to the consumer of the refillable bottle.

A major result of this program to date has been a significant increase in the popularity and use of the refillable bottle. It earned an estimated 60 per cent share of the market during the last months of 1977, as compared to about 35 per cent during the same period in 1975.

Members will recall that these measures which we considered essential to a comprehensive program have not yet been undertaken: The proposed five-cent tax on cans was introduced to the Legislature last year. It was not pursued further because both

opposition parties made it clear they would not support this measure. Not only would they not support the government's proposal, they could not even agree among themselves on any practical alternative measure.

Mr. S. Smith: Are we now a coalition government over here? Do we have to agree on all measures?

Mr. Kerrio: Come on; clean up your act.

Hon. Mr. McCague: That's where we stand as April 1 approaches, the date on which a ban on non-refillable bottles is scheduled to go into effect.

Mr. Cunningham: What about that speech in Dundas? It was a beauty.

Hon. Mr. McCague: Because the tax on cans has not been implemented—

Mr. S. Smith: You can't govern unless the NDP and our party tell you what to do.

Hon. Mr. McCague:—this ban could create an unfair disadvantage to a competitive segment of the soft drink industry, the glass container industry. Therefore, we have developed a modified program which is fair and equitable to all segments of the industry and will meet the government's objectives. The following program will reduce the volume of waste generated by soft drink containers by increasing the availability and use of refillable, money-back bottles. I am amending the current regulation banning non-refillable glass containers, which would take effect April 1, 1978. Under the amended regulation, the industry will be allowed to continue to make and sell non-refillable bottles in these sizes: the 200 millilitre bar-size split; the 750 millilitre and 1.5 litre family sizes.

Where the family-size non-refillables are sold, the same brands and flavours in refillable bottles must be given equal display space. Under this amendment, effective April 1, the previously-announced ban on non-refillable bottles in the 300 millilitre size will be retained. This individual size non-refillable bottle is considered to be a major polluter among containers.

Effective December 1, 1978, retailers must provide display space for 300 millilitre refillable bottles at least equal to the space provided for cans.

I have accepted a voluntary program of self-restraint proposed by the industry. Its representatives have committed themselves to restricting the use of non-refillables to a maximum of 25 per cent of gross gallonage sales by December 31, 1979. My ministry will monitor industry records and performance to ensure that the 75-25 per cent ratio in favour

of refillable bottles is met and maintained. As part of the voluntary program, the industry will discontinue all sales promotion activity for carbonated soft drinks in non-refillable containers.

Finally, the industry has recently undertaken extensive programs in support of the collection and recycling of glass and promoting the purchase of soft drinks in refillable containers. A public education campaign based on the theme Many Happy Returns, promoting the refillable money-back bottle, got under way with extensive advertising last week and will continue throughout Ontario.

I also endorse the glass gobbler program, which involves the collection and recycling of discarded glass from licensed premises in major urban centres. I am informed this program will be expanded shortly in conjunction with the Variety Club of Ontario which will support and promote 30 collection depots in Toronto as a fund-raising project on behalf of Variety Village. I hope members will support this excellent project when it is introduced.

To make these new ground rules clear, I'd like to summarize for the hon. members what consumers can expect when they go to the store to buy soft drinks. They can expect that in the small, individual-size containers, they will have at least an equal choice between refillable bottles and cans. In family-size containers, they will have at least an equal choice between refillable and non-refillable bottles. Finally, they will not be subjected to advertising or promotion urging them to buy soft drinks in throwaway containers.

I expect the result to be a marked reduction of waste caused by the use of non-refillable containers and a steady increase in the use of refillable bottles. At the same time, this progress in the battle to curb waste will be achieved without further loss of employment in this industry.

INCREASE IN OHIP PREMIUMS

Mr. Warner: Yesterday I rose on a point of privilege to draw the Speaker's attention to a comparison between the statement made by the Treasurer (Mr. McCough) contained in the first section on page 15 of his budget paper, and section 54 of the British North America Act and section 18 of our standing orders for this House.

I know that you will be considering the matter, Mr. Speaker. May I ask you to take one further extremely important document into your consideration. That document reads in part that, "No scutage or aid shall be imposed in our kingdom unless by common counsel thereof, except to ransom our person,

make our eldest son a knight"—I don't suppose the Treasurer intends to do that—"and once to marry our eldest daughter, and for this a reasonable aid only shall be paid."

That section is contained in the Magna Carta of King John, A.D. 1215, and obviously is the forerunner of the British North America Act.

Mr. Speaker: Order. I am glad the hon. member has brought that to my attention because I didn't think it was a part of our standing orders.

Mr. Makarchuk: No, but it is the basis of responsible government.

Mr. Speaker: I will be reflecting on the member's alleged point of privilege and I will have something to say about it on Monday.

Mr. Cassidy: Scutage is a feudal due and that's all the OHIP premiums are.

Mr. Lewis: It's what the feudal barons extracted from working people in 1215. You have made no progress in 700 years.

Mr. Cassidy: You have gone back to the Dark Ages, in fact.

Mr. Speaker: Order.

OMB HEARINGS

Hon. Mr. McMurtry: Mr. Speaker, as I indicated yesterday, I would like to respond to a question raised by the hon. member for Waterloo North (Mr. Epp). The original question actually was directed to the Deputy Premier and government House leader, who indicated that I would be responding to same.

The hon. member, on February 23, asked certain questions relating to expediting hearings of the Ontario Municipal Board. As all hon. members are aware, the Minister of Housing tabled a report of the Planning Act review committee on June 28, 1977, and requested public comment on the recommendations made by the committee. The report contains a complete chapter, namely chapter 10, on the role of the Ontario Municipal Board. The Minister of Housing has received numerous briefs commenting on the committee's report.

My staff and staff of the Ministry of Housing have met on two occasions with the Ontario Municipal Board to discuss the recommendations of the Planning Act review committee and the briefs received relating to the OMB, with a view to developing recommendations which will improve the procedures of the board to better serve the interests of the public.

I understand that a further meeting is scheduled with the board in April to pursue

the search for the appropriate mechanisms to try to speed up the planning processes which flow through the OMB.

As the minister responsible for the administration of the OMB, I am concerned with some of the delays experienced in our planning process and I am anxious to find ways and means by which the planning process function of the OMB can be improved. I would therefore urge the hon. member for Waterloo North to submit any comments he has on the Planning Act review committee report on the OMB or any suggestions he has for improvement of the procedures of the OMB to the Minister of Housing so that they can be considered in the current review.

Mr. S. Smith: Eight-hour days, reasonable lunch hours, meeting in the summer time—they are a few.

Hon. Mr. McMurtry: I appreciate that the hon. member for Waterloo North could not be here today, but I gave him a copy of this statement yesterday.

Mr. S. Smith: Five-day weeks perhaps.

Hon. Mr. McMurtry: Realizing that we could not wait until the government finalizes its response to the Planning Act review committee report to try to expedite hearings before the board, I wrote to the board in April 1977 to request the board's co-operation in expediting hearings. In particular, I reflected the concern of all of us over the rising rate of unemployment and especially the increase in unemployment in the construction industry. I requested the board to do everything possible to ensure that construction projects are not being delayed by our inability to process the OMB applications within a reasonable time.

It has been my practice in the succeeding months, when I have been made aware of a particular delay, to have my staff contact the chairman of the board to determine the cause of the delay and to request the board to do all in its ability to expedite hearings in the appropriate cases. I am not aware whether the hon. member in his question was referring to any particular matter before the board but I can only suggest that if he has a specific complaint of a delay, that he bring it to my attention and I will attempt to find the cause for the delay and request that everything possible be done to expedite the matter.

I would like to indicate that in my view I believe we are fortunate in Ontario to have a board such as the Ontario Municipal Board, with dedicated members who have considerable experience in planning matters and who in most cases dispense their function in an admirable manner. As in most areas of decision-

making, the board is being faced with more complex planning matters, members of the public are objecting more frequently to planning decisions and, as a result, the hearings are becoming more lengthy and complex.

In view of these circumstances it is necessary to wrestle with a methodology to improve the service of the board to the public and our aim, as members of this House, should be to make recommendations which we feel would improve the procedures of the board to the ultimate benefit of the public.

Mr. S. Smith: I guess wrestling with it is better than eating it.

ORAL QUESTIONS

INCREASE IN OHIP PREMIUMS

Mr. S. Smith: Mr. Speaker, I would like to ask a question of the Treasurer which basically goes over some of the ground of yesterday; but in view of the fact that the committee on social development of this Legislature now will have an opportunity seriously to consider alternatives to the funding of our health care system, alternatives to the rather drastic and, in my opinion, unfair OHIP increases that he has introduced, is he now prepared to delay implementation of these increases until he has heard from the committee? And would he accept that if the committee can agree on an alternative that is fairer and more equitable, that he would be willing to implement the alternative, instead of the OHIP premium increase that he has already put before us?

[10:30]

Hon. Mr. McKeough: Certainly, if the committee, the House or the government agreed on some alternative method I too would be prepared to consider implementing some alternative method.

Mr. S. Smith: By way of supplementary: Given the fact that I realize that time may be of some importance in this regard, can the Treasurer give the committee some indication of what a reasonable time limit would be to come up with an alternative proposal that would still allow him to rescind, in part or in full, the premium increase that he has already suggested to this House?

Hon. Mr. McKeough: I would want to talk to the Minister of Health (Mr. Timbrell) about that; he looks after OHIP. But I would think that the order in council raising the premiums would go into effect, and my own judgement would be that the committee would take a period of time and then there might have to be changes after May 1. But

if May 1 is to be met, I doubt that there is any time left.

Mr. McClellan: In time for the next election.

Hon. Mr. McKeough: Reasonably, I would think the committee is going to take some weeks. If new billing is to go out on May 1, I would suspect we've passed that time already.

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. Cassidy: A supplementary: Given the anger about the OHIP premium increase which has come from every section of this province, from employers as well as individuals who have to pay this OHIP premium increase, does the Treasurer not think it is presumptuous for the government to pass the order in council bringing those premium increases into force before the budget has even been debated and before any legislation surrounding the budget has been presented to this parliament?

Hon. Mr. McKeough: I would like to say that this is the only part of my budget of Tuesday night which has aroused some interest from various parts of the province—

Mr. Lewis: I should say; it is the only part, there's nothing else.

Mr. Reid: There's nothing else in it.

Hon. Mr. McKeough: Oh, no, there are other comments from other parts of the province, including here.

Mr. Lewis: Except your giveaways, there is nothing of consequence.

Hon. Mr. McKeough: One expects a certain amount of debate and I look forward to it, of course. It begins on Monday and will continue for some time.

Mr. McClellan: Shades of Walter Gordon.

Mr. MacDonald: Or John White.

Mr. Breihaupt: While the Treasurer is discussing this matter with the Minister of Health, could he also discuss with the chairman of the social development committee the timing as to when this discussion on the statement may be held by that committee, with the possibility that the change in dates could be put over to June 1, with ample time yet to get the machinery in operation, in order that the committee would have the alternative available to it and may suggest something that the Treasurer may find of value?

Hon. Mr. McKeough: I don't really think that's practical.

Mr. Cassidy: A supplementary: given the fact that the tax burden on families of modest

income in the province, taking income tax and OHIP premiums together, will be as much as \$500 per family more in this province than in other parts of Canada; and given the fact that the effective tax rate increase could be as high as 80 per cent for people in certain brackets in the \$8,000 or \$9,000 level, and could be more than 100 per cent in certain cases where people are also in rent-to-income housing, does the Treasurer not think that it was presumptuous of this government to act by order in council before the people of this province could even get a letter delivered to their elected representatives protesting this OHIP premium increase?

Hon. Mr. McKeough: No, I don't think it was presumptuous. And in response to the preamble to the member's question I would simply say this.

Mr. Warner: You have a heavy hand.

Hon. Mr. McKeough: We have recognized for some time that there is a problem—and there has been a problem since the beginning of OHIP—at whatever level we put the cut-off for full premium or partial premium. It relates to the notch provision, and there are always problems with the notch provision. The member quotes examples; we can give chapter and verse of other kinds of examples.

The fact is that roughly at \$9,000 a person pays nothing. For a family at \$10,000, depending on the family's circumstances and a whole host of other things, there is a jump. But at some point there must be a cutoff point. We originally had, as I recall, a quarter, half, three-quarters and full assistance premiums; and that, I think, caused more problems than it was worth. We subsequently went to full premium assistance, which some 1,820,000 people receive. A relatively small number, 60,000, are in the half-premium category.

I am quite willing to examine that again, but I would point out that there are misleading tables which can be developed quite easily. My friend the Minister of Health points out that in British Columbia, for example, which appeared more favourably in some tables at the \$10,000 level than we did, there is a \$5-a-day hospital charge. I am sure the member would not support that, but I think one has to take that into consideration in making a comparison between our premium schedule and the arrangements in some other province.

Mr. Cassidy: There were no premiums in seven provinces.

Mr. Conway: I wonder if the Treasurer can explain how it is that he says on page 15 in his budget that "premiums retain a visible

link with the cost of services," and then on page 33 he says that "almost three-quarters of the increase will be paid for by employers, a reflection of the fact that employers' subsidization of OHIP is a common fringe benefit in Ontario." What kind of a visible link is it, insofar as premiums are concerned, when 75 per cent of premium revenue is paid by employers?

Hon. Mr. McKeough: That is another point I would make with respect to the story which appeared in the Globe and Mail. The Globe and Mail obviously found a couple of people this morning whose premiums were not paid by employers. At that level that's a relatively small—

Mr. Cassidy: There are a lot more than a couple of people. You fellows are so complacent over there, so self-righteous.

Mr. Lewis: Are you ready to be triggered? Are you ready for your morning spam? Are you exercising enormous self control?

Mr. Speaker: Order.

Hon. Mr. McKeough: I would simply point out to my friend that in terms of the visible link, I think it is fair to say that the people of this province are much more aware than they were before Tuesday night of the problems in health costs.

Mr. Breithaupt: I think it is close to the missing link.

Mr. S. Smith: You sure taught them a lesson and you are proud of yourself.

Hon. Mr. McKeough: Regardless of who is paying the premium or how the money is raised, they are much more aware today of the fact that \$3,951,000,000 of the moneys which will ultimately be voted by this Legislature are going into health care. That's a very large amount.

Mr. Warner: You can't run the system, that's the problem.

Mr. Conway: It is not a visible link for you and I because we don't pay it.

Hon. Mr. McKeough: Then if it isn't a visible link, I doubt the member would have raised quite the fuss he has raised today and yesterday.

Mr. Speaker: The Leader of the Opposition with his second question.

Mr. Sargent: Supplementary, Mr. Speaker?

Mr. Speaker: We have had enough supplementaries.

Mr. Sargent: Mr. Speaker, on a point of privilege—

Mr. Speaker: There will be ample opportunity during the budget debate, during the estimates and during the referrals of the

annual report of the Minister of Health to the committee for social development or wherever, to get into the measure contained in the budget during the course of this session.

Mr. Sargent: On a point of privilege, Mr. Speaker.

Mr. Speaker: What is it?

Mr. Sargent: Mr. Speaker, on a matter of \$250 million additional tax for people—now Speakers in the House of Commons allow 10 or 15 minutes of supplementaries on an important matter. I don't think it's up to you to rule what should be discussed in this House.

Mr. Speaker: Order, order; I think it is.

Mr. Sargent: It's the importance of the matter—

Mr. Speaker: If it's not my responsibility to operate this House in an orderly fashion, whose is it?

Mr. Sargent: Sometimes you are biased.

Mr. Speaker: The member has said other Speakers have allowed 10 or 15 minutes. We have allowed 11 minutes now. The hon. Leader of the Opposition with his second question.

Mr. S. Smith: Just to be sure I understood, I take it then that there was an agreement that if the committee comes up with a rational alternative the Treasurer would be willing to implement that—

Mr. Lewis: How can he implement it?

Hon. Mr. McKeough: We will consider it, Mr. Speaker.

Mr. Cassidy: It's a sham. The order in council was passed within hours.

ONTARIO ECONOMIC STRATEGY

Mr. S. Smith: My second question to the Treasurer has to do with his program, which is fancifully titled Towards a Balanced Budget. I would ask him to reconcile something here for me. In the budget of 1977, he speaks of his five-year deficit reduction plan and so on, and says that the strategy "assumes that eventual elimination of the budgetary deficit will be realized via expenditure restraint, not via tax increases." Yet in the 1978 budget on page 7, in the part called Reaffirming the Balanced Budget Plan, it says: "The discretionary revenue increases in this budget, together with continued expenditure constraint, have put the fiscal plan back on target."

I wonder if the Treasurer can reconcile the difference between a plan that did not envisage tax increases in 1977 and one that has included them in 1978. Can he tell us whether

he has simply changed his mind on this matter or whether his flip comment of 1977 has become a flop in 1978?

Hon. Mr. McKeough: I don't have last year's budget here in front of me but the figures were in a comparable table and are repeated in table 6 on page 6 of budget paper C. They showed what the original targets were going to be. No, I'm sorry, it doesn't show the original target in terms of revenue, but as I recall it was something like eight or nine per cent. It was obviously a higher figure in 1977-78 than the 7.5 per cent we achieved in revenues, and it was something less in 1978-79 than the 12.6 per cent that we now forecast.

I don't remember whether the figures for 1979-80 and 1980-81 have changed, but those two figures, 9.4 per cent and 10.1 per cent, do not envisage further tax increases. On the other hand, if the expenditure levels are higher or if the revenue projections come in lower—and there is still a determination to achieve the figure by 1980-81—then any one of those percentages or variables could change.

Mr. S. Smith: By way of supplementary, just to make sure I understand the Treasurer, what he is saying then is that when he presented his budget paper in 1977 he thought he would be able to get on a balanced budget target plan without any tax increases. It didn't work out that way for this year but he is still hoping that in the future it might work out that way and he continues to make the same type of assertion.

Hon. Mr. McKeough: I would point out one other thing, just to set the record completely straight. I think the tables last year in the budget, comparable to table 6, envisaged expenditures in the year beginning April 1 next rising at 6.3 per cent. We were hopeful that there would be a somewhat lower rate of inflation during 1977-78 and beyond than we have now experienced or that we now envisage. Part of that difference certainly is the difference between 6.3 per cent and seven per cent.

Mr. Cassidy: Supplementary: In view of the substantial amounts being spent by the province for capital expenditures on things like schools, hospitals and roads, and for capital loans to municipalities et cetera, can the Treasurer tell this House what proportion of this year's cash requirements, if any, will be necessary to cover current operating deficits?

Hon. Mr. McKeough: None. I think tables C7 and C8 on page 22 of budget paper C show investments of \$1.404 billion and cash requirements of \$1.055 billion.

Mr. Peterson: Supplementary: When the Treasurer announced in 1977 that it was his plan to balance the budget by 1981, was it his intention then to sell off the assets of the province in order to meet that goal, or was he trying at that time to reach some kind of meeting between revenues and expenditures; or was he at that time contemplating dipping into his asset pool, putting it into current revenues in order to minimize the size of current cash requirements?

[10:45]

Hon. Mr. McKeough: I don't know whether I can remember all those questions. No, I wasn't contemplating it at that point particularly. That is not part of reaching a balanced budget target. As the leader of the third party pointed out, that figure only affects the cash requirements. The sale of a certain part of the mortgage portfolio does not affect the budgetary figures.

By the same token, I wasn't contemplating a year ago making the switch to front-end financing, which we have done in several areas, the full impact of which will be in the next year rather than in the year beginning April 1. That too changes the figures and increases the budgetary deficit, by I think \$66 million in this year, and leaves the cash requirements exactly the same. That figure presumably would go in a subsequent year. So there are changes between the thinking of a year ago and of the thinking now, but the end result is the same.

Mr. Cassidy: Final supplementary: Can the Treasurer say whether the comments given to reporters about possibly not achieving his balanced budget target until 1983 or so were inspired by the Treasurer in case he needed to get off the hook with the 1981 target?

Hon. Mr. McKeough: I would be glad to look at the quote. I don't recall saying that.

Mr. Lewis: Oh, you are gentle as a lamb; you are. You know, if you bottle it all up this way when it explodes one day the shrapnel will fall everywhere.

Hon. Mr. Davis: You know, Stephen, that's not true.

Mr. Makarchuk: You're grooming yourself well, Premier McKeough.

Mr. Cassidy: You're trying to get approval—

Mr. Lewis: How long, O Lord, how long?

Mr. Speaker: Order, order.

Mr. Peterson: That grey-headed man is interjecting, Mr. Speaker.

Supplementary: In the Treasurer's defence of these very substantial net cash requirements that we have had over the past seven

years his principal argument has been that it has all gone into capital goods. One could argue the definition of some of those capital items that he talks about, but is it not a fact that in the days before the Davis-McKeough regime there were balanced budgets and even then they had capital expenditures, and in the future we are going to have to have capital expenditures, and he is anticipating reaching a balanced budget by 1981, therefore he is using sleight-of-hand definitions to justify the very large deficits of the past six or seven years.

Hon. Mr. McKeough: Mr. Speaker, I think we are into the leader's speech on Monday.

Mr. Peterson: The financial critic.

Hon. Mr. McKeough: The financial critic—we wonder over here at times.

Mr. Cassidy: So do we.

Hon. Mr. McKeough: I would simply say this, that I do hope on Monday he will talk about this year's budget and not what may have happened 10 years ago. That's what he did last year, but I hope he might come into the twentieth century this year and not be quite as reactionary as he was last year.

Mr. Foulds: Supplementary: I'd like to ask the Treasurer if he took into consideration in his projected revenue for this budget, and presumably his projected revenue for subsequent budgets in meeting his balanced budget target in 1981, the possible reduction of revenue that will arise because of the contemplated changes by his colleague, the Minister of Natural Resources (Mr. F. S. Miller), in the Crown Timber Act and the resultant changes in the regulations under that Act having to do with stumpage fees?

Hon. Mr. McKeough: The estimates which are in this budget, and presumably in subsequent budgets, for Crown timber fees have the approval of the Minister of Natural Resources and would conform to the—

Mr. Foulds: The present pattern and the projected changes?

Hon. Mr. McKeough: The changes, yes.

INCREASE IN OHIP PREMIUMS

Mr. Cassidy: A question to the Treasurer: Has the Treasurer computed figures on the overall impact of income tax plus OHIP premiums on taxpayers at different income levels in Ontario, comparing those with the same incidence of income tax plus premiums, if any, in other provinces of Canada, and will he table them in the House? Do they show, as we suspect, that the tax plus OHIP level or load in this province is much higher than

for families in the rest of Canada at almost every income level?

Hon. Mr. McKeough: I don't think that's correct. I don't know that we have tables showing that. We'll be glad to table what we do have at the appropriate time.

Mr. Cassidy: Supplementary: Up to an income of \$20,000, will the Treasurer confirm that the tax plus OHIP premium level in this province is much higher than in any other province of the country?

Hon. Mr. McKeough: Mr. Speaker, I'd like to take that under advisement.

Mr. Warner: Take the whole budget under advisement.

Mr. Cassidy: Supplementary: Has the Treasurer made any studies of the effect of the OHIP premium increases on small businessmen who are struggling to get by now—

Mr. Breithaupt: How do you know that?

Mr. Cassidy:—and who will have to pay an additional cost, both as individual self-payers and through the premiums they pay for their employees?

An hon. member: It won't hurt as much as the \$4 minimum wage.

Mr. S. Smith: Is the NDP sure it is willing to take their money?

Hon. Mr. McKeough: It is certainly the aim and one of the thrusts, not only of this budget but of budgets for a number of years—and it is the thrust and aim on this side of the House—that our businesses, small and large, remain competitive. I recognize that the member would load more on to the corporate tax, whether that is for little businessmen or bigger businessmen. We don't share that philosophy on this side of the House.

Mr. Foulds: But you have just done it.

Hon. Mr. McKeough: I would point out to the member that there are tables in the budget indicating the variety of payroll deductions in the United States as opposed to here. We believe we are competitive. No one likes to pay higher premiums. But I think the method we have chosen is a fair and equitable one.

Mr. McClellan: It's the opposite—exactly the opposite.

Hon. Mr. McKeough: Obviously, however, the member is going to have more to say about that on Tuesday.

Mr. Cassidy: Supplementary: Can the Treasurer table information about the effect of the OHIP premium increase on farmers in view of the fact that farm incomes have increased by only two per cent in the last four years but farm costs have risen by 49 per cent?

Hon. W. Newman: They have gone down. Didn't you even know that?

Hon. Mr. McKeough: No, we don't segregate out farmers per se in our tax system.

Mr. Speaker: Final supplementary; the hon. member for Scarborough-Ellesmere.

Mr. Warner: Supplementary: Is it the Treasurer's fiscal policy, and is it to remain in force for ever, that the government should collect more money from the OHIP tax than from corporate tax? Is that the fiscal policy that the Treasurer wants to continue in this province?

Hon. Mr. McKeough: No.

Mr. Warner: When are you going to change it then?

Mr. Speaker: Order. The hon. member for Ottawa Centre with his second question.

Mr. Lewis: You wouldn't consider one more final supplementary?

Mr. Speaker: No.

Mr. Lewis: Even if it is provocative and inflammatory, Mr. Speaker? Just to brighten up the morning a bit?

Mr. S. Smith: Are you saying your leader is not bright enough?

Mr. Cassidy: Mr. Speaker, I want to serve notice that we are going to invent the penultimate supplementary in order to get a last one in from time to time.

FLECK MANUFACTURING COMPANY

Mr. Cassidy: I have a question of the Minister of Labour. Can she tell this House if there are any outstanding safety or sanitation orders against Fleck Manufacturing Company Limited in Centralia?

Hon. B. Stephenson: No, Mr. Speaker, I cannot at this point. But I shall check and report to the House.

Mr. Mackenzie: Supplementary: Given the current situation at Fleck, and given that the ministry's inspectors have been in the plant quite regularly in recent months, have they not made the minister aware of the safety conditions in the plant—the five girls who have been burned by one spitting mould alone; the injuries received from falling wire racks; the machines, the presses, without guards? Is she aware of the fact that when her ministry's inspectors are in the plant those presses have been shut down, and when the inspectors have left the plant they have been turned back on?

Is the minister also not aware of some of the sanitation conditions in the plant—there are four toilets for more than 100 women per shift, and most of the time only

two of the toilets are working; the dirt that is there, the uncollected garbage, and the rat problem?

Has the minister also been informed by her inspectors—and if not, why not—that they go in and go around with management and have not yet contacted the workers or their representatives on these tours of the plant?

Can the minister explain some of these things and why, given the situation, she wouldn't have been brought up to date on some of the reasons for the organization of the plant?

Hon. B. Stephenson: Mr. Speaker, I am not sure at all that last allegation is correct but, as I have suggested, I shall check into this fully and report to the House.

Mr. MacDonald: The Ministry of Labour is neutral, but the question is: Who is it neutral against?

Mr. Lewis: Supplementary: Does the minister not think it might be time for her ministry to entertain some significant and crisis intervention in this particular dispute, given the involvement of the OPP officers? In fact, is she not aware that we are now heading into an unhappy phase with the Ford Motor Company, because the workers at Talbotville obviously will not use the materials that are coming out of Fleck during the course of this unfair management position at that plant and that, in fact, 500 to 600 people may man the picket lines next week as a result of the utterly indefensible OPP intervention on the side of management in this particular dispute? When is the minister going to call either for an inquiry into the conditions in that plant and the behaviour around collective bargaining or when is she going to speak to her hon. colleague, the Solicitor General (Mr. Kerr), and tell him to pull the OPP into line before that entire community is disrupted?

Hon. B. Stephenson: I am aware that there was something which I would construe as an unwarranted threat in that community levelled by the Canadian director of the United Auto Workers.

Mr. Lewis: What was the police action?

Mr. Warner: The minister's impartiality is ludicrous.

Hon. B. Stephenson: I am concerned that he would move in that direction at this time, when he knew full well that yesterday morning—

Mr. McClellan: She should get out of this portfolio.

Mr. Warner: She is the minister of mismanagement.

Hon. B. Stephenson:—there was the first mediation of this dispute permitted by the UAW to occur.

Mr. Lewis: Permitted?

Mr. Warner: She is a management apologist.

Hon. B. Stephenson: I would remind the members of this House that conciliation was rejected on two occasions by the UAW and mediation rejected on two occasions by the UAW as well.

Mr. Lewis: The company said it wouldn't talk about union security.

Hon. B. Stephenson: The role of the Ministry of Labour is to attempt to resolve the dispute. That is precisely what we are trying to do.

Mr. Cassidy: By sending in the police.

Mr. Warner: By doing nothing.

Hon. B. Stephenson: We shall move in that direction as vigorously as we possibly can.

Mr. Cassidy: It sounds like 1944 all over again.

Hon. B. Stephenson: We cannot do it without the co-operation of the parties to the negotiation. Up until yesterday we did not have that co-operation.

Mr. Lewis: That is balderdash.

Hon. B. Stephenson: I am pleased to say that there was an effective mediation meeting yesterday. I am hopeful about it because I believe this dispute can be resolved in relatively short order if good meetings occur.

Mr. Lewis: It had better be resolved.

Mr. Warner: She ought to be ashamed of herself—the Minister of Labour, an apologist for management.

LOTTERY FUNDS

Mr. Kerrio: I have a question of the Minister of Culture and Recreation. In light of the unconscionable and crippling increases in OHIP premiums, would the minister consider a fair portion of lottery funds being directed to offset this increase?

Hon. Mr. Welch: As the member knows, the Minister of Culture and Recreation is restricted with respect to the use of the proceeds of Wintario by the Act establishing the Ontario Lottery Corporation.

Mr. MacDonald: Change the bill.

Mr. S. Smith: Change it. We have offered to change it. The minister knows that.

Hon. Mr. Welch: It is for sports, recreation, culture and fitness.

Mr. Ruston: The government can always amend the Act.

Mr. Kerrio: Supplementary: Notwithstanding that—and as the minister recalls, this is a kind of a perennial question because as things get worse I keep suggesting that the priorities are out of line—I would like to say that he has suggested it was supported on all sides of the House. I suggest that right today that wouldn't be necessarily true. So, I would ask if the minister would entertain some suggestions from this side and speak with the Treasurer (Mr. McKeough) to see if by May 15 we couldn't suggest this as an alternative source of income to offset these increases?

Hon. Mr. Welch: Am I to interpret the member for Niagara Falls as feeling that on-going programs of governments should really be funded from lottery sources?

Mr. Kerrio: Mr. Speaker, may I have one more supplementary? In view of the situation as it exists today, yes, I think we should reconsider.

Hon. Mr. Welch: We don't plan any amendments to the Ontario Lottery Corporation Act at the moment.

Mr. Kerrio: I am asking the minister if he would.

Mr. S. Smith: Supplementary: Could the minister explain to this House, given that the lottery funds for Wintario are vastly in excess of what they were originally anticipated at the time that the Act was brought in—

Hon. Mr. Davis: That's not true.

Mr. S. Smith:—and given the fact that the economy has had a terrible downturn since that time, why it is he insists on maintaining so many millions of dollars to send oldtimers hockey teams around or to fund some folk-dancing festival or whatever?

Mr. Havrot: What have you got against oldtimers hockey teams? You may get old some day.

Mr. S. Smith: Why not set aside a reasonable amount of money for those cultural activities and devote the rest of the money, tens of millions of dollars, to the social and health needs of Ontario which are paramount at this time?

Mr. Havrot: Do you think the member for Grey-Bruce (Mr. Sargent) is going to stand for your talking about oldtimers hockey games like that?

Hon. Mr. Welch: I think we had better clear up one misunderstanding on the part of the hon. Leader of the Opposition, that is, with respect to the excessive moneys which

Wintario has produced as compared to estimates. That is not the case.

Mr. S. Smith: You expected \$20 million.

Hon. Mr. Welch: I don't think the hon. member would need to be reminded that over the years from the tax sources of this province, health and education and a good many other particularly important services of this government have been well looked after.

Mr. Cassidy: I thought it was the people of the province who paid for that.

[11:00]

Hon. Mr. Welch: There was a general recognition that there was some need to attach some importance to matters of culture and recreation and sports and fitness, and I don't share his downgrading of those services.

Mr. S. Smith: What nonsense. Forty million dollars would be enough, and you know it.

Hon. Mr. Welch: Certainly, if the hon. member would like to drop over and see the correspondence that I receive from members of his caucus urging me to do even more for the oldtimers and the handicapped people and the recreational life of this province—

Mr. S. Smith: Here we go.

Hon. Mr. Welch:—he'd understand how important this is. These services are very important to the people.

Mr. S. Smith: Your priorities are cockeyed.

Hon. Mr. Welch: I think ongoing services of government should be provided from taxes and not from gambling or lottery proceeds.

Mr. Lewis: Just get your facts right. You never get your facts right.

Interjections.

Mr. Speaker: Order.

Mr. Sargent: Supplementary: May I say to the hon. minister, that he's the only man in Ontario who doesn't know that that's a political slush fund.

Mr. Kerrio: If he does, we won't get any. The Tories will take it all.

Interjections.

Mr. Speaker: Question.

Mr. Sargent: My question is, why doesn't he level with the people of Ontario?

Mr. S. Smith: Is the minister finally going to sign rejection letters too?

An hon. member: It's all part of the pork barrel.

Mr. Speaker: Order. The hon. member for Grey-Bruce has the floor for the purposes of asking a question.

Mr. Sargent: At the current rate of expendi-

tures now, the hon. minister could put \$80 million into government-needed services—

Mr. Havrot: Question.

Mr. Sargent:—and keep \$10 million in the pot and not kid the people that he's using it for political purposes. It's a total slush fund. That's what it is. We all know what it is.

Ms. Gigantes: Why don't you level?

Mr. Havrot: Question.

Mr. Sargent: Why don't you do that?

Mr. Speaker: That's not a question.

Hon. Mr. Welch: Mr. Speaker, I appreciate the fact that I don't know anything about it. One of the reasons I don't know is because that isn't the case. That's a tremendously irresponsible statement.

An hon. member: That's an irresponsible minister.

Hon. Mr. Welch: I never cease to be amazed when the clippings come in, to see the opposition members almost knocking over old people to get into the picture as they present the Wintario cheques to the successful recipients.

Mr. S. Smith: When are you going to sign for the rejections too and not just the acceptances?

Hon. Mr. Welch: And the member for Niagara Falls (Mr. Kerrio) is playing both ends. The members should hear what he says in Niagara Falls. He takes credit for the whole program there.

Mr. Lewis: If I may intrude for a moment on the House leader's leadership ambitions, Mr. Speaker, I'd like to put a—

Hon. Mr. Welch: I'd just like to draw attention to the fact that we are wearing the same suit today.

Mr. Speaker: Question.

Mr. Lewis: But you see what green corduroy does for you? May I ask a question of the Solicitor General?

OPP ROLE IN STRIKE

Mr. Lewis: Does the Solicitor General really think it is necessary for 25 to 30 OPP officers to be involved in a small dispute involving 100 to 125 women on the picket line? Does that make sense to him in this day and age in the province of Ontario?

Hon. Mr. Kerr: As the hon. member knows, on Monday, I believe, there were about six OPP officers in front of the plant in the area of the picket line—

Mr. Lewis: But there were more.

Hon. Mr. Kerr:—and because of the incidents that took place that morning—

Mr. Lewis: They brought in the reinforcements.

Hon. Mr. Kerr:—there were more added on Tuesday morning. As far as the number is concerned—

Mr. Lewis: What about the national guard?

Hon. Mr. Kerr:—there are, I believe, something like 160 people working in that plant.

Hon. B. Stephenson: It's one hundred and forty.

Hon. Mr. Kerr: One hundred and forty, I'm sorry. I was including office staff and everything.

Mr. Lewis: It is an informational picket.

Hon. Mr. Kerr: Not having been at the scene when the shifts were going on in the morning, I wouldn't want to make that judgement of whether or not there were too many. My information is that there have been no incidents during the past three days. There are two shifts a day and there has, to my knowledge, been no problem as far as pushing and shoving, or interference. I would think, if that is the case, the number of police officers there could be reduced.

Mr. Cassidy: There's been pushing by the OPP.

Mr. Lewis: I am glad to hear that the minister might reduce it. May I ask the hon. minister a supplementary? Since the working people at that plant claim verbal and physical intimidation by the OPP, since there are clear and identifiable examples of the OPP physically handling certain of the strikers and since obviously the police have created the atmosphere of crisis which the dispute itself did not create, does the minister think it is time for an inquiry into the behaviour of the OPP at this plant; or indeed for him to haul them off himself rather than be fed the amount of claptrap which the police are now feeding him to report to this Legislature, and it turns out that the information he has is dead wrong.

Hon. Mr. Kerr: Mr. Speaker, there is information of some incidents on Monday and Tuesday morning.

Mr. Davidson: Why don't you call in the militia?

Hon. Mr. Kerr: The purpose of the OPP personnel there is to maintain peace on that picket line.

Mr. MacDonald: On behalf of management.

Mr. Makarchuk: How come they were there before the picket line?

Hon. Mr. Kerr: There has been some obstruction, I understand, when people are entering the plant.

Mr. Foulds: It's the most provocative peace I've ever heard of.

Hon. Mr. Kerr: The OPP are not being violent. They are attempting to clear the road when cars or a bus attempt to enter the plant.

Mr. Warner: You don't have any control over them. They can do what they want.

Mr. Lewis: But they were there before it started. It's like goons on the picket line and it's unnecessary in Ontario. The minister doesn't need that in Ontario.

Hon. Mr. Kerr: As I mentioned before, on the Monday morning there were about six officers there. And because of the fact that there was obstruction—

Mr. Lewis: Obstruction—there was no obstruction. They were trying to talk to a bus driver.

Mr. Rotenberg: If you believe in that, you believe in tooth fairies.

Hon. Mr. Kerr: I realize that the member doesn't believe anybody should be allowed to cross the picket line, that no employee should be allowed to cross the picket line. That is an argument we shouldn't get into today.

All I am telling the member is that the police attempt to keep the roadway open because there are people on foot as well as in cars or buses, and there has been obstruction by some of the picketers. There was a car stopping a bus for example; there was some impediment as far as people entering that plant.

The police role is to clear the roadway so that if somebody wants to go into that plant he can do so unobstructed and unimpeded. The picket line there, as the member knows is to inform the people. I don't know what the member said; he indicated there was some verbal abuse.

Mr. Lewis: Verbal intimidation. People have been told by the police they should not be on strike. What kind of stuff is that?

Hon. Mr. Kerr: Well, if that is true, that is wrong. If that is true, the police have no business saying that.

Mr. Lewis: Well, then, why is it being permitted? There are affidavits being signed.

Hon. Mr. Kerr: But if the police are saying you are not supposed to be on this roadway, clear this roadway, that may be in your opinion verbal intimidation. It is not in mine.

Mr. MacDonald: Your position is indefensible.

Mr. Lewis: No; verbal intimidation is worse than that.

Mr. Mackenzie: Supplementary, Mr. Speaker: Will the hon. Solicitor General then ques-

tion the six officers that he says were involved because at least two of those officers went around to the employees and suggested—after their leadership were gone I might say—after they had been arrested, that they go back into the plant, that there wasn't anything further they could gain and "it was better" to give you an actual quote, that they be "working and making money" than be out on that picket line. Now is that not intimidation and interference by the police?

Mr. Lewis: That's not the job of the police.

Mr. Mackenzie: Those officers should not still be on that force.

Mr. Havrot: You cannot stand competition.

Hon. Mr. Kerr: The hon. member is getting information second-hand.

Ms. Gigantes: Where are you getting it?

Mr. Mackenzie: Everyone we talked to.

Mr. Foulds: Have you talked to them?

Mr. Cassidy: They were there, you weren't there.

Hon. Mr. Davis: You weren't there, Michael.

Hon. Mr. Kerr: If there are employees who say that this in fact took place, then they have a legitimate complaint. The police are not supposed to get involved in the pros and cons of that dispute in any way, shape or form.

Mr. Lewis: That is right.

Hon. Mr. Kerr: What remarks an individual officer may say to an employee I would like to find out, but it would be difficult to establish that unless you talked to the employee directly. It is a small area and probably in some cases they know the employees.

Mr. Lewis: You can't even remember what you said yesterday on tape.

PROVINCIAL DEBT

Mr. Peterson: To the Premier, Mr. Speaker, in the absence of the Treasurer (Mr. McKeough): I am sure he has read the editorial in the Globe and Mail this morning entitled, "And Deeper in Debt," where there are suggestions that changes of definitions have been employed by the Treasurer in determining percentage data as a percentage of gross provincial product or domestic product. Would the Premier care to comment on that?

Hon. Mr. Davis: No, Mr. Speaker, I wouldn't. I rarely comment on Globe and Mail editorials.

Mr. Peterson: Supplementary, Mr. Speaker.

Mr. Speaker: The hon. Premier has indicated he doesn't wish to comment on it, let alone comment further.

Mr. Peterson: I'd like to extract one out of his hide, Mr. Speaker. That certainly is my right. This in my judgement is a very serious charge of fudging the numbers by the government. Would the Premier be prepared to make a statement, or have the Treasurer make a statement, to this House on the changes of definitions that have been employed as per this article?

Hon. Mr. Davis: Mr. Speaker, this government never fudges the figures. I'm sure if the hon. member's contribution on Monday is going to rely on the sometimes enlightened editorial comment of some newspapers, so be it. I would suggest that Monday afternoon we will all listen very carefully as he reads editorials from here, there and everywhere else. The only advice I would give him is that sometimes his own judgement is better than editorials—not always, not often, but on occasion. I would hope he would contribute some of that on Monday afternoon.

Mr. Peterson: If the government is looking to me for the leadership that is so sadly lacking—

Mr. Speaker: Order. That's not a supplementary.

Hon. Mr. Davis: If the hon. member is saying he is looking for leadership, we all know on this side of the House that he's looking for leadership. We've known that for two years.

Mr. Renwick: Mr. Speaker, by way of supplementary, is the Premier prepared to confirm that the Smith committee limitation of nine per cent on the basis of consistent accounting is today at least in excess of 12 per cent?

Hon. Mr. Davis: No, Mr. Speaker, I am not prepared to confirm that.

SOFT DRINK CONTAINERS

Ms. Bryden: I have three questions for the Minister of the Environment arising out of his statement on soft drink containers. Has the minister monitored the retail stores in Ontario to back up his statement that the soft drink of his choice is readily available in most stores in both refillable and non-refillable forms? If so will he table the reports of such monitoring?

Secondly, is the minister prepared to change his regulations to make it easier for consumers to return refillables by requiring standard sizes and shapes of all bottles and

by requiring stores to accept all bottles regardless of where they were purchased?

Thirdly, what is the minister doing to increase facilities for the recycling of any containers that are not refillable?

Hon. Mr. McCague: Mr. Speaker, I would have liked to have checked the wording of my statement. I gave it to Hansard with the assurance that it would be right back and it hasn't arrived here yet.

Mr. Peterson: You should remember it, George.

Ms. Bryden: Do you really know what you said? I can read it to you, if you want.

Hon. Mr. McCague: With regard to the availability in stores of both kinds, the non-refillable regulation was not to come into effect until April 1 of this year, and our ministry has not spent great sums of money monitoring what is going on in the particular industry. But there are surveys done by Neilson which we think it is more prudent to rely on than to go out and do the surveys.

Your third question was what are we doing about recycling. We would have liked to have had a small five-cent tax on cans at one point to help with the recycling.

Mr. S. Smith: To help with revenue, not recycling.

Hon. Mr. McCague: We were not successful in that. I do notice that the NDP at their convention passed a motion saying there should be a small tax on cans. We don't intend, at this point, to single out any one segment of polluters. Now that I hope we have the matter of soft drink containers set aside for a few years, I would like to see the waste management committee get on with the job of waste management in total and not just zero in on one particular aspect of it. We will be doing that.

Mr. Haggerty: Write the LCBO.

Hon. Mr. McCague: I am sorry—the second part of the member's rather long question has slipped my mind.

Ms. Bryden: I asked if the minister is prepared to change the regulations to make all containers of standard sizes and shapes, and to make it easier for consumers to return refillables by requiring stores to accept all containers.

[11:15]

Hon. Mr. Davis: Patrick Lawlor would oppose that.

Mr. Foulds: No, not so. He would support that.

Mr. S. Smith: Patrick would oppose most of your policies.

Hon. Mr. McCague: No, Mr. Speaker, that's been discussed. There is a size qualification. We're not saying that they all have to be the same shape. I believe the regulation does allow for bottles to go back to a store that sells the same kind of bottles. I'm not so naive as to think that isn't being abused somewhere sometimes, but it's our wish to encourage everybody to take back those kinds of bottles that they sell.

Ms. Bryden: Is the minister not aware that the present regulations require equal space for refillables and non-refillables and Pollution Probe has made various surveys showing that equal space is not being provided in a great many stores, certainly in the Toronto area? What is he going to do to ensure that equal space is available?

Hon. Mr. McCague: Mr. Speaker, I'm not sure what we'll do if that is being badly abused. I've had two letters since I became minister complaining about this. We are working towards self-regulation rather than a lot of regulation; that 75-25 per cent, the business will probably handle that itself.

Mr. Gaunt: Supplementary: The minister has indicated that the refillable bottle has about 60 per cent of the market as of December 31, 1977, which means the can and the non-refillable have about 40 per cent of the market. Could the minister indicate the percentage breakdown as between the can and the non-refillable bottle with respect to that remaining 40 per cent?

Hon. Mr. McCague: Mr. Speaker, I wouldn't want to be tied to a figure. If the member would like me to give an estimate I would say that of the 40 per cent, 25 per cent is cans and 15 per cent non-returnable glass.

MASSEY-FERGUSON

Hon. B. Stephenson: Mr. Speaker, I'm sorry I am unable to recall whether it was Friday last or Monday of this week that the hon. member for Brantford (Mr. Makarchuk) raised the question of layoffs at Massey-Ferguson in Brantford.

There are layoffs at Massey-Ferguson in Brantford. In fact, there are about 200 on temporary layoff right now, but all of those layoffs are, indeed, temporary. The four plants in Brantford employ about 3,500 hourly and 400 salaried employees and there will be, it is anticipated, a further number of layoffs of a temporary nature at the plants in Brantford over the next several months.

It is anticipated that many of those who are presently laid off will probably be recalled by late May or early June of this year

and that, indeed, all of those presently laid off will be recalled totally by the end of this year.

I should point out that these, as I mentioned earlier, are temporary layoffs and in situations such as this there is not a legal requirement for the company to inform the ministry of its actions because, indeed, in these instances the company still continues to provide a measure of support to the individuals who are laid off temporarily.

HOSPITAL BUDGETS

Mr. O'Neil: Mr. Speaker, I have a question of the Minister of Health. The question has to do with the Trenton Memorial Hospital, which, in comparison with other hospitals of the same calibre, operates at a lower cost than many other hospitals of the same size.

The 1976 hospital statistics show the gross operating costs to keep one person at the Trenton Memorial Hospital for one day as \$104.03 while the average cost per day for general hospitals with 100 or more beds is \$127.17 and the average cost across the province is \$149.84. Why is it that a hospital such as Trenton Memorial Hospital, which has worked year after year to cut its expenses, is penalized with only a 3.5 per cent increase on the present budget while hospitals with larger budgets, which have not cut expenses, have their increase based on budgets sometimes inflated in preparation for percentage increases such as this?

Hon. Mr. Timbrell: Mr. Speaker, if the hon. member will take a look at the material that was sent out to all members on how the budgets were arrived at, he will realize that for all hospitals of 50 beds or more, the average increase in budget is 4.5 per cent. In fact, the emphasis there should be on the word "average," because what we have tried to do is to take into account staffing patterns at December 31, 1976.

We then look at the various factors that contribute to the budget, such as when contract dates come up. For instance, if a hospital has all of its contracts coming up in the first quarter of the year, compared to a hospital whose contracts all come in the last quarter of the year, obviously it is going to require more money since staffing accounts for anywhere from 70 to 80 per cent of a hospital's budget.

Then we look at other things, such as administration, materials and so forth, all of which is factored in and all of which can vary by plus or minus a percentage point since no two hospitals are exactly the same. In fact, the hon. member mentioned per diems, which of course is a calculation at the

end of a particular budgetary year. Once you know how many patient-days they had and you divide that into the global budget which is approved, you find that no two hospitals are exactly the same—even side by side, community to community.

In the case of Trenton—and I corresponded recently with the lady who is the chairman of the board there; she is a very fine lady. I visited that hospital, as a matter of fact—

Mr. O'Neil: During the election time; I remember that.

Hon. Mr. Timbrell: It is one of a number of hospitals that I have had a chance to visit. I met the hon. member's mother-in-law in the cafeteria that day, as a matter of fact; she is a very nice lady.

Mr. O'Neil: She told me she fed you well.

Hon. Mr. Timbrell: She didn't feed me at all. Doesn't it show?

Interjection.

Hon. Mr. Timbrell: I see, I see. As a matter of fact, while I am speaking about that hospital, I have to commend them because that's one of the hospitals where they have gone to a commercial operator for their cafeteria services—if I remember correctly, it's Versafood Services—at that hospital. They are running a good operation.

Mr. O'Neil: Don't beat around the bush, Dennis. I just want to know if you are going to increase their budget.

Hon. Mr. Davis: I think we knew that's what you wanted to know. Why didn't you ask that?

Hon. Mr. Timbrell: In some other hospitals, for instance, it has meant some RNA programs have been taken out of the Ministry of Health's budget and they are now going to be funded by the Ministry of Colleges and Universities. There are a number of factors. But I can tell the hon. member that we have tried, as much as it is humanly possible, to spread the available funds equitably.

I find it a little odd that the hon. member can scream and try to put on an act about being concerned about the increase in the OHIP premiums and then try to say that we should spend more money. And while I am on my feet, let me say how much I welcome the petition which was presented here yesterday.

Mr. Kerrio: You're stick-handling all over the place now.

Hon. Mr. Timbrell: We have been working in my ministry for nine months, looking at various alternatives to a premium system which we will be more than happy to share with the social development committee. We

have come up against two problems, and I would welcome the participation, particularly of the hon. member's party and of the third party, as to how we overcome those problems.

Mr. di Santo: What's this, a statement?

Hon. Mr. Timbrell: One is that as we move away from a premium system to anything—

Mr. Speaker: What has that got to do with the hospital at Trenton?

Hon. Mr. Timbrell: Mr. Speaker, it has a lot to do with the financing, which contributes to the question of how we make up the budgets. The one is that in moving—

An hon. member: You're out of order.

Mr. Kerrio: You've stick-handled yourself right out of the rink.

Mr. O'Neil: You're getting yourself in deeper. Dr. Potter would never have taken that guff for a minute.

Interjections.

Hon. Mr. Timbrell: Mr. Speaker, the hon. member obviously isn't interested in the subject at all—

Mr. Foulds: You are more articulate when you mumble.

Hon. Mr. Timbrell: —but as we moved away from the present premium system to a payroll tax or to an income tax system, we would have to dismiss 625 staff from OHIP.

Mr. Speaker: Order. That has nothing at all to do with the original question. Does the hon. member have a supplementary question?

Mr. O'Neil: Yes, I do have a supplementary question; I feel I have to ask it on this matter. The first part of my supplementary question would be: Is the minister going to reconsider the budget that has been established for Trenton? The second part is: Does the minister not feel that, with the present system in his ministry, he is encouraging hospitals to maintain those high budgets so that when the minister comes out with his percentage increases they get a high budget and they aren't cut. That's what the minister needs to look at.

Mr. S. Smith: That's what he does; he rewards the fat hospitals—

Interjections.

Mr. Speaker: Do you want an answer to the question?

Hon. Mr. Timbrell: No. That's exactly the point. They do not particularly want an answer, because they have never been interested in the facts. In 13 months as Minister of Health I have yet to see a definitive policy

on anything to do with health care come out of that party—not one single thing.

Mr. O'Neil: Here's one right here.

Mr. Kerrio: That's your job.

Hon. Mr. Timbrell: It's still nonsense today.

Mr. Speaker, to answer the question—

Mr. Speaker: Okay; fine.

Hon. Mr. Timbrell: To answer the question, what we indicated to all of the hospitals is that the money that has been allocated is all the money there is; and unless there's a mathematical error, that we would not change the amount. There is some money built in for new programs and during the year there will be some new programs, although not a lot, approved and some expansion of existing programs around the province.

The second thing is that if the member will look at the facts and take the time to sit down and look at the way it is set up, he will find that a lot of what we would call the 'fat cats' or the 'high rollers,' where we think that there is more fat than in others, are being hit very hard.

Mr. O'Neil: That's not so.

Hon. Mr. Timbrell: I would emphasize one other thing—recognizing two things, namely, the relative lack of flexibility in the very small hospitals and the future need for growth in chronic care services—that the average increase for hospitals under 50 beds or under a \$1.7 million budget, such as McCausland Hospital, **Mr. Speaker,** in your own riding, and for chronic care hospitals is six per cent.

ARVIN AUTOMOTIVE DISPUTE

Mr. Philip: I have a question of the Minister of Labour: Is the minister aware that in spite of the offer by the United Steelworkers Local 8341 to keep workers on the job at the old rate while bargaining with Arvin Automotive of Canada Limited, the company's new US-based owners have locked the employees out as of January 30 and are reportedly sustaining the lockout by importing products from the US parent company?

Hon. B. Stephenson: No, I am not aware of this. The company is Arvin?

Mr. Philip: Arvin Automotive of Canada Limited.

Hon. B. Stephenson: I shall look into that.

Mr. Philip: Supplementary: Can the minister at the same time look into why it took her ministry from January 30 to February 21 to meet with the company and why her

officials have not met with the company since then? Does the minister not feel that some action can be taken by her ministry to force the company to meet with union officials and bargain in good faith?

Hon. B. Stephenson: We most certainly can attempt to persuade the company that meetings are essential. In this action in almost all instances in the past we have been successful. We shall pursue that.

POLLUTION BY HOLIDAY INN

Mr. Stong: I have a question of the Minister of the Environment. **Mr. Justice John Osler** of the Supreme Court of Ontario has rendered a less than complimentary judicial interpretation of the role played by the ministry to date in fulfilling its responsibilities towards environmental protection. I quote from a report of that hearing conducted by **Mr. Justice Osler** into an application by **Holiday Inn** near **Huntsville** to discharge sewage into nearby **Fairy Lake**, wherein he observed: "The provincial government carries out environmental protection in an ad hoc manner, instead of by regulation. It is extraordinary that there are no regulations and that the minister is able to free-wheel all over the place." He said it amounted to the minister saying as well: "As long as I am talking about water, I am completely untrammelled and can do anything I want."

When will the minister make and enforce regulations designed to protect the environment from attempts by such private interests as **Holiday Inn** to pollute our lakes and destroy our drinking water?

Because I am short of time, I will ask another question. Is the minister prepared at this time to implement the recommendation of the Environmental Assessment Board which would require **Holiday Inn** to follow the safer route of spraying treated effluent into a properly prepared and adequate bush area, rather than dumping the sewage into our lakes?

Hon. Mr. McCague: As far as the judge's report is concerned, he is critical of the ministry because we don't have one water quality for all of Ontario. I am looking into that matter. I think the hon. member can understand that it is very difficult to have one standard right across the province. I think it leads to a lot of problems.

Mr. Kerrio: You should have one rule: You can't pollute.

Hon. Mr. McCague: It is true that the minister has some jurisdiction. As for the matter of what **Hidden Valley** will do with

their sewage, we are looking at that also but I am not prepared to report at this time. [11:30]

REPORT

ENVIRONMENTAL CERTIFICATES

Hon. Mr. McCague: As requested by the hon. member for Beaches-Woodbine (Ms. Bryden), I wish to table two certificates issued by my ministry to the St. Lawrence Cement Company in Mississauga. The first certificate was for the burning of chlorinated organic compounds including PCBs. This certificate has been surrendered by the company and returned to the ministry.

The second certificate allows the company to burn waste lubricating oils and makes no reference to the content of PCBs. Although they were not requested, I am also attaching three additional certificates issued to this company which allow for the burning of chlorinated aliphatic hydrocarbons and chlorinated aromatic hydrocarbons.

MOTIONS

COMMITTEE MEETINGS

Hon. Mr. Welch moved that the standing administration of justice committee and the resources development committee may meet on Wednesday morning, March 15.

Motion agreed to.

Hon. Mr. Welch moved that the standing social development committee may meet on Monday evening, March 13.

Motion agreed to.

WCB REPORT

Hon. Mr. Welch moved that in compliance with section 81 of the Workmen's Compensation Amendment Act, 1973, the annual report of the Workmen's Compensation Board for 1976 be referred to the standing resources development committee for consideration at its meetings of Wednesday, March 15, the proceedings of which shall be transcribed by Hansard and appended to the Hansard proceedings of the House.

Motion agreed to.

SUPPLEMENTARY ESTIMATES

Hon. Mr. Welch moved that supplementary estimates be referred to committees as follows: Supplementary estimates for the Ministry of Education to the standing social development committee; supplementary estimates for the Ministry of Agriculture and Food and the Ministry of Northern Affairs to the

standing resources development committee; supplementary estimates for the Ministry of Treasury, Economics and Intergovernmental Affairs to the standing general government committee. All supplementary estimates are to be completed by Wednesday, March 15, and reported to the House on Thursday, March 16.

Motion agreed to.

Hon. Mr. Welch: I wonder if the House would allow me just to amend the motion. In addition to the supplementary estimates for the Ministry of Treasury, Economics and Intergovernmental Affairs, those of the Ministry of Government Services as well are to go to the standing general government committee.

Mr. Speaker: Is that agreed? So ordered.

ORDERS OF THE DAY

FAMILY LAW REFORM ACT

(continued)

Resumption of the adjourned debate in committee of the whole House on Bill 59, An Act to reform the Law respecting Property Rights and Support Obligations between Married Persons and in other Family Relationships.

Mr. Lawlor: It is probably better, in arguing for legislation, to remain objective, impersonal, above the mere emotionalism of a situation. However, for a moment I would ask for your indulgence to inject a personal note or to continue one.

This legislation has been rough for me—very difficult. I suppose to place it in an overall context it somewhat comes to this: We are no longer at midnight with respect to the interrelationship between human beings, particularly between two sexes. The legislation that has been brought before us is probably at about 7:30 in the morning, or 7:45. It has passed dawn. We have broken through and the light shines, but it is still a little early in the morning. The amendment we propose on this section takes us up to about eleven o'clock. It still isn't high noon. There is quite a bit to go to reach that climacteric.

And then what a legislator has to do is gauge at what time in history there is a consensus. At what time does the largest number in the population—people of goodwill, men and women—feel that a particular recognition of work, dignity and what not, has reached a particular place in the evolutionary cycle. The Attorney General (Mr. McMurtry), and, until recently, myself—not necessarily us personally, but in our

assessment of the minds and hearts of the people we represent—have thought how they would react to it. And it is, in my opinion, probably still fairly early in the morning. I haven't changed that view.

On the other hand there are occasions with legislation when we are expected to forge ahead, to be daring, forward, and to give leadership in the particular area and to carry it the extra hour or two forward seems to me beneficial.

I will share with you some of my misgivings about this legislation. One of them has to do with the business community—and by business community, I do not necessarily mean big businessmen at all; quite the contrary. I am thinking of small, single proprietors who run their own business—either male or female. I am thinking of the partnership context, et cetera. I am also thinking of those entrepreneurs, or—even at a step or two down—the fellows who sit all day long, every day of their lives, with their feet up on a spittoon at the various offices of the stock exchange, calculating infinitesimal fractions of shifts in shares. Nevertheless, they have this shareholding. And while it is deferred community property, and they may continue to manipulate or to bargain across the counter as they see fit, on a breakup there is a question of tying of hands, et cetera, a question of disruption in the market. And a disruption with respect to the small variety store on the corner.

Nevertheless, that has been a real problem, and we will admit it is a problem. It has certainly puzzled me. As lawyers, we deal with a large number of small business concerns, sometimes incorporating them, sometimes we even sew up a partnership, depending on the circumstances. And we worry about the consequences—even in economic terms—of the business operation.

But then there are two ways out with respect to this legislation if our section was accepted, one of them being the contract; and it seems to me since the contract notion is enfranchised in this legislation, and since it is an ongoing development, anyhow, in many portions of the western world, we are going to come to the contract very soon as an acceptable, ordinary, commonplace mechanism whereby business operations are carried on.

Let's get to it. It won't upset all the apple carts at the end of the day or even tomorrow morning if we put this through and it will be simply a swift accommodation. It is going to come anyhow. It is going to come within five years, as things stand. That was the basis of my resistance at this particular time, be-

cause this is an idea whose time has come. Consider the waits in history with respect to black people, with respect to people who are kept down and in any degree oppressed. There are good things operating in the world too, along with all the melancholy and mischievous things that we encounter more often than we encounter the good in this House. So that's the first device.

The second one is the discretionary formulas written into the legislation. When I say we've come to high noon that would mean that we would have to move in on that discretionary formula to a greater extent than presently. It would have to be restricted, refined and probably more delimited. That would be in the cards. Surely it is not the end of the world if you should see fit to accept that at this eleventh hour?

Another point which is bothering me is the prolongation of this legislation, at least in my experience. I am sure never in this House have we had legislation so long on our plate. Such a meal, you know, does get stale. It does begin to take on some kind of flavour after a while and unless you masticate the object while it is available then you begin to turn it to dog's food.

That's a part of the reason our party on a couple of occasion has qualifiedly accepted this legislation, though some of our members never have. They have at least been consistent in that, and I credit them for it. I mean, they have stood their position throughout. The member for Windsor-Sandwich (Mr. Bounsall), particularly, introduced a bill a long time ago, which I checked out the other day, a private member's bill for doing precisely what we are asking to be done today.

Another reason it bothers me is that when you do look to community law legislation we have been concentrating upon the intricacies, such as they are, of your legislation. Yours is a quite ingenious scheme. I said so at the beginning. It intrigued me. I mean, you jettisoned the Law Reform Commission. You didn't go to the federal Law Reform Commission nostrums, the surveillance of numerous restrictions with all their diverse forms of community property, and there are half a dozen at least of them. You ingeniously trod tippy-toe among the various notions, a little here and a little there, in placing it together in some kind of bouillabaisse that we have stirring before us at the present moment.

In order to work that out, in order to refine that, in order to bring that up to its optimum point has preoccupied all our attention, and it's a regrettable thing in a way that more attention hasn't been paid to what is being proposed to you today. The community

property deferred notion that is embodied in this particular amendment hasn't been given the scrutiny by the Attorney General that I am sure it deserves and that I know it hasn't been given by me, and on further thought you see what has happened to the ghostly machine; it got out of the closet.

[11:45]

But I still bother. Take a jurisdiction like California; We have no studies before us from the California jurisdiction, but it's a tripartite type of jurisdiction. There is separate property and both spouses have a community property concept ab initio of the marriage, with the ability to opt out by way of marriage contract—at least over a wide range of things.

From what I've learned, largely from reading *Time* magazine, as to what happens in a number of situations in the marriage relationship, it frankly bothers me. The only thing I'll say here is this is not that situation. That should be studied in depth to find out what evils it bred, because every system of human devisement breeds some consequences in terms of bedevilment—some ill to some human beings. The whole purpose of law is to have no human being hurt—not a single one. Until we achieve that—

So what do you do? You weigh bedevilments. You say which one has the least harmful consequence? At least that tends to be the negative way the legal profession looks at things. Others may be more blithesome and positive and say, "Oh, look at all the good it's doing." I've never been particularly struck by that as a member of this House. If I'm a philosopher in my own study, I could see benign things happening with human beings, but when I become engaged in these particular things, all the rankles and sores of humanity begin to reek.

So on this particular score, I suspect this legislation may not go through in the form in which we want it. I don't ever stand up in this House when I don't want legislation to go through just as we want it. That's another element of irresponsibility that can be practised on various sides of this House—namely that you know in advance that you'll fail, and therefore proceed to do something which in your heart you really don't desire. You may really desire it or you know it won't yet come to pass.

That's a kind of cushion of the soul. That's not necessary. If that's the position, it's a hypocrisy. Either we want it, and the government should bring it in precisely as it stands, or we should keep our mouths shut. I don't consider this so catastrophic. It's a shift in emphasis rather than a redirection of principle

that we're calling for in the legislation before us.

The next point that would bother me is what if the Attorney General acceded to a little pact at 7:30 in the morning, and arrived around 8 o'clock somewhere. Suppose he said, "Fine, I'll go along." He may argue that that would be dislocative of the legislation as it presently stands and that it would require a fairly substantial revamping.

That was a bugbear with me. Here we've got this far. Here we've had these prolonged hearings—a certain weariness assails me at the mere thought of them.

I remember at one time as chairman of that committee—it seems aeons ago now—when I did my level best to get this legislation through before Christmas, if you'll remember. But our attitude at that time—you didn't have to be a genius to know it—was that the prolongation of this thorny kind of problem was to be avoided. Let's have done with it. Let's hit while the iron is hot.

The legislation is admittedly, in my opinion, a considerable advance. It is fairly neutral legislation on top of it. Many law reform commissions have worked it over and they are ostensibly neutral. They haven't got any axes to grind and you are simply the vehicle of that. Therefore, there isn't the partisanship written into it, and so it's advancing legislation. It would have been better than to have this almost arduous, tortuous, labyrinthine pap that we've talked in bringing this into being.

There was no sense fulminating of course, and if I did fulminate at the moment I'd probably enjoy it. But Jeremiah may sit down on his toadstools and weep. He may not even have any friends, so to speak—and Job on his dunghill. But that's okay. Job prevailed, you know. The going back on it is really neither here nor there. Here we are. And since we have come this far and since we have wrangled so much and since we gained so many insights and since we were able to balance off the pros and cons with greater discernment than we started, then let's move in closer to noon. Again, it won't be all that disruptive.

I thought initially that I wouldn't speak on the legislation, for obvious reasons given. But then it struck me that, for what it is worth, my absence might be construed as lending undue support to one side or the other and because in trying to assess the ills and benefits here, I think they overbalance in favour just a bit—but enough—on the side of moving into the area recommended and envisioned by this particular amendment before you. Lump the property, divide it down the mid-

dle, subject to those circumstances—and there will be many. I am surprised in a way that such good faith is proposed by the judiciary to be able to discriminate thus nicely and to weigh in an objective and clear fashion the antagonistic interests of the spouse. But it is less discretionary and it is less insidious and less carping than its contrary, because the contrary does involve what my friend said with respect to the Ward-Price gallery inventory of goods that is required all the time ab initio in every case.

The other way of doing it means that a great deal of litigation will be eliminated. The weight will shift the other way and you relieve the courts and relieve married couples of a great deal of contestation and post-marital anguish; and that is really part of our responsibility if we can possibly do it.

I have one final word to say to one of my colleagues about his standard form contracts. I defy him to draw up a standard form contract for the quarrelling spouses. And with that little note, I sit down.

Mrs. Campbell: Mr. Chairman, not only last night but today, I have been invited by the member for Riverdale (Mr. Renwick) to respond to his statement and position which, as always, was a very well-considered position.

I would like to say a small word about some of his remarks because I would not like this House to think that I was responding in any way to flattery. Let me put it this way. I know my friend from Riverdale is not a chauvinist, but sometimes when you put on such flattery to a woman you really are in essence denigrating her.

Mr. Lawlor: Why don't you flatter him for a while? He needs it.

Mrs. Campbell: There is no one in this House who believes—and certainly I don't and I know the member for Riverdale doesn't—that I had such power in this House on this particular amendment.

Mr. Renwick: You're the key to it and you can't deny it.

Mrs. Campbell: He did continue with a request for a very reasoned debate on the matter, taking it out of the barracking, and taking it out of all the partisanship that might be present, and he asked me for a very reasoned response.

He wanted to know if there were any way we could close the gap in our thinking. It is for this reason that I am going to do something I really don't like to do in the House. I'm going to talk, first of all, about discrimination itself because that is the key to the position I take.

I don't know who has been the instigator of some of the material that I've had since I have indicated my position on this section. It's one of those things where it seems to be a buildup of some kind which I don't think is a matter which one normally faces from individuals. The suggestion is—and it's one that is totally abhorrent to me—that because I made it I have no sympathy for other women.

When I look back over my career in the law, I have faced discrimination on a very personal basis, and I want every member in this House to know that when you do face discrimination it is a soul-searing thing. It makes you determined that so far as you can you will spend the rest of your life fighting for the individual, for human rights, and for civil rights because you know that anything less than that is totally unacceptable.

I would like to give some examples and I would like to think that because of people—not me alone, but women like me—things have improved somewhat. Let me take you back, because it's the time to take you back, to a time when you entered the law full of enthusiasm, full of a very real commitment that this is the route to go if you do have a concern for people, to a time when you are a law student, as I was seeking an office in which to article. But I wasn't the child of a lawyer. My mother was a client of the Fasken firm and it was my family firm but that firm at that time was completely disinterested in women in the practice of the law. So you got whatever you could get in order to have an education in the practicalities of the law.

[12:00]

I recall a much publicized incident of June 17, 1937, the day I was called to the bar, the day I was the only woman taking a June call, going into weekly court when the presiding judge asked "the gentlemen" to rise. I had been a gentleman around Osgoode Hall for three years. It didn't offend me at that point to rise with my other gentlemen. But when he continued to say: "I said 'gentlemen' advisedly. I do not approve of women in the practice of the law," it was a very dramatic experience because I had built up with hard work to a point where I thought I had the right.

Mr. Renwick: What was his name, do you remember?

Mrs. Campbell: Yes, I remember. He is still alive and still highly respected. I don't think I should give it but I will give it to you privately.

At that point I wanted to cry out to the Attorney General. I was given some very

wise advice by people who were my friends. They said: "Look, the Attorney General will simply laugh it off. He will not do anything about it and you may hurt your career by being a troublemaker at the very beginning of it." So, it went on.

Because I was president of the Women's Law Association I had the right to go to the mid-winter meetings of the Canadian Bar Association. I accompanied Judge Helen Kinnear. We were not quite equal because, while we were permitted to speak, we were not permitted to vote.

One eminent counsel moved at that time a resolution which said that all law students should pay in a mandatory fashion the fees for the Canadian Bar Association as part of their tuition fee. I wasn't very experienced. I got up to support the resolution. Stupidly, I gave my reasons. I didn't know I shouldn't do that. The reason was that I could support this wholeheartedly because, if it were a mandatory, imposed fee, there could no longer be discriminations against women in the profession entering into the full activities of the Canadian Bar Association. I never saw two lawyers act so fast, the mover and the seconder, to withdraw the motion.

Then there was another time when I was asked to speak to the mid-winter meeting in Niagara Falls on the subjects of taxation and support payments. I'm going to tell you I worked hard on it because always women have been under the gun to do better, to work harder to gain the same results. Apparently I did all right, because as a result of that paper the taxation section, together with the accountant, made their submissions to Ottawa and support payments in family court, alimony payments not granted in divorce actions, were finally exempted so that women could get the money that the courts ordered to them.

Following that I had a beautiful letter from the taxation section and it said: "Because of your superb"—and they did overestimate it—"presentation, we are inviting you as our honoured guest to dinner" on such and such a night "at the Lawyers' Club." The letter was addressed to me as "Dear Mr. Baird," and the signals were up, because I knew what Dr. Galbraith has been through and I really didn't want to be humiliated on a public sidewalk. So I phoned and I said: "Are you sure you mean me?" "Well, of course. It's a result of your paper." I said to the young man: "Please check, will you?" I really felt desperately sorry for that young man because he called back and he said: "Oh Miss Baird, it is our loss. Of course, unfortunately you cannot come to the

Lawyers' Club." I am saying these things because people believe that this doesn't happen, and it happens today and I am bringing it into the present day.

I met with a woman just the other day, a single head of family, who was deserted 14 years ago, being left with three children. She said: "You know, I just felt I can't do it," and then she came to the view that her children were entitled not to have both parents opt out. She worked, and she's worked hard for 13 years, and she decided it was in the best interests of the family to purchase a home. She was applying for a home buyer grant and was delighted that the government was not making any distinction between her and someone else, but she needed some additional mortgage financing and the first lender she approached said they would give consideration to her application for a mortgage if she would produce two male co-signers. That, of course, she wouldn't accept.

Subsequently there was one who said if she would get her mother to co-sign they would give her the loan. Her mother had no money and no income other than old age pension. The mother was not one who was expected to make any financial contribution. She went to the government and told her story and she said: "I want to buy a house but I want you to know that my mother did own a house," and she put it in writing. She got the grant. Now, of course, she's asked to repay it.

The member for Lakeshore (Mr. Lawlor) has talked about disruption; and this is where I have such honest and sincere problems with this amendment. Surely, after what I have said here today, it is apparent to anyone that, philosophically, I believe this amendment should carry. But I have to place it in the context of our today's society.

I made a mistake the other day, I say to the member for Carleton East (Ms. Gigantes). In giving an example of women entering into a partnership, I mentioned two lawyers because I was so delighted that partnership between women in law is becoming more commonplace. I shouldn't have done that, because to the member for Carleton East I was elitist. I only gave it as an example; I wasn't talking about university people or people who had inherited wealth. I was just using an example.

But let us look at the balance between the story of the single head of family. It is not covered here; that is long past. What frightens me terribly about this amendment is not the amendment itself in any way, shape or form; it is what can happen if

women want to establish themselves in business where the prejudice already is there on assisting them financially and when, with this added dimension, they may not be able to establish businesses of their own of what-ever kind.

On top of that, I am worried—and the member for Lakeshore dealt with it, if I may say, from a different point of view; he tended to think we could overcome. But I think of the small businesses in our communities today; I don't think anyone here is in any doubt that many of them are suffering financially and many of them have financial problems. If there were only some way that we could call some kind of a moratorium to give this Act the time to work, so that those in the lending business might not view this as so dangerous that they would call their loan, or that suppliers wouldn't worry so much about calling in their money, I think I could support this amendment, without question, because it is so infinitely a part of what I believe.

I guess I put it badly the other day, because the member for Welland-Thorold (Mr. Swart) thought that when I spoke about the business I felt there was not enough left of the business for the man. It's inconceivable that I should have spoken so badly, to be so misunderstood; my fear is that there just won't be a business for anybody.

[12:15]

I am not worried about the courts in this context, and I agree with my friend the member for Riverdale (Mr. Renwick) that it does improve the context. It gives much better thrust for judges, there isn't any question about that; but what I'm worried about is are we talking about assets that are really academic once this passes.

The member for Riverdale referred to partnership agreements and to corporate bodies and he dismissed those lightly, in my estimation. But as I understand it, perhaps he was more familiar with Brazilian Traction as a corporate customer or client, while I was more familiar with the small artisan who wanted to move out of the employment area and into a partnership. These are not people who could be taken care of out there. They weren't part of the wealthy community, they were simple people wanting to do something about a partnership. If that partnership were in place today and they were still struggling financially, I can't answer for what might happen.

The member for Riverdale spoke about the partnership agreements which provide

for widows. I am familiar with that type of agreement, I have drawn many of them. One of the things that I found, and one of the cases that disturbed me mightily, was what happened when the widow became part of the partnership on the death of her husband. It was not a successful experiment. Not because of any lack of talent in her, but because the remaining partner had gone into partnership with a specific person with a specific interest, there was an empathy between them; it just didn't work with the widow as partner.

I have tried desperately to find a way to support this amendment without what I see as a very possible breakdown for both the male and the female in our society. I have suggested my amendment, recognizing as I do that it views the matter from a different point of view. But it does to me give this kind of advantage: It can give a time for the Act to work; it can give a time so that those who are financing various businesses may not be overly alarmed. It does provide for the breakdown and what happens at a breakdown.

I can only say that I have now expressed, as best I know, both my concerns and my very real commitment to equal rights; and my very real and personal concept—not only from my own experience but that of women with whom I am in contact every day—that what you can do in this amendment is to disadvantage not only those who would like to go into business but also those who are in the home and who, by this, may suffer.

The member for Riverdale has suggested that all of these things can be covered by agreement. I would say that in the future that is probably quite true. But the incidence of breakdown of marriage and any effects of that under this Act will take effect for those small businesses as of the date that it comes into operation; and it is quite possible at that time that there is no way to come to agreement.

The member for Riverdale also suggested that only a small percentage of the public has business assets. I know there are a great many in this province who do not have business assets, but there are far more than I think the member for Riverdale indicated in his address.

I want to say that in no sense am I standing here, taking this position, on a partisan basis; in no sense. In no sense am I mouthing anybody's philosophy—except, perhaps, my own—in trying to ensure that women will have the practical, factual protection that you and I want under this bill.

If the member for Riverdale can suggest some solutions by way of amendments to this bill to cover the points which I have raised—and I can't think of them, short of some moratorium—I am certainly prepared to listen to a person whose quality of mind I very deeply respect, as I think all the members of this House do. I can find no alternative, except that which I have proposed, to protect to the best of my ability the very rights that are so personally dear to my heart.

Ms. Gigantes: I would like to add one more comment to this debate as it has proceeded on the amendment that is before the House now. It seems to me, as I reflect on the contributions that have been made to this debate, while it is clear that we may be reaching the point where we are overcoming the feminine mystique, we have a new hurdle to jump, and that's the business mystique.

Mr. Stong: Much of what I have to say with respect to this amendment has already been said by the member for St. George, with whom I fully concur. I will be brief, but I do have some comments to make on this particular amendment. Despite philosophically what is involved, that is equality and the recognition of equality in marriage, with respect to this particular amendment, as the member for Carleton East has just alluded, basically the business mystique is what it is all about.

Mr. Swart: Not all.

Mr. Lawlor: There is a little left over there somewhere.

Mr. Stong: I think we have to remember that the amendment which would include commercial assets acquired during marriage or in contemplation of marriage and which also includes a crude appreciation of all property and assets owned by the spouses prior to the marriage, is very encompassing. This amendment is a two-edged sword. Those in the party to my left who would champion themselves as being the only representatives of women's rights are overlooking one thing, that is that this amendment does not advance women's rights one iota in the business world.

It's tough enough out there in that world for anyone, and a woman particularly, who has accomplished and achieved a professional status, whether it be an engineer, a doctor, a lawyer, a truck driver or a teacher. It is tough for her out in that world and it's tough for her out in that business world to get started. That is where the opposition to this and the problem with this amendment is going to arise.

I suppose really to understand the business world you would have to have been a

person who ran his or her own business and had to meet a paycheck every Friday and had to go with your hat in your hand to investors and money lenders to ask for money to get started.

All this amendment is going to do is call upon the ingenuity of the legal profession to concoct contracts to have women opt out or contract out of any rights that they have under the laws which now exist.

I can see bankers or moneylenders saying, "I will lend you the money." But the purpose of lending the money is to make profit down the road, and the way you make a profit in lending money is by keeping your costs down. All we are doing with this amendment is encumbering the business community, which will then have to go to work to draw up contracts to say to a woman or a male who wants to borrow money: "We will not lend it to you because farther down the road we are going to have to face perhaps some problems in a marital contract or some problem arising out of a marital split-up. What we want you to do at this point is enter into this contract which would vitiate this loan for instance in the event of a marriage breakup."

[12:30]

That is not how business can work. It is not how a professional, a woman doctor or a woman who wants to get into business, is going to be able to make it at all. I might say that in speaking to this particular amendment, there are women out there who have had to make it on their own.

I was speaking just the other night to a woman who indicated to me that her husband had been drunk for half his life. He was a taxi driver. She took over the taxi and she drove that taxi. She supported her five children from the proceeds of driving that taxi. She said to me: "If we split up, if there's a division, do I have to give half of what I have earned over these years that I have worked to support my family to him? Do I have to give it up to him?" It's a two-edged sword in business and I think we have to be very careful of where we're going.

Mr. Swart: Do you know what section 4 says?

Mr. Stong: Yes, I support the member for St. George (Mrs. Campbell) in her amendment to section 4 because it recognizes input and value of input, and that's very important in this economic relationship.

Mr. Swart: It's the principle that we're talking about.

Mr. Stong: But not only that, the member for Ottawa East (Mr. Roy) in directing him-

self the other day to this particular amendment—indicated that if it goes through in its present form—because it deals with talking about the splitting up of assets and the sharing of assets—what about the liabilities that are also incurred with respect to those assets and with respect to that business. Although much has been said, I must say that this amendment in its present form will really be caught and dealt with by the proposed amendment to section 4 by the member for St. George.

Mr. Bounsall: No way.

Mr. Stong: This particular amendment will do nothing for those men or women, partnerships or sole proprietorships, who are trying to make a start in the business world. This is a hindrance and not an advancement of that cause.

Mr. Swart: The principle is equal division of assets.

Mr. Renwick: Mr. Chairman, I'd just like to respond briefly. I must say in all politeness to my friend, the member for York Centre (Mr. Stong), that I regret that he was not in the House last night to have sensed the dynamics of the debate which took place. I think his remarks this morning show an abysmal ignorance of exactly what this Legislature was talking about last night, as well as a selective ignorance of the provisions—

Mr. Kerrio: It's a pity we get the name-calling part of it.

Mr. Renwick: —of the Act as a whole and the express provisions of section 4. I regret having to say that, but I do hope that if and when the member for York Centre has the leisure to do it, he will take the time to read the debate which took place last night, and perhaps at some future time we can have a discussion about the matter.

I do want to say to my friend, the member for St. George, that the remarks I made about her last night were remarks of my esteem for her and I regret if in any way she equated those remarks with flattery. I simply did not intend in any way to flatter.

Mr. Reid: Why not?

Mr. Renwick: I think of all the people that I know, she is one of the people who does not need flattery and she does me a disservice to say that I would have to flatter her.

Mr. Lawlor: She is absolutely unflattering.

Mr. Renwick: My remarks were made out of respect.

Mr. Reid: It's a very fine line.

Mr. Renwick: I listened, as she very kindly did to me last night, with great care to what she said this morning, and I respect and admire the way in which she went about expressing her views about it. I'm sorry that she has come to the decision that her answer must be no and that her caucus will not support the amendment. I regret that very much, because what the member for St. George has unwittingly done is to enshrine judge-made intricacies that the courts had to face in dealing with problems such as those which arose in the Murdoch case. She has placed every single woman in the future who is a Mrs. Murdoch under the obligation to go to court in order to get her fair, equitable share. She starts always as a suppliant, always as a plaintiff, always as an applicant. I'm simply drawing attention to the desperate efforts which the courts took, despite the problems that were faced, to finally work out within the court system a recognition—to come some way into the modern age with respect to the contributions made by women in the marriage relationship. You have said, "We'll call a halt there. We will take no further step. We will not, in this Legislature, do anything at this time but freeze, without any hope of thawing for many years, the result of those cases."

I understand the immense problem involved with women, credit and financial institutions. I have no problem with that. I simply refer again to what I said last night—the only thing that the financial institutions understand is property. I simply fail to understand your logic, reiterated by the member for York Centre, that somehow or other giving women under this Act equal participation in property—that is as a result of a partnership between men and women in marriage while they are residing together—in some way detracts from their capacity to negotiate credit or other assistance from the financial institutions.

I recognize the problem but the problem is an entirely different problem. You misunderstand the system under which we live if you believe for one single moment that to enshrine Murdoch and the subsequent cases into law is in some way a reflection of the modern need. You know as well as I do that one of the major problems the courts have is to adjust to changing conditions. You know as well as I do that they are always behind.

I admire them for having come so far. But to freeze the law of the province in this fashion, so that every woman is a suppliant, every woman is an applicant, every woman is a plaintiff in a court action, in order to get a decision with respect to her property rights, then I say with the greatest respect again, to

the member for St. George and to the Attorney General (Mr. McMurtry), who is the person I was trying to persuade by transference last night, you do a disservice in the province; you do a disservice because you will not have the intestinal integrity to bring this Act back again.

I would guess the Attorney General and the member for St. George and I will be long gone from here before there is another revision of this concept. It is not something to say, "Let's take this step because we are going to take the next step." We are not going to take a next step. We are going to wait for a long period of time before there is any change.

I had hoped that in the course of this debate we might have found an answer, even if it required a little give on our side, a little give on your side; some way to bridge what appears to me to be such a narrow gap. The member for St. George re-echoed that philosophically she believes in the amendment. This little insurmountable barrier which has been erected in the discussion leads me to believe that we have simply failed, and that failure is a momentous one and is one which we here certainly will regret.

I only wanted to speak very briefly because everything appears to have been said that can be said on this issue. The answer from the member for St. George speaking on behalf of the Liberal caucus is obviously no. They want Murdoch and the subsequent cases of Murdoch. They do not want equality in the law.

Mr. Kerrio: That's the next thing, the shameful NDP conduct in the House and about as responsible.

Hon. Mr. McMurtry: That's nonsense. You know it's nonsense.

Mr. Renwick: They want to distort things, as the Attorney General has distorted these matters, by taking the extreme cases, always the extreme; always ignoring that section 4 of the bill provides the court as a method of determining the equity and justice of whether or not a 50-50 sharing of all assets is the fair and proper way. That's what it's about, and section 4 is well drafted.

I would regret we were unable to persuade the House to make the necessary change.

Hon. Mr. McMurtry: I had not intended to speak again and I'll be very brief. I am certainly not going to attempt to repeat any of the statements made by the member for St. George, because I think her heart-searching eloquence simply cannot be improved upon. I have to say, despite my great respect for and personal affection for the member for

Riverdale, I really expected a little better of him in this particular issue.

I hate to drag out those unhappy ghosts of the past, such as the Murdoch case, and suggest to the people of this province that the failure of the member for St. George to support this amendment is somehow supporting the Murdoch concept. I just think with all due respect that is desperately unfair to her and indeed to all of us in this House—

Mr. Swart: But it is right on.

Hon. Mr. McMurtry:—who desperately want the equality of which you speak. With respect, when it comes to the issue of litigation and encouraging litigation, or when as you say the woman must therefore again come to the court as a supplicant, I suggest to you with respect that if you look at some of the comments that have been made by fairly knowledgeable people on this subject, the deferred community of assets system, in my respectful view, has the potential to generate much more litigation than what is proposed under the bill as framed.

The accounting problems are obvious. You talk about Ward-Price type of problems in relation to family assets. Under the deferred community of property regime, the problems and the accounting problems—and we're dealing with all existing marriages—would be horrendous.

There was wide consultation with the people of the province of Ontario. My predecessor travelled widely throughout the province in discussing these issues. Men and women of the province, the overwhelming majority of these people who are interested, made very clear their concerns with respect to this deferred community of property proposal. With respect to this equality, which I know the member for Riverdale and his colleagues seek as we all do, I would ask him with the greatest respect to look at the experience in Quebec and California, for example, where there has been a rigid approach with respect to all non-family assets. The effect of that law has been to make it almost mandatory in every case for couples to enter into marriage contracts with respect to what would in our legislation be non-family assets.

It's the sincere belief of myself and my many very dedicated advisers who have worked so hard in the preparation of this bill, that the deferred community of property proposal as contained in this amendment would invariably lead to less sharing rather than more sharing. I think it's absolutely important that those who misunderstand this legislation look to other jurisdictions for guidance to see

what has happened there. This legislation has been very carefully wrought and it is geared to produce—and I sincerely believe this—more sharing than that which is available in other jurisdictions where the more rigid approach has been adopted.

Only experience will tell us whether we are correct in this matter. But I can say, Mr. Chairman, I'm quite confident that experience will satisfy us in the months and years ahead that this legislation, as presently framed, will produce much more sharing between married couples, when there is an unfortunate marriage breakdown, than what has been the experience in other jurisdictions which have adopted the deferred community of property approach.

Mr. Renwick: Mr. Chairman, in expressing my frustration about my disappointment in the failure of the amendment, I overreacted in remarks which I made about my friend and colleague, the member for York Centre; and I apologize to him for the rather stronger intent of my remarks than I should have allowed myself to express.

Mr. Deputy Chairman: I have an amendment by Mr. Bounsall. Mr. Bounsall moves: That clause (b) of section 3 of the bill be deleted and the following substituted therefor: "Family assets means all property and assets, including commercial assets acquired during the marriage or in contemplation of a marriage, and the accrued appreciation of all property and assets owned by the spouses prior to the marriage; but does not include any damage award, insurance claim, insurance benefit, gift, inheritance or trust benefit conferred upon a spouse with the express or im-

plied intention of benefiting that spouse exclusively or the accrued appreciation of same."

Shall the amendment carry?

Some hon. members: No.

Mr. Deputy Chairman: Shall this vote be stacked?

Some hon. members: No.

The committee divided on Ms. Gigantes' motion that clause (f) of section 1 of the bill be amended by adding thereto the subclause, "(iv) is a widower or widow," which was negated on the following vote.

Ayes 20; nays 54.

Section 1 agreed to.

The committee divided on Mr. Bounsall's amendment to clause (b) of section 3 of the bill, which was negated on the same vote.

Section 3 agreed to.

[1:15]

On motion by Hon. Mr. Welch, the committee of the whole House reported progress.

ROYAL ASSENT

Mr. Deputy Speaker: I beg to inform the House that in the name of Her Majesty the Queen the Honourable the Lieutenant Governor has been pleased to assent to a certain bill in her chambers.

Clerk of the House: The following is the title of the bill to which Her Honour has assented:

Bill 10, An Act to amend the Discounting of Income Tax Refunds Act, 1977.

On motion by Hon. Mr. Welch, the House adjourned at 1:20 p.m.

ERRATA

No.	Page	Col.	Line	Should read
8	267	1	8	Bill 19, An Act to amend the Mental Health
8	267	1	14	Bill 20, An Act to amend the Public Vehicles
8	267	1	20	Bill 21, An Act to amend the Public Com-
14	522	1	45	Mr. Bolan: I would suggest to the hon.

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No. 17

Legislature of Ontario Debates

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Second Session, 31st Parliament

Monday, March 13, 1978

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, MARCH 13, 1978

The House met at 2 p.m.

Prayers.

ESTIMATES

Hon. Mr. Welch: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor signed by her own hand.

Mr. Speaker: By her own hand, Pauline M. McGibbon, the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1979, and recommends them to the Legislative Assembly, Toronto, March 13, 1978.

COMMONWEALTH DAY

Mr. Speaker: Hon. members, today, the second Monday in March has been set aside throughout the Commonwealth as a day to be known as Commonwealth Day, on which member nations draw attention to this unique world organization of which Canada is an active member.

As members are no doubt aware, the Commonwealth consists of one-quarter of the people of this earth, and one-half of the poor people of the world are members of the Commonwealth. I am sure all members will agree with me that at a time when we as Canadians tend to look inward it is useful to recall our international commitments, not only in the governmental organizations of the Commonwealth but in the important non-governmental organizations such as the Commonwealth Parliamentary Association. This year, of course, the Commonwealth Games will be held in Edmonton which will no doubt strengthen Commonwealth ties and the appreciation of Commonwealth relationships in Canada.

On the occasion of Commonwealth Day we have in the Speaker's gallery today the consular representatives in Toronto of nine members of the Commonwealth. These distinguished members are: from Australia, Mr. Llewellyn Martin; from Barbados, Mr. Stanton Carter; from Britain, Mr. F. S. Fielding; from Guyana, Mr. E. V. Persaud; from India, Mr. M. L. Suri; from Malaysia, Mr. N. Sivaraajah; from Malta, Mr. John Pisani; from New Zealand, Mr. P. L. Harland, and from Trini-

dad and Tobago, Mr. Calvin Smith. I am sure all members will wish to welcome them on this occasion.

OPP ROLE IN STRIKE

Hon. Mr. Kerr: On a point of privilege in connection with the point of privilege raised last Friday by the hon. member for Wentworth (Mr. Deans): When I answered the hon. member's question in the Legislature last Thursday I did not recall using the expression to a radio reporter, "only half the workers at the plant want the union." I have since had the opportunity personally to listen to a tape of my interview with the reporter outside the cabinet office and there is no question that I did use that phrase.

Mr. Nixon: You misspoke.

Hon. Mr. Kerr: Mr. Speaker, I apologize if I inadvertently or incorrectly advised the Legislature last week on this point.

As far as the second point raised by the hon. member is concerned, I refer him again to my statement in the Legislature last Thursday afternoon when I said the decision to inform workers of their rights and responsibilities during a strike was made by the local OPP detachment commander, Sergeant Roy Glover. It may well be true that the local plant manager made this request to officers who visited his plant on the morning of March 3, but the important thing is that the decision was made independently later that same day by Sergeant Glover. There is nothing in my answers to the hon. member for Wentworth—

Mr. Cassidy: What?

Hon. Mr. Kerr:—which he quoted last Friday which conflicts with my Thursday statement.

Mr. Davidson: Who are you trying to kid?

INCREASE IN OHIP PREMIUMS

Mr. Speaker: On Thursday last, March 9, the member for Scarborough-Ellesmere (Mr. Warner), on what he considered a point of privilege, asked me to rule that the OHIP premiums are, in fact, a tax, and that any increase therein would require legislation and the appropriate message from Her Honour, the Lieutenant Governor. He referred to

section 54 of the British North America Act and standing order 86 of this House, and on Friday, March 10, he added a citation from the Magna Carta.

Mr. Makarchuk: Good document.

Mr. Speaker: I must first refer you to the Health Services Insurance Act, Revised Statutes of Ontario, 1970, chapter 200, section 32, clause (e), which provides that the Lieutenant Governor in Council may make regulations "prescribing the amounts of premium payable for a single insured person, an insured person and one dependant and an insured person and two or more dependants and governing the time and manner of payment."

What the member is, in fact, doing is asking me to rule on the legality or constitutionality of legislation passed by this House. I must inform the House that this question is beyond my jurisdiction. I quote from a ruling delivered by Mr. Speaker Cass on January 27, 1969, as follows: "There have been numerous decisions by former Speakers, the most recent being that of Mr. Speaker Stewart on April 4, 1944, to the effect that it is not within the Speaker's responsibilities or powers to give an opinion on the legality or constitutionality of any legislation introduced in the House."

As mentioned, the matter raised by the member pertains to the legality or constitutionality of a statute. As such, it obviously is not a matter affecting the special privileges which the House and the members thereof enjoy, and I must, therefore, consider it desirable to point this out to the House. In other words, the hon. member for Scarborough-Ellesmere did not, in fact, have a valid point of privilege.

Mr. Warner: Mr. Speaker, on a matter of principle—

Mr. Breithaupt: I think he should resign.

Some hon. members: Resign.

Mr. Warner: If you've got a better offer.

Mr. Ruston: Resign.

Mr. Warner: Do I hear shouts of a better offer over there?

An hon. member: We're going over our reports.

An hon. member: Back to school.

Mr. Warner: Mr. Speaker, I firmly maintain that some of my privileges and, consequently, those of—

Mr. Speaker: You can't debate the ruling.

Mr. Warner: This is on a different matter, a different point of privilege.

Mr. Speaker: You can't debate the ruling. You can challenge it, if you wish.

Mr. Warner: I'm not debating your ruling, Mr. Speaker, nor am I challenging the ruling.

Hon. Mr. Rhodes: Then sit down. You can't make a speech.

Mr. Warner: I appreciate your effort. What I have is a point of privilege under section 42 of the standing orders. I maintain that the privileges both of myself as a member and of my constituents have been removed by the action of this government. No taxation—

Mr. Speaker: Order. There is ample opportunity for you to raise that during the estimates, or during the budget debate. You can do it by way of a question. If you're not satisfied with a question, you may have recourse to the late show, but you cannot question the ruling of the Chair, which includes the standing orders.

Mr. Warner: May I raise the matter then by way of introducing a bill this afternoon following question period?

Mr. Speaker: That's your choice.

Mr. Warner: That's what I shall do.

Mr. Makarchuk: We're one step ahead of you.

STATEMENTS BY THE MINISTRY

ALGONQUIN PARK

Hon. F. S. Miller: Mr. Speaker, I'm pleased to announce that a significant step—

Mr. Wildman: Is this a policy statement?

Hon. F. S. Miller: —to protect the environment of the interior of Algonquin Park will be taken when the regulations under the Provincial Parks Act are amended to require that after April 1, 1978, only burnable food and drink containers may be taken into the interior of Algonquin Park by canoe trippers and hikers. These restrictions follow the successful experiment introduced last year in Quetico Provincial Park. The results were all positive. Litter was considerably reduced, the quality of the environment was improved and the subsequent cost of garbage removal was materially lowered.

This significant environmental decision is aimed primarily at reducing the volume of garbage in Algonquin Park. The majority of abandoned materials are in the form of disposable food and beverage cans and bottles which decompose either very slowly or not at all resulting in degradation of values and in a decline in the recreational quality of one of Canada's best-known parks. Obviously, this accumulation spoils the scenic and recreational value of remote

areas in Algonquin Park for everyone. We have taken this positive action to prevent it.

Since its inception, Algonquin Park has provided thousands of visitors with some of the best wilderness canoeing opportunities available in Ontario. The provision of this high-quality wilderness experience has been threatened by the serious litter problem, requiring expensive cleanup programs. The ban was proposed by a number of individuals and organizations, including the Algonquin advisory committee, and has had wide public support. The results of a questionnaire survey showed that a majority of the interior visitors favoured such a ban. The Ontario Parks Council has also recommended its implementation.

[2:15]

I should point out that the forthcoming ban will not apply to the organized campgrounds where special arrangements are made for garbage collection and disposal. These are primarily along the Highway 60 corridor. This restriction is another step in the implementation of the master plan for Algonquin Park which is designed to ensure that interior camping areas remain unimpaired for future use and enjoyment.

HIRING OF 18-YEAR-OLDS

Hon. Mr. Grossman: Mr. Speaker, it has been brought to my attention—by the Minister of Natural Resources, as a matter of fact—that there is some concern among resort and tourist operations, for example, that people of 18 will not be allowed to work in licensed establishments if the amendments to the liquor regulations raise the legal drinking age.

The question is particularly topical now because hiring decisions for summer jobs are being made in many sectors of the hospitality industry. I want to quell any doubts, by giving my assurance that whatever the government ultimately decides the legal drinking age should be, 18-year-olds will, nonetheless, continue to be permitted to work in licensed premises.

Mr. S. Smith: The Legislature decides, not the government, may I remind you.

AUTO ACCIDENT BENEFITS

Hon. Mr. Grossman: Mr. Speaker, I have a second statement. I would like to announce today that we are amending the regulations under the Insurance Act to improve automobile insurance accident benefits.

Mr. Laughren: Haven't we got insurance, Larry?

Hon. Mr. Grossman: No-fault accident benefits, being paid at the present time, were introduced more than six years ago by this government; in January 1972, to be specific.

An hon. member: How about lowering the rates?

An hon. member: When is the minister going to listen to the consumer?

Mr. Cassidy: The minister is more right-wing than Sterling Lyon.

Mr. Swart: The government's 25 years behind the times.

An hon. member: Why doesn't the minister do what the consultants told him?

Hon. Mr. Grossman: I don't think I need to go into any great detail on what inflation has done to the level of 1972 benefits in terms of 1978 dollars. Quite simply, the current benefit level is pitifully inadequate. What we are doing today is to make it contemporary.

To provide just a little background, the provision of these benefits is mandatory and must be included in every contract of third party liability insurance sold in this province. The benefits allow every insured person, including dependants and pedestrians hit by an insured automobile, to have immediate recourse to fixed payments by reason of death or loss of earnings. This eliminates the need to go to court to establish fault, and any amounts recoverable on a fault basis, on either court judgement or settlement are reduced by the accident benefits paid or payable.

The select committee on company law has recommended a doubling of death benefit and loss-of-earning benefit. To this we have added certain other changes based on the experience gathered in working with the provisions. We are today, therefore, announcing the following major benefit increases:

Firstly, increase of medical and rehabilitation benefits in excess of OHIP and other expenses within the new Health Insurance Act from \$5,000 to \$25,000. Chiropractic expenses, which were formerly not covered, are included in the package.

Secondly, death benefit of the head of the household and his or her spouse is increased from \$5,000 and \$2,500 respectively, to \$10,000.

Thirdly, death benefits for all children under 21 are increased to \$2,000. Previously, it was \$500 for children under five, and \$1,000 for children between the ages of five and 21.

Fourthly, funeral expense benefits are increased to \$1,000 from \$500.

Fifthly, the maximum payable for loss of earnings has been doubled from \$70 to \$140 per week.

Mr. McClellan: Why won't you raise the compensation rates the same way?

Hon. Mr. Grossman: The regulation is in keeping with the provisions of the Family Law Reform Act in that it incorporates a new definition of spouse. As a result, there are benefits for the partners in a common law relationship of five years' duration or in a relationship of some permanence, regardless of the length of time, where there is a natural child.

A very important part of the regulation changes the concept of "whole and continuous disability" to add a provision which entitles an individual who has consented to return to work and who has suffered a relapse within 30 days, to a resumption of benefits. This will encourage members of the labour force to attempt to resume work without penalizing them if it is then discovered that the attempt was premature. This regulation will come into force July 1 of this year to give the insurance industry sufficient lead time to revise forms and re-program computers. I might add that the much-needed revision of this regulation followed extensive dialogue in consultation with members of the industry.

The no-fault benefits were introduced in 1972 by this government to eliminate financial hardship for those involved in automobile accidents in the interim period while the insurance companies and the courts wrangled over whose insurers should pay. It was a concept which worked, but it can only continue to work if the benefits reflect 1978 costs.

The government feels this is a progressive amendment which will help alleviate the hardship suffered by those consumers unfortunate enough to be involved in an accident.

ORAL QUESTIONS

AUTO PACT

Mr. S. Smith: A question for the Premier, Mr. Speaker: In view of the somewhat over 12,000 unemployed in the city of Windsor, and in view of his interest and ours in ensuring a more equal balance in the auto trade agreements with the United States, can the Premier tell the House if he has been informed by Chrysler concerning any possible plans they may have with regard to the pickup truck assembly plant—the one at Tecumseh and McDougall? Has the Premier been informed as to any plans they might

have to move that plant out of Canada into the United States? Could he report to this House on that?

Hon. Mr. Davis: Mr. Speaker, I have had no information of that kind. I will check it out for the Leader of the Opposition, but there's been no information of that nature brought to my attention.

Mr. S. Smith: I'm pleased to hear that. By way of supplementary may I ask the Premier to give some consideration to a letter addressed to him, which is probably in his office, from the president of Local 444 of UAW? And will the Premier speak to Chrysler and make a full report to this House? Thank you.

Hon. Mr. Davis: Yes.

Mr. Makarchuk: Supplementary: In view of the fact that the whole matter of auto parts and auto manufacturing is one of concern between both the provincial and the federal governments, is the Premier prepared to call either a press conference or some kind of a public gathering where he can state Ontario's case? The members of the federal government who are responsible for this particular sector of our manufacturing economy could also state their case, and the Premier would be able to tell them to get off whatever they are doing and insist that we get our rights and our proper share of the manufacturing in Canada.

Hon. Mr. Davis: Mr. Speaker, this point has already been made to the government of Canada. I believe they're aware of it. I don't know what purpose would be served in having a press conference. They have all the figures and they have the views of the government of this province that have been stated both privately and publicly.

Mr. Makarchuk: I think the people of Ontario would want to know what you are all about.

Mr. B. Newman: A supplementary to the Premier: During his discussions with Chrysler concerning the potential phasing out or closing down of the pickup line assembly plant, will he use his powers of persuasion, if the Chrysler officials decide on closing that plant, to keep it open as long as possible and/or substitute some other operation in that plant so the work force in the city of Windsor can remain at Chrysler as it is today?

Hon. Mr. Davis: It has always been the approach of myself and the government—the ministers—to do their best to ensure employment opportunities whether they be in Windsor or even in Brampton.

Mr. Cooke: Mr. Speaker, a supplementary for the Premier: I would like to ask the Premier, in view of the fact it was mentioned in the Throne Speech that it was felt something had to be done with the auto pact, what specific new initiatives is this government prepared to take to see that the auto pact begins to work and a balance begins to exist, so that cities like Windsor do not have to put up with 11.4 per cent unemployment any longer?

Hon. Mr. Davis: Mr. Speaker, I will send to the hon. member for his reading, the presentations made to the government of Canada on this issue. I think they lay it out fairly clearly and I will send him a copy of that.

Mr. Cooke: I said "new initiatives."

Mr. S. Smith: I'll have copies of that. I think it would be a good idea.

Hon. Mr. Davis: Yes, I have got a lot of stuff I want to send you.

Mr. S. Smith: Send it along, send it along. It's better than the usual secrecy anyway.

FRENCH-LANGUAGE SERVICES

Mr. S. Smith: A second question to the Premier on a different topic: Since the Premier believes, as we all do, that we must "reduce factional sentiments in our society"—I am referring to his speech at Bucknell University on Friday—does he not agree that an all-party committee of the Legislature to review and report on the state of French-language programs and services in Ontario would be the first step to finding, as the Premier put it, "reasonable accommodation to situations our forefathers were perhaps not as prepared to discuss"? Is the Premier now prepared to establish such a committee, as I have asked him to do?

Hon. Mr. Davis: I appreciate the suggestion from the Leader of the Opposition. I'm delighted to see he read that small excerpt in the Globe and Mail from my rather lengthy lecture to the students and faculty of Bucknell University which is in Lewisburg, Pennsylvania.

Mr. S. Smith: I wouldn't have missed it.

Mr. Lewis: Maybe the Premier should circulate that as well.

Hon. Mr. Davis: If the member will read it, I'll circulate it. It's really one of the better lectures that have been given.

Mr. Martel: That doesn't say much for the quality of the lectures.

Mr. Makarchuk: The Treasurer circulates his speeches. Why can't the Premier?

Hon. Mr. Davis: As I say, it's one of the better ones. I can only make a judgement because it's the first one I've heard of that particular lecture series.

Mr. Lewis: You mean given by you.

Mr. Laughren: Modesty might become you.

Hon. Mr. Davis: No, at that particular university because I've not attended that university.

Mr. Cassidy: I am reconsidering the idea the Premier should leave politics for academic life.

Hon. Mr. Davis: There was no degree. I was there on a working mission.

Mr. Cunningham: There was not even a football team there?

Hon. Mr. Davis: No, Bucknell is not in that; they play basketball very well.

Mr. Speaker: Order.

Hon. Mr. Davis: I was interrupted, Mr. Speaker.

Interjections.

Hon. Mr. Davis: Actually, in my observations, I was talking about factual or regional differences in a Canadian perspective. Perhaps when the Leader of the Opposition reads that lecture very carefully, he will understand what it was I was attempting to say.

Mr. Samis: I doubt it.

Hon. Mr. Davis: While I appreciate the constructive suggestion as to the possible establishment of a select committee, I really think the best way for this to be discussed and debated is here in the Legislature. I haven't a closed mind on any subject. I told the Leader of the Opposition when he mentioned this to me a few days ago that I didn't have a closed mind on it. But I think for an analysis of our existing programs and some greater awareness and understanding of them, perhaps some discussion here in the House might be a better route to go. However, I haven't said: "No. We will never have a select committee." If he is asking me whether at 2:15 this particular afternoon we are ready to appoint a select committee, the answer to that would have to be no.

Mr. S. Smith: By way of a supplementary, while I appreciate that the Premier did tell me that the other day, could I ask him, first of all, if he will ask his House leader to find a day for a special debate on this very matter, as he suggests? Secondly, since he says his mind is not closed to the idea of a select committee, could he, in thinking about that, recall that the main purpose of such a committee would be to depoliticize and take

out some of the partisan aspects of what is potentially a very divisive topic but which could be a very useful topic for the future of our country and our province?

Hon. Mr. Davis: I'm delighted to sense that the Leader of the Opposition is aware of it being potentially divisive, if that is the right way to pronounce it. I think some discussion in this House perhaps after the recess might be appropriate. I have always attempted to depoliticize this issue.

Mr. Martel: Yes, that was obvious last July.

Hon. Mr. Davis: It became somewhat politicized with the intervention of some of the Leader of the Opposition's close associates in the government of Canada who were politicizing it here for the people of this province, which I thought was unfortunate and which prompted a reply from the Premier of this province to inform these gentlemen that they were not adding anything of a constructive nature in terms of the current discussion. If the Leader of the Opposition is saying let's depoliticize it, I can only assure the Leader of the Opposition that it has never been my intent to politicize it.

Mr. Samis: Can I ask the Premier if he is concerned about an increase in backlash in this province against minority rights, and as Premier, in the interests of national unity, what is he doing to challenge and confront such a backlash?

Hon. Mr. Davis: The hon. member may be more aware of a backlash than I am. I can only give him my own personal observations and they are not totally representative. I haven't talked to large numbers of people, although in just about every gathering in some casual conversation this matter is discussed. I still sense a very genuine feeling in this province on the part of the people with respect to the language rights of the Franco-Ontarians.

I recognize there are always exceptions to this. It's fair to state that, contrary to the policy of the member's party, there is fairly general support for the present position of the government in what we have been attempting to do, with, I think, some measure of success. I question whether there is this backlash. The hon. member may feel there is.

[2:30]

Mr. Samis: You mentioned it in Montreal.

Hon. Mr. Davis: Mr. Speaker, I did not mention it in Montreal. I was asked a specific question, "Was there...?" and I said there could be. I did not say there was, and I think any accurate reading—

Mr. Samis: You are splitting hairs again.

Hon. Mr. Davis: —of what was said will show that, because I am very careful what I say on that particular topic.

Hon. Mr. Welch: There's an important distinction.

INCREASE IN OHIP PREMIUMS

Mr. Cassidy: Mr. Speaker, ignoring the Leader of the Opposition's efforts to depoliticize every issue in this province, I would like to ask the Premier this question: In view of the mounting crescendo of public opposition to the OHIP premiums increase as announced in the budget, is the government prepared to reconsider its position and to maintain OHIP premiums at or below the levels which existed before last week's budget?

Hon. Mr. Davis: Mr. Speaker, I recognize the leader of the New Democratic Party wants to politicize everything in sight. That's part of our process. I don't quarrel with that, but I would say the answer to that question at this moment, of course, is no.

Mr. Cassidy: Supplementary: With the growing amount of public opposition to premium increases, will the Premier not take the initiative and bring this issue to the Legislature by means of resolution or by means of legislation in order to submit his government's plans to debate in this House to be followed by a vote?

Hon. Mr. Davis: Mr. Speaker, these matters are always contentious. They are always difficult. It is not easy for government in its assessment of the situation in this province to make decisions with which everybody is going to agree, but to ask for a specific resolution, I think the leader of the New Democratic Party knows full well the process in this House. I fully expect from what I have read that in his contribution tomorrow afternoon he will introduce a motion of less than confidence—

Mr. Martel: What else do you expect?

Hon. Mr. Davis: —and that is the process that I think should be followed. The avenue for members to make their views known and to offer constructive suggestions to us is open to us in the budget debate, but the leader of the New Democratic Party can, tomorrow at about 3:15, take whatever steps he may feel he wants to take, although I would just urge him in advance to take a look at the total economic situation, take a look at the total health costs, ask himself in terms of being responsible what other—

Ms. Gigantes: Soak the poor.

Hon. Mr. Davis: —opportunities are there in terms of government administration and policy—

Mr. Swart: All your policies are reason for no-confidence.

Hon. Mr. Davis: —and sort of put that into the mix. I know his answer is very simple, tax the corporations out of existence so we don't have any tax base—

Mr. Martel: He didn't say that.

Hon. Mr. Davis: —on which to fund the economic and social policies of this province.

Mr. Makarchuk: Six other provinces do not charge for OHIP.

Mr. S. Smith: Since, as the Premier knows, our concern on this matter is one that we feel ought to be dealt with in the social development committee, where we hope that alternatives—

Mr. Cassidy: Going to depoliticize it, eh?

Mr. Lewis: What a copout that is.

Mr. S. Smith: —can be put forward by all parties, since it's easy enough to criticize but not as easy to present alternatives—

Mr. Martel: There is Xaviera Hollander again. Another position.

Mr. S. Smith: —will we have the assurance of the Premier that we are going to have the co-operation of the government in our search for the various possible alternatives, that all studies done by the Ministry of Health and by the Treasurer (Mr. McKeough) will be made available to that committee for use and that the results of that committee will, in fact, be taken very seriously by the Premier?

Hon. Mr. Davis: Mr. Speaker, I take the results of every select committee of this House seriously. I took the results of the Hydro select committee very seriously in terms of a certain issue.

Mr. Lewis: Right. Got you off the hook.

Hon. Mr. Davis: I waited, and in that I didn't get any, shall we say, constructive alternative, then the government obviously had to make that decision. I can assure the Leader of the Opposition that I think the Minister of Health (Mr. Timbrell) is prepared almost literally to inundate the committee in terms of material, statistical information et cetera, and I can assure him that in terms of the functioning of the committee it will not be short of any co-operation from the government.

Mr. Lewis: It's like a godsend to you to have a Liberal Party to shore you up.

Mr. Martel: They help you, don't they?

Mr. Cassidy: In view of the fact that the

amendments to the budget and the budget itself will not be voted upon until December, and in view of the fact that the cabinet has already acted by order in council concerning this premium increase, does the Premier not agree that it is contrary to the principles of parliamentary democracy to impose a tax increase without legislation from this House and does he not agree that there should be no taxation without legislation which is passed before May 1?

Mr. Martel: Fought a couple of wars over that, didn't they, Bill?

Hon. Mr. Davis: I would only remind the leader of the New Democratic Party of the ruling that you made earlier this afternoon, Mr. Speaker. I think that really is an answer in itself.

Interjections.

Mr. Warner: A supplementary question to the Premier: Noting that at least one of his cabinet colleagues has publicly disavowed any responsibility for the budget—and there are probably others—

Mr. Lewis: At Hy's steak house, no less.

Mr. Warner: —could he please explain why he has rejected the democratic principle of no taxation without legislation?

Mr. Eaton: Have you ever heard of paying fees for service?

Hon. Mr. Davis: This government has never rejected any tradition or principle of the parliamentary process. The process is totally understood, I think some days, even by the hon. member who asked the question.

Mr. Speaker: A new question?

Mr. Cassidy: Final supplementary, Mr. Speaker: In view of the fact that the Premier has already rejected any action arising out of this legislative committee, does the Premier not understand that the opposition to these OHIP premium increases among the public of Ontario is real and that this is not sabre-rattling on the part of the New Democratic Party of Ontario?

Hon. Mr. Davis: Since the new leader assumed office, I can never distinguish between real problems and sabre-rattling, because he rattles his sabre—if I may use that terminology—at every opportunity he gets.

Mr. Martel: That's a great answer. You just ignored the question—

Mr. Cassidy: The people of the province will judge that, not just this Legislature.

Mr. Eaton: You blew it again, Mike.

Mr. McClellan: What is your position today?

Mr. Martel: It's a new position, isn't it? Xaviera Hollander would be envious of you.

Mr. Hodgson: Show some respect, Elie; you're a House leader now.

FLECK MANUFACTURING COMPANY

Mr. Cassidy: Mr. Speaker, I have a new question for the Solicitor General. Does the Solicitor General have any comment on the affidavit he received today concerning what has been happening at Fleck Manufacturing Company in Centralia, particularly in view of the apparent contradictions between it and his earlier statements, and especially the fact that the police were apparently involved at least two weeks before the minister had previously admitted?

Hon. Mr. Kerr: Mr. Speaker, I have had a chance to read the letter which accompanied the affidavit. I really haven't had a chance to look at the affidavit; it was handed to me just a few minutes before two o'clock. However, the letter refers to the affidavit and makes certain allegations. I intend to look into them.

Mr. Mackenzie: Supplementary: If indeed the information is verified, that the police were in that plant at least two weeks prior to what we have been told to date and discussing the strike situation with management and employees, and in view of the comments that were in Saturday's Toronto Globe and Mail made by Sergeant Glover of the Exeter detachment of the OPP, who said, "There is no doubt that barring the individual in question from the strike site has its effects; this does the job," would the minister not take a look at some other form of investigation, rather than having the OPP investigate their own complicity in this situation?

Mr. Martel: That is like putting Dracula in charge of the blood bank.

Hon. Mr. Kerr: There was a visit by a police officer to the plant, I believe in late January or early February, in respect to another investigation. I understand it was in respect to a criminal investigation and not in respect to the present dispute at the company between labour and management. As far as the report in the newspaper is concerned, I will look into that. I didn't see that particular quote.

Mr. Speaker: Final supplementary; the member for Hamilton East.

Mr. Mackenzie: Would the minister then comment or also check into the statement in the affidavit as to whether it was a criminal investigation some two weeks prior? As to the comment made in that affidavit, Mr.

Turner approached me and said that Constable MacIntyre would be on the picket line the first morning of the strike. Further, in checking that, would the minister also find out if, just before a previous attempt to organize this plant, some eight or nine months prior to this successful organizing drive, the Ontario Provincial Police were also in the plant, discussing with management and the employees the effects of a union in that plant?

Mr. Warner: Shameful. Union-busting.

Hon. Mr. Kerr: I will look into those matters.

Mr. Martel: I think you should fire a few people.

Mr. Riddell: This is a new question to the Premier on a topic related to the Fleck Manufacturing Company strike. As a prelude to my question, I might say that I spent two hours this morning talking to the workers in the plant, to the workers outside the plant and to the management—

An hon. member: Too little too late.

Mr. Speaker: Question?

Mr. Riddell:—and it appears that considerable headlines were made last week arising from questions put by the NDP, information which was in a large part erroneous—

Ms. Gigantes: Question?

Mr. Speaker: Question?

Mr. Riddell:—accusations which were false and allegations which were unfounded.

An hon. member: Where were you last week?

Mr. Speaker: Order. That's not a question; that's a statement.

Mr. Riddell: In the interest of de-escalating—

Mr. Deans: In whose opinion?

Mr. Riddell: In my opinion, after talking to the workers—

Mr. Deans: After management put the words in your mouth.

Mr. Speaker: Order.

Mr. Riddell: After I talked to the workers. Interjections.

Mr. Speaker: Order. If the hon. member doesn't wish to pose a question, I can recognize someone else.

Mr. Riddell: I'll pose my question, but I'm getting a lot of flak, Mr. Speaker.

Interjections.

Mr. Laughren: Fleck, it's called—not flak.

Mr. Davidson: You're getting a lot of Fleck.

Mr. Riddell: In the interest of de-escalating an explosive situation—

Mr. Lewis: What do you mean, explosive?

Mr. Riddell:—explosive from the standpoint that there are supposed to be 1,300 shift workers coming from Talbotville—

Mr. Lewis: Oh, I see.

Mr. Riddell:—will the Premier review and report to the House on the situation at Centralia concerning the Fleck Manufacturing Company so that the facts may be known? I refer specifically to what the police said to the workers before the strike began and how the police, strikers and workers have conducted themselves—

Mr. Deans: Welcome aboard.

Mr. Martel: You know they always are in every strike—the police.

Mr. Riddell:—since the strike occurred. Will the Premier undertake to ascertain the facts and report to the House? In that connection, will the Premier also undertake to table the documentation concerning the application, consideration and terms of the lease which Fleck Manufacturing Company holds at Huron Industrial Park with the Ontario Development Corporation?

Mr. Lewis: We're not as nasty as you are, my friend. Not as insidious.

Mr. S. Smith: Don't put on that kind of attitude—holier than thou. That's why you are the third party.

Mr. Lewis: Well, come on. You open up by asking falderal and then you get to what you really want. You never change.

Interjections.

Mr. Speaker: Order, order.

Mr. Kerrio: Hang up your skates, Stephen, you're done. Put your stick away.

Mr. Deans: We at least ask about things that are immediate and relevant.

Hon. Mr. Davis: Mr. Speaker, I'm tempted to ask the hon. member if he would repeat his question, but—

Mr. Riddell: He'd be glad to.

Hon. Mr. Davis: It was the preamble before that I'm sure he wanted to repeat. I must say he looks very healthy—I welcome him back. Nice to have him here.

Interjections.

Mr. Speaker: Order, order.

Mr. Riddell: Point of privilege—after a very heavy two months on legislative business I was just giving nature a chance to get ready for another year of dedicated service.

Mr. Deans: That's as much hogwash as the first piece.

Mr. Speaker: Order, order.

An. hon. member: The Premier has a tan.

Mr. Speaker: I don't think the Premier or any other member of the House is too concerned about the degree of tan that the hon. member is sporting.

An hon. member: He asked about it.

Hon. Mr. Davis: Nor are we interested in the health of his body, for that matter, but—

Mr. Reid: We know the health of his mind—

Hon. Mr. Davis: Yes, it's his mind that we worry about.

Mr. Reid: Looks like a terminal case.

Hon. Mr. Davis: In answer to the first part of the question, I think really the Minister of Labour (B. Stephenson) has dealt with some of the matters raised, but I will alert her—

Mr. Laughren: That's what bothers you.

Hon. Mr. Davis:—as to the specifics of the question the hon. member asked and will ask her to make a report to the House.

With respect to the second part of the question, I will ask the Minister of Industry and Tourism (Mr. Rhodes) to table whatever documentation there is, which I think is pretty close to what has already been reported in the press. But if the hon. member hasn't had a chance to read that, the lease, I'm sure, will be readily available.

Mr. Martel: They're scandalmongers.

Hon. Mr. Davis: Listen, your own leader didn't cover himself with glory, either.

Mr. Speaker: The hon. member for Welland-Thorold.

Mr. Martel: No, no. I read what he said.

Mr. Speaker: Will the member for Sudbury East allow his colleague to ask a question?

Mr. Martel: I am having a discussion with the Premier.

PAYMENTS TO MUNICIPALITIES

Mr. Swart: Will the Treasurer recall that according to his own figures the province one year ago had a net balance owing to municipalities of \$18 million? Will he recall that through his unilateral change of the Edmonton commitment, making it retroactive for a period of four years, and that in September that \$18 million owing was changed to \$298 million owing by the municipalities to the province, and that he now claims in a new budget that he has overpaid municipalities by \$444 million? Because he has now unilaterally, without any notice to municipalities, assessed new costs against municipalities in the amount of tens of millions of

dollars for OHIP premiums and for licences and for taxes, will he give this House and the municipalities an assurance that he will not recover by way of reduced transfers the \$444 million which the Treasurer says the municipalities owe the government, either next year or in the future?

[2:45]

Mr. Warner: Fiscal finagling.

Hon. Mr. McKeough: I thought the member would draw attention to the chart which shows that after five years we have delivered some \$13.581 billion to the municipalities out of a commitment of \$13.583 billion—which indicates that we are only, after five years, \$2 million short. I thought the member was standing up to commend us on that today, and I am a little surprised he didn't.

Elsewhere in the budget the member will find some reference to the fact that we hope to get along with market value assessment, with property tax reform—

Mr. Martel: Another 10 years.

Hon. Mr. McKeough:—that there will be discussions about grant reform and we will move on from there to a redefinition of the commitment. Therefore it would be premature of me to answer that question today.

Mr. Warner: You fiscally fiddle while the province burns.

Hon. Mr. Davis: Oh, Scarborough is in pretty good shape.

Mr. Swart: By way of supplementary: You didn't answer that question, but may I ask the Treasurer if he will not, in the coming year, transfer to municipalities an offsetting amount equal to the new taxes that he unilaterally levied against them this year? Is he not aware, because he hasn't increased the property tax credit, that the property tax increases, like OHIP premiums, hit the modest- and low-income taxpayers the hardest?

Hon. Mr. McKeough: I find it hard to believe that OHIP premiums hit the lowest-income people hardest, inasmuch as most of them are exempt.

Interjections.

Hon. Mr. McKeough: Some 1,820,000 in this province will not pay the premiums.

Mr. Makarchuk: There is a difference between the pensioner and the low-income person.

Hon. Mr. McKeough: I recognize the member will pay and that I will, but 1,820,000 people will not pay the premiums in this province.

Mr. Swart: How about those who make \$7,000 a year?

Hon. Mr. McKeough: Beyond that I am not aware of where we have hit municipalities. And no, I don't intend to go back and redistribute the amount of money which was determined back in September. I can't think of anything more upsetting. We make our announcements in September, and within a few millions of dollars those are the amounts of money which are delivered to the municipalities, which they have been counting on since January 1. No, we will not be going back.

Mrs. Campbell: Are you sure it isn't a question?

MINI-SKOOLES LIMITED

Hon. Mr. Norton: I would like to respond to the questions raised by the hon. member for Bellwoods (Mr. McClellan) in the House on Thursday last. I would have responded on Friday, but I delayed one day in order to clarify my position through my legal staff with respect to an injunction which I understood had been issued relating to the documents which had been passed to me by the hon. member. Having received an opinion from our legal staff, I will respond to the questions.

The first question raised by the hon. member was whether or not it was true that Metro awards agreements without proper financial submission or adequate accounting. Requirements for submission of budget and financial information prior to negotiating a purchase-of-service agreement with privately operated nurseries are established by the municipalities in question. Metro social services has set up its own criteria in such matters.

The Ministry of Community and Social Services does not review these procedures and does not participate in the negotiations concerning the agreements. The municipalities submit proposed per diem rates to the ministry and a proposed budget for purchase of service. We review the Metro social services budget and approve both the per diem rates and the total net municipal expenditures.

We are satisfied that the rate proposed by the Metro social services in 1977 for its purchase of service with Mini-Skools is competitive. This rate was compared with those for other nurseries. The proposed per diem for 1977 for Mini-Skools was \$10.57 in each of the six nurseries. We understand that the per diem rate will now be reduced to \$10.17 for all Mini-Skool nurseries as a result of the experience over the past year.

The \$10.57 was not the highest per diem rate for a private nursery in the budget submitted to us by Metro social services. It also compared very favourably with the per diem of \$15.92 in Metro-operated day nurseries.

We are pleased that the actual per diem is coming in at a lower level than was originally proposed. Once a month Metro social services inspects the accounts submitted to it under purchase-of-service agreements to establish the validity of the accounts. Each nursery is checked once a month to reconcile the attendance of each subsidized child with the amount being claimed on his behalf.

This is one of the most intensive municipal audits of purchase-of-service accounts in the province. In addition, the ministry employs claims examiners to review the same account on behalf of the province and because of the intensity of the scrutiny by Metro social services it is very rare that any adjustment is necessary in those accounts.

The second question raised by the hon. member related to the issue of whether or not subsidy payments without a signed contract are legal under the Day Nurseries Act. Metro social services have signed agreements for 1976 with Mini-Skools covering purchase of service. There is no requirement in the Day Nurseries Act that purchase-of-service agreements be in writing, although we do by policy require them to be in writing. Metro social services have negotiated a new agreement for 1977 and we are advised that it was almost finalized and would have been signed except that they now wish to wait until the questions which have been raised have been settled.

In the fall of 1976 Metro social services requested budget information from Mini-Skools in connection with the renewal of the purchase-of-service agreement. In 1976 Mini-Skools had not submitted such information and it was decided that no agreement would be signed for 1977 until this was received. It was finally received in December 1977 and the agreement negotiated for a per diem of \$10.17, as opposed to the higher figure earlier in the year. This rate has not yet been paid by Metro social services to Mini-Skools. Provincial subsidies are still based on 1976 rates.

We have a legal opinion that the arrangements for 1977 can be construed as an extension of the previous agreement and on this basis subsidies have been paid by the ministry to Metro for 1977 based on the conditions which pertained in 1976.

The next inquiry was whether the profits of Mini-Skools are a ripoff. The Ministry of Community and Social Services has no direct

knowledge of either the profits or losses of operators of day nurseries unless these are financed directly by the province. In the case of Mini-Skools we do not know how much profit, if any, was made by them.

We do know that a per diem rate of \$10.17 compares favourably with those negotiated by other nurseries with Metro social services. Metro social services budget criteria do allow a profit of 10 per cent based on income and expenditures as defined in their budget guidelines.

The next inquiry was whether Mini-Skools' rated capacity exceeds the licence capacity established by the ministry. The term "rated capacity" is not one which the ministry uses and we have not been able to determine precisely how it is defined by Mini-Skools. In the statement by Elody Scholz to the social services and housing committee it is indicated that rated capacities are internal goals for enrolment.

Based on ministry inspection reports since 1975, Mini-Skools did not have in any nursery an enrolment overall which exceeded its licensed capacity. We have no evidence from our inspections that Mini-Skools overenrolled generally. In specific rooms, there were from time to time more children than would be permitted under the space requirements set out in the day Nurseries Act.

Finally, Mr. Speaker, in response to the fifth question, it was indicated in that question that the child-staff ratios of Mini-Skools centres are violated as a matter of habit. There have at times in the past been problems with child-staff ratios. In view of this, inspections are made more frequently than once a year at some Mini-Skools centres. Notice is not given of inspections prior to their being carried out by our staff.

Mini-Skools have complied with the child-staff ratios after requirements have been discussed with them. The 1975 licence for Tuxedo Court was issued with a condition requiring the operator to comply with the regulations concerning staffing, and this was done.

It is not our practice to revoke licences immediately when difficulties are encountered, except in situations where the safety or well-being of the children appears to be in jeopardy. We meet normally with the operators and discuss the requirements of the legislation and give them a specified period during which they have an opportunity to comply. Closing a nursery creates difficulties for all concerned but particularly for parents and children. We therefore provide some consulting service to assist operators to meet the standards within a specified period.

Information is supplied to us by Mini-Skools, as required under regulation 232, section 3 of our legislation. There are no difficulties being encountered by the ministry under this section at the present time. At the present time, Mini-Skools are complying with the terms and conditions of the Day Nurseries Act. All nurseries are licensed and none has a conditional licence. I might add that I have reviewed the matter and the six Mini-Skools within Metropolitan Toronto in the past three years—in some cases two years—have been inspected a total of 25 times by the inspection branch of our ministry.

Mr. Speaker: Detail was sought in the multiple questions that were put by the hon. member for Bellwoods, and as I recall in the supplementaries that followed. I think in future a question as detailed and requiring as much detail in the answer should be put on the order paper. I'm going to add five minutes to the question period.

Mr. McClellan: May I have a supplementary?

Mr. Speaker: A brief supplementary.

Ms. Gigantes: He's got a right to it.

Mr. McClellan: Rather than get into the details of his response, do I gather from what the minister has said that he had refused to undertake the kind of inquiry I requested, which would have involved his use of his authority under regulation 13 of the Day Nurseries Act to obtain full financial and enrolment records from Mini-Skools and determine whether the material which I presented to the minister, which I gather he didn't even study, indicated violations of the Act and irregularities in the contract awarding?

Hon. Mr. Norton: I don't think that degree of sarcasm is necessary in response to what was a sincere attempt to respond to the hon. member's questions of the other day.

Ms. Gigantes: That's a sincere question.

Mr. Martel: Boy, you're touchy.

Hon. Mr. Norton: No, it does not mean I am closing off the matter.

Ms. Gigantes: Talk about sarcasm.

Hon. Mr. Norton: Obviously, we will continue to look into this but I do want to indicate to the hon. member very clearly that this is not a situation that has not been under regular supervision by our ministry staff and, as I understand it, by the Metro staff. Obviously we will look in detail at the rather copious material that was supplied to us.

Mr. McClellan: Couldn't the minister have done that before he answered?

Hon. Mr. Norton: If there is any truth to the innuendo and outright accusations that

the hon. member has made, certainly I will respond.

Mr. McClellan: It's not innuendo.

Hon. Mr. Norton: I will continue to examine the matter.

Mr. McClellan: May I have another supplementary?

Mr. Speaker: The hon. member for Huron-Bruce.

HYDRO TRANSFORMER FIRE

Mr. Gaunt: I have a question of the Minister of the Environment. Since the Ministry of the Environment report on the PCB fire in downtown Toronto positively identified only one toxic compound, since the Ministry of the Environment believes that other toxic substances were present but couldn't be identified because of the limitations of its own laboratory facilities, and since Dr. Harding of the Ministry of Labour's occupational health branch has asked for the funds for a study on the liver functions of those people most likely to have been exposed to these extreme toxic substances at the scene of the fire, has the minister, in conjunction with the Ministry of Labour's occupational health branch, sought and attained funds from OHIP for such a study; and when will it commence?

Hon. Mr. McCague: No, not as of this point.

Mr. Gaunt: Supplementary: Is the minister pursuing the matter with the Ministry of Labour; and if so, when does he think this problem will be resolved?

Hon. Mr. McCague: I am not personally pursuing it. The staff is.

Mr. Gaunt: Supplementary: At what stage are the negotiations?

Hon. Mr. McCague: At the staff level; I will find out for the member.

Mr. Riddell: The minister better take a holiday.

Mr. Gaunt: Will the minister report back?

Hon. Mr. McCague: Certainly.

[3:00]

CITIZENSHIP PROGRAMS

Mr. Grande: My question is for the Minister of Culture and Recreation, if he would take his seat. The question regards cutbacks and phasing out of citizenship classes, English-for-mother program classes and the nursery program component of those classes.

Given the fact that the federal government last year changed the waiting requirement for Canadian citizenship from a five-year to a three-year period and given the fact that the number of people who are applying for citizenship has almost tripled since last year,

can the minister explain why the citizenship department of his ministry is cutting back and phasing out the citizenship classes, the English-as-a-second language classes for adults—which prepared our immigrants to achieve Canadian citizenship status—and also cutting back the nursery component? Why is he phasing out a program for which the need has almost tripled in one year?

Hon. Mr. Welch: I would simply ask the hon. member what information does he have that we are?

Mr. Grande: Supplementary: Is the minister not aware that the citizenship department was asked to cut back \$150,000 in salaries? Is he not aware that at F. H. Miller School and St. Mathew's Church the four people who run the adult English-as-a-second-language classes and nursery programs, respectively; and the person who does the citizenship classes at St. Thomas Aquinas—all within the borough of York—have been fired as of March 31 of this year?

Hon. Mr. Welch: My response to that is that this government will maintain its commitment to ensure that this program is not impaired in any way. The hon. member knows that a great deal of this program is run through the community colleges of the province; and indeed as far as the involvement of the ministry itself is concerned it is to look after some of the shortfalls there. I am quite prepared to stand here and say that no one will go without support in order to maintain this program; that's our commitment. The hon. member is now talking about particulars, I am talking about the commitment. We will look after this program. As the hon. member knows, the estimates of this ministry will be before the standing committee on social development on March 28 and we can go into this in further detail at that time.

Mr. Martel: Will the minister look into the firing?

Mr. Dukszta: Does this apply just as much to a working English program in Shirley Street School which has been notified by this ministry that its nursery program is going to be finished in the next few months?

Hon. Mr. Welch: The comments I have made apply to the entire program. As far as our support of teaching English as a second language is concerned, and all its ramifications also, it is a complex program involving other agencies and other ministries besides ourselves; I am quite satisfied that nothing will stand in the way of maintaining our overall commitment to that program.

SMOKING AND DRINKING HAZARDS

Mr. Reid: I have a question for the Minister of Health. Has the Minister of Health any plans on publicizing the ill effects of smoking and drinking on pregnant women who are about to give birth, and the effects that those two vices will have on the birth of their child?

Hon. Mr. Timbrell: I think questions on the effect of these lifestyle problems on pregnant women are already well covered in material which is put out both by our ministry and by various private sector groups. If the member has any particular suggestions or problems in that regard, I would be pleased to consider them or refer him to the appropriate counselling authorities.

Mr. Reid: I was more concerned about the minister himself Mr. Speaker. But, unlike the Minister of Health, I don't hang around doctors' offices and prenatal clinics. Is there information available to women in doctors' offices and in clinics on the effect that drinking and smoking will have on the health of their children?

Hon. Mr. Timbrell: I will be glad to send the member copies of the material that we send out or which we make available to physicians. He may have seen the small brown stands in pharmacies and doctors' offices.

Mr. Nixon: There is one other pamphlet you should send.

Ms. Gigantes: This is not funny.

Hon. Mr. Timbrell: You don't go to doctors?

Mr. Eakins: Send him the full kit.

Hon. Mr. Timbrell: Yes, I'll send the member the material we have. It's optional for the doctors to have these pamphlets in their office at all or which of them they use. I may say the pamphlet program is very successful in that last year we distributed over 800,000 pamphlets on a wide variety of subjects to schools, doctors' offices, pharmacies and hospitals around the province.

OTTAWA PSYCHIATRIC FACILITIES

Ms. Gigantes: I have a question for the Minister of Health. It's not a funny question; I didn't think the last one was either. I wish he would take his responsibilities a little more seriously on this subject.

Mr. Warner: Shame.

Ms. Gigantes: I am assuming the minister is familiar with the tragic murder last week of two members of an Ottawa family, two young girls, and the charging of an alleged suspect who was a member of that family.

I would like to know if the minister is prepared to respond to the very well-placed criticisms that have been levelled at his ministry concerning the lack of adequate psychiatric facilities in the Ottawa area? These criticisms are now coming publicly from the director of psychiatric services at the Royal Ottawa Hospital.

Hon. Mr. Timbrell: Let me say, first of all, I take myself not nearly as seriously as perhaps the hon. member does. Once in a while I can look at myself and not be so stuffed up as the hon. member that I can't see the lighter side of life.

Mr. McClellan: This is a riot.

Hon. Mr. Timbrell: As regards this, I understand there were some things in the Ottawa press late last week. We have over the last few years attempted to ensure the provision of more psychiatric services in the area. The member will know that this is one of the aspects of the review by the district health council of all facilities and programs in that area, which is of prime importance. Once we have that review in hand, within the next year or year-and-a-half, we will be able to make some decisions about the provision of psychiatric services, not just in Ottawa but in all of eastern Ontario, that one wouldn't want to make without having a complete study in hand.

Ms. Gigantes: Supplementary: I wonder if while we are holding our breath on this matter we could get some encouragement from the ministry in terms of citation of what new programs are being developed. The only result I know of currently from the review process that's been going on is a holding motion which has led to the dissolution of projects like the mental health project.

Hon. Mr. Timbrell: The hon. member will know that over the last number of years there have been developed in all parts of the province a number of community mental health programs as the process of de-emphasis on the traditional psychiatric incarceration has been accelerated.

I can only say she is quite mistaken if she sees the review of the district health council as some form, as she puts it, of "holding your breath" or trying to stall. Rather, for the first time in the development of the district health councils and in the further development of modern health care planning, we are in the region of Ottawa-Carleton coming together under the auspices of the health council and using the services of the university and a number of other agencies within government—

Ms. Gigantes: There are no facilities and no programs.

Hon. Mr. Timbrell: —to develop a long-term plan for all aspects of health care in that region. I'm sorry the member is not supportive of that process.

Mr. Cassidy: Supplementary: Is the minister aware that it is now more than a year since recommendations have been made to the ministry about a forensic program for the Ottawa area which would include a secure psychiatric ward at the Royal Ottawa Hospital so that patients do not have to be taken to Penatanguishene, 300 miles away from Ottawa, and that this tragedy might have been averted had the action that was promised in that program during the election campaign last June been taken by the ministry rather than put forward as a kind of pre-election promise?

Hon. Mr. Timbrell: I am not aware of any pre-election or intra-election promises on the subject. Let me say on the question of secure units, as the member knows, if funds permitted we would perhaps do a lot of things we don't do now. We have an excellent program at Penetang and one which is probably better known and better appreciated outside of Ontario than it is by members opposite.

Mr. Cassidy: You were very warm during the election period.

Mr. Martel: One of your promises was to have a hospital built in Sudbury.

Ms. Gigantes: How many people have to get killed?

Mr. Makarchuk: Is the minister aware that because of his cutbacks in mental or psychiatric hospitals, the net result has been deaths in his hospitals because of lack of staff? Is the minister prepared at this time—

Mr. Speaker: The question dealt specifically with an incident in Ottawa.

The hon. member for Brant-Oxford-Norfolk.

TOUR OF NORTH

Mr. Nixon: I have a question of the Premier. Does he recall that traditionally the government has arranged a tour of northern Ontario for the members of this House at a convenient time following each election? If so—and I'm sure he does recall this—will he undertake to set in train the mechanics for planning such a tour, which I personally think would be valuable for new members of the House, as well as for some old war-horses, so that we might perhaps visit the Indians in their own community, perhaps go

and see the timber limits that have been under discussion—and maybe even wet a line?

Hon. Mr. Davis: To reply to that question it's quite obvious to me why the members of the Liberal caucus would like to visit northern Ontario because it would be, with the exception of one, their only relationship to it.

Mr. Breihaupt: Which one?

Mr. Reid: Quality, quality.

Hon. Mr. Davis: Listen, I've never argued the member's quality. Never. His judgement, yes, but his quality, no.

Mr. S. Smith: North Bay gets a \$10 licence.

Hon. Mr. Davis: I certainly would want the member's leader to get to Sault Ste. Marie. It would be the first time since he said he'd never be back.

Interjections.

Mr. S. Smith: You got an excellent reception in Sault Ste. Marie.

Mr. Breihaupt: See Ontario first.

Hon. Mr. Davis: However, to get back to the question; the House leader from the Liberal Party is suggesting there be a tour of northern Ontario. I certainly think that's worthy of exploration.

OWEN SOUND HOSPITAL TRANSFER

Mr. Charlton: I have a question of the Minister of Health. Can the minister tell us if the terms and conditions of the proposed transfer of the MacKinnon Phillips Hospital in Owen Sound have been completed and approved? If they have, would he table that package in the House? If they have not, does the government still intend to go ahead with the transfer, as April 1 is approaching rather quickly?

Hon. Mr. Timbrell: To answer the last part of the member's question first, yes, the transfer will go ahead.

The answer to the first part is that it will be reviewed by Management Board in cabinet within the next few days.

Mr. Charlton: A supplementary: Can the minister tell us if there is a problem with the transfer of the land; and if there is how that will affect the transfer itself?

Hon. Mr. Timbrell: As I recall there is some difficulty with regards to a sewer easement or something of that order, but nothing so major as to delay the effective date of transfer. It is something which can be worked on by the respective parties after April 1.

Mr. Charlton: One final supplementary, Mr. Speaker: Is the minister aware at all of the possibility of any layoffs in this transfer, as somebody from the administration of the

General and Marine Hospital in Owen Sound has indicated that there may be some layoffs?

Hon. Mr. Timbrell: All employees of the MacKinnon Phillips Hospital have been offered employment by the Owen Sound General and Marine.

NORTH PICKERING INQUIRY

Mrs. Campbell: My question is to the Attorney General. In view of the fact that he has now released the abortive commission report on Pickering, and in view of the fact that the Ombudsman has publicly challenged the position of that report, has the Attorney General given any consideration to a reply to the Ombudsman's position with reference thereto?

Hon. Mr. McMurtry: No.

(Laughter.)

Mrs. Campbell: A supplementary, Mr. Speaker—I am sorry that I don't think it is a matter for levity.

I would ask if the Attorney General is prepared to give consideration to a reply to that matter, because it seems to me it's of great importance in the field of justice in this province?

Hon. Mr. McMurtry: It may be that the Minister of Housing (Mr. Bennett) may wish to say something at the appropriate time. It's my own personal view that with this unfortunate North Pickering problem any decisions may very well have to await the report of the Hoillett commission, which is expected sometime in May.

[3:15]

OLIVETTI LAYOFFS

Mr. Wildman: Mr. Speaker, I have a question for the Minister of Industry and Tourism. In view of the cuts in the work force at Olivetti Canada on Don Mills Road from 180 to 55 over the past year and a half, and the fears at the plant that further layoffs may be pending, will the minister investigate to determine if these cuts at Olivetti's Canadian plant results from dumping in Canada by Olivetti's plants in Brazil, in Britain and elsewhere? And if he would be willing to look into this, would he also approach his federal counterpart to ensure that dumping by foreign typewriter manufacturers will not take place at the expense of Canadian jobs?

Hon. Mr. Rhodes: Mr. Speaker, certainly I will look into that. There is no question that we are not in favour of allowing offshore companies to dump into our markets. I will certainly look into that.

Mr. Wildman: Supplementary: Would the minister also inquire to determine what Olivetti's plans are for the future of its On-

tario plant to ensure that it is not intending to phase out operations completely, and would he investigate to determine whether or not the provincial government has purchased foreign-produced typewriters and other business machines?

Hon. Mr. Rhodes: Yes.

STUDENT ASSISTANCE

Mr. Sweeney: A question to the Minister of Community and Social Services, Mr. Speaker: Given that the minister's colleague the Minister of Colleges and Universities (Mr. Parrott) is making it more difficult for university students to get money these days—

Hon. Mr. Davis: Shame.

How can you distort things like that?

Mr. Sweeney:—I wonder if the minister would please advise me why it is necessary for the Association for Single Student Parents to indicate in their most recent newsletter that those who are on welfare will have some of their money deducted from their grant by municipalities?

Hon. Mr. Norton: Is the hon. member suggesting—excuse me, Mr. Speaker, this is a question—that the municipalities would take into account the student grant or loan as income?

Mr. Sweeney: My understanding is that the municipalities, through the Ministry of Community and Social Services, will deduct—

Hon. Mr. Timbrell: Question.

Mr. Sweeney:—and this is the question, why is it necessary for them to deduct some of the grant for single-parent students?

Hon. Mr. Norton: I have not looked into that matter—I will—but presumably the grant or loan would be awarded to the students on the basis of their total responsibility and living expenses; and if that were the case, then presumably that portion would be income which was designed for their support and the support of their child. If they were to continue as a student, it would seem to me that it might be appropriate that the municipality consider the total income when they are assessing the need, if they are contemplating giving some assistance to the student.

Mr. Sweeney: Supplementary: Given the fact that the welfare amount is even less than the family benefits payments that come from his ministry, does the minister think this is reasonable?

Hon. Mr. Norton: The hon. member's assumption is correct that it's less than family benefits. I would have to comment on a

specific case before I would know whether it was a reasonable decision. If the hon. member is asking, do I think there ought to be discretion? I would say yes. But if he asks me, in a specific case, do I think it's reasonable; I would have to know more before I could respond to that.

URANIUM DRILLING

Mr. Martel: A question to the Premier: In view of the fact that Hollinger has now indicated it won't drill Lake Wanapitei, in view of the fact that the regional municipality has dropped the legal proceedings against the firm, is the Premier now prepared to give assurance to the regional municipality of Sudbury that his government will not give permits or licences to anyone else to drill in Lake Wanapitei for uranium?

Hon. Mr. Davis: Mr. Speaker, I think that question should be properly directed to the Minister of Natural Resources.

Mr. Martel: I am sometimes afraid of the answers I get from him, because there is never anything concrete in them. With your permission, Mr. Speaker, I would like to redirect that question to the Minister of Natural Resources.

Hon. F. S. Miller: Mr. Speaker, my answers are as concrete as the questions.

I am not going to commit this government, or my ministry at least, at this time to refusing any application in the future. I only would suggest to the hon. member that we will give it very serious consideration before any decision is made.

Mr. Martel: That is the reason I put the question to the Premier in the first place. In view of the fact that his government has given the regional municipality of Sudbury, under Bill 164, the responsibility for drinking water for the region, is he prepared to change Bill 164 so that the responsibility for drinking water doesn't rest with the region but in fact, because his government is going to play around, that it rests with the province?

Hon. F. S. Miller: That does not relate to my ministry.

Mr. Martel: No, and that is precisely why I raised the question with the Premier in the first place. You can't have it both ways.

MINING TAX

Mr. Reid: I have a question for the Minister of Natural Resources—which I believe is within his ministry if perhaps not his competence—dealing with mining taxes.

Hon. F. S. Miller: If you can think of it, I can answer it.

Mr. Reid: That's a good point.

Can the minister indicate what line he will be taking in going to Ottawa to discuss with his federal counterparts taxes within the province relating to mining, and the impact of the federal tax? And can he indicate if his committee dealing with mining tax has come up with any solution for declining resource communities, and the tax base which will be affected by that decline?

Hon. F. S. Miller: I read with interest the report of the select committee of the Legislature that was set up to look into the Inco matter. The member may recall that he suggested we look at tax measures as they relate to these municipalities and to the industry itself.

Just this last week the prospectors and developers were in Toronto, and I had an opportunity to talk to Mr. Gillespie and to five other provincial ministers. The one thing we all agreed upon is that we are, as ministers, going to meet regularly on the matter of taxation. We are going to try our best to make—not uniform rules across Canada, because I believe with 10 provinces they are neither appropriate nor possible—but we are going to do our best to simplify the system and to put in stimuli to encourage investment.

As far as the single-industry community is concerned—a place like Atikokan, which I am sure is one that is near to the member's heart at this moment—

Mr. Reid: Right.

Hon. F. S. Miller: We are very concerned. I have been in touch with officials in Atikokan within the last few days and have assured them that I am going to be talking to them and that my committee is trying to find alternatives.

Mr. Reid: May I ask, by way of supplementary; I presume that the minister and his federal counterpart and the five provincial ministers agreed that perhaps the taxation load, on the mining industry in particular, was killing any incentive for new exploration and development of mines in Canada and that this is one of the objects of the meeting?

Hon. F. S. Miller: That wasn't the object of the meeting on Monday, but it certainly got discussed in a long panel meeting with the mining people present. In the last fiscal year, no one could possibly say that the taxes collected in Ontario for mining were a burden to the industry. What has been the problem, because there were very few profits—

Mr. Reid: That's true, there is no incentive to open a mine even.

Hon. F. S. Miller: We collected taxes to the best of my knowledge from fewer than 15 mines in Ontario last year—

Mr. Martel: Darcy said that's great stuff; he gave me a junior economics lecture here one day.

Hon. F. S. Miller: —and probably less than \$20 million in total.

Mr. Cassidy: You are trying to get out of this as well.

Hon. F. S. Miller: However, the issue was not that but the impact year by year, when profits went up; the relative tax rate when they went up. The changes mentioned by the Treasurer in the budget were aimed at leveling the good and the bad years in Ontario. They are going to do that to a large degree.

Mr. Reid: That doesn't deal with the problem.

Hon. F. S. Miller: The federal government has an aspect of that.

MERCURY CONTAMINATION

Ms. Bryden: I'm very glad to see the Minister of Natural Resources is here; I have been trying to ask this question for 10 days, but either he wasn't here or—

Mr. Kerrio: Why weren't you here?

Hon. F. S. Miller: You can't ask it from Florida.

Interjections.

Ms. Bryden: He hasn't been here whenever I was able to catch the Speaker's eye in the last 10 days.

In view of the extreme importance of including Ontario native people in the federal epidemiological survey of persons exposed to mercury contamination, particularly in view of the very high levels of methyl mercury found in the blood and hair samples of some people in the Grassy Narrows Reserve, will the minister stop the silly Gaston and Alphonse routine between himself and the federal Minister of Fisheries and the Environment and facilitate the acceptance of this survey of the native people in the Grassy Narrows and Whitedog reserves by making a commitment to assist the federal minister in enforcement of at least a temporary ban on sport fishing in the English-Wabigoon River system, until such time as the survey is completed and we find out the extent of the health hazards in this river system and can then decide whether a permanent closing of the river system is necessary?

Hon. F. S. Miller: The government stated its position clearly last May on this matter. The federal government has the power to close the river system—

Mr. S. Smith: So do you.

Hon. F. S. Miller: Certainly we have. I've never denied that. We have decided not to close it. If the federal government wishes to close it within its power, it may do so with our blessing.

Ms. Bryden: Will the minister agree to provide them with every assistance in enforcing a closure if they decide to close the river?

Hon. F. S. Miller: I'd have to consider that, but I would assume that would become their responsibility.

MINI-SKOOLES LIMITED

Mr. McClellan: Pursuant to standing order 27(g) I wish to give notice that I am dissatisfied with the answer to my question of the Minister of Community and Social Services and wish to pursue it at the adjournment of debate at the next opportunity.

WRITTEN QUESTIONS

Mr. Speaker: On Friday last, the hon. member for London Centre (Mr. Peterson) raised with the Chair the question of the apparent delay in a response to his written question number 10. I note that on the same day the hon. member was provided with an interim answer in accordance with standing order 10(b). I can only advise the member that the ministry has complied with the requirement to respond within 14 days, even though the response is only an indication that more time will be required. That's in keeping with provisional order 10(b).

OTTAWA PSYCHIATRIC FACILITIES

Ms. Gigantes: Pursuant to standing order 27(g) I'd like to give notice that I'm not satisfied with the response of the Minister of Health to my question concerning psychiatric services in the Ottawa-Carleton area, and I'd like to raise it after adjournment of the debate tomorrow evening.

MOTIONS

TEACHERS' SUPERANNUATION COMMISSION

Hon. Mr. Welch moved that the annual report of the Teachers' Superannuation Commission for the year ending December 31, 1976, be referred to the standing social development committee for consideration today following the routine proceedings.

Motion agreed to.

ESTIMATES

Hon. Mr. Welch moved that the following estimates be referred to the committees as follows: To the standing administration of justice committee—Justice policy, Attorney General, Consumer and Commercial Relations, Correctional Services, Solicitor General; to the standing general government committee—Office of the Assembly, Office of the Provincial Auditor, Office of the Ombudsman; to the standing resources development committee—Resources Development policy, Agriculture and Food, Energy, Environment, Housing, Industry and Tourism, Labour, Natural Resources, Transportation and Communications; to the standing social development committee—Social Development policy, Colleges and Universities, Community and Social Services, Culture and Recreation, Education, and Health.

Motion agreed to.

Hon. Mr. Welch: Just as a matter of information, we'll be bringing in by way of a statement on the business of the House the agreement which has been arrived at with respect to the allocation of time for the consideration of these estimates. The estimates of the Ministry of Government Services will commence in the House in committee of supply on April 3. The estimates of the Ministry of the Environment will commence in the resources development committee on March 28 in the evening, and the estimates of the Ministry of Culture and Recreation will commence on the afternoon of March 28 in the appropriate committee.

[3:30]

INTRODUCTION OF BILLS

HEALTH INSURANCE AMENDMENT ACT

Hon. Mr. Warner moved first reading of Bill 32, An Act to amend the Health Insurance Act, 1972.

Motion agreed to.

Mr. Warner: Mr. Speaker, this bill repeals provisions of the Health Insurance Act, 1972, that authorized the Lieutenant Governor in Council to establish the cost of premiums by regulation.

ORDER OF THE DAY

BUDGET DEBATE

(continued)

Resumption of the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

Mr. Peterson: Mr. Speaker—

Hon. Mr. Welch: Double-breasted suit!

Mr. Peterson: I rented this suit from the Treasurer (Mr. McKeough) for the day.

Mr. Nixon: You look like an NDP critic.

Mr. Martel: That's an insult.

Mr. Peterson: Mr. Speaker, I am very happy to rise for our party today and to make our contribution to this budget debate. As you recall, last year I was representing the third party, now Her Majesty's official loyal opposition. I am expecting the logical progression, Mr. Speaker, is that next year we will be presenting the budget. We will look forward to see what kind of an opposition critic the Treasurer of this province is.

An hon. member: Don't hold your breath.

Mr. Rotenberg: Are you going to pull the plug?

Mr. Peterson: We may just pull the plug. Just keep ready all the time.

Some hon. members: We are ready.

Mr. Peterson: It has been very difficult to prepare this budget response because of the considerable number of things that I would have liked to have said which we unfortunately had to cut out. About three-quarters of the good stuff has been eradicated, Mr. Speaker, but I want you to know I am prepared on short notice to come back to this House if there is a popular request for my so doing to include the stuff I am not going to have time to talk about today. I gather my time is till 6 o'clock. There is a great round of approval from my House leader on that particular matter. He is suffering, Mr. Speaker. He feels a bit persecuted today because his obligation is to sit here and listen to all of this stuff.

Mr. Nixon: It is what I am paid for.

Mr. Rotenberg: Can you take it, Bob?

Mr. Lewis: You could go on this evening.

Mr. Peterson: I appreciate that very much.

In analysing the budget of a province or of any jurisdiction I think one has to put it in the context of all the other major documents—the social documents, the other planning documents of a province or of a jurisdiction. I think maybe when one analyses the discrepancy between the Throne Speech and the speeches and all of the attendant good things that were attached to the first ministers' conference and then you see the budget, one is bound to be somewhat disappointed. In fact one wag has said if you really want to understand the soul of a

government you have to look at their budget, because that clearly outlines their priorities and how they feel about the social problems—how they feel that financial burden should be distributed among the people and the institutions of a particular jurisdiction.

I think that as we analyse this budget we are going to see our party differing very substantially in a great number of the priorities.

When I read the budget this time I was struck particularly by the total absence of any kind of long-term policies or vision by the Treasurer and by the government. For a government that has long held unto itself almost exclusively the myth of management competence—and the Treasurer himself almost embodies that myth of management competence held by the government—when we analyse some of the discrepancies, when we analyse how so many of the rules have changed to fit his contemporary political purposes and how he has unabashedly changed some of these rules and terms and conditions, I think we are going to find that perhaps they aren't as competent as one would have assumed and that perhaps other people have just as constructive ideas, given the very difficult economic climate we are living in today.

I said after the budget it is not an easy thing to make up a budget today.

Mr. Laughren: Not with those Liberals in Ottawa.

Mr. Peterson: We have so spent out our options, we have so little room to move without incurring massive deficits. I am going to point out in the course of this speech the tremendous constraints put on the budget of this province over the next 20 years because of our financial obligations, our obligations to pay back capital, having exhausted all of our sources of capital; it is very alarming.

I can tell you that whoever forms the government in this province in the next two or three years—and I suspect it is going to be somebody different from those members sitting across there now—and I really don't, in all fairness, think it will ever be my friends on the left.

An hon. member: I don't think so either.

Mr. Lewis: Why don't you be unfair?

Mr. Martel: They are not biased.

An hon. member: Thirty-four seats again is hardly overwhelming.

Mr. Peterson: I can tell you that it is going to be extraordinarily difficult. If you think we have economic problems today, let me

tell you they are going to be a lot more critical, because we have been exhausting our options, we've been using up all of our flexibility.

In the old days, perhaps it was more fun to be in government, perhaps there weren't the great demands on government that there are today. Maybe they didn't have to make the tough priority decisions that they have to make today. When things were running in a balanced sense, when governments could have surpluses or deficits, there was lots of flexibility, and I understand that. But I can tell you that flexibility is not there today. To that end, and to that extent only, I sympathize with the Treasurer. Given those constraints, though, I think that the decisions he made were not only wrong but they were abjectly unfair, and I think that the people of this province are going to show that to the Treasurer.

Mr. Haggerty: He's been wrong six times.

Mr. Peterson: Personally, I have detected, just in the last couple of weeks—pre-budget as well as post-budget—that people are looking at the Treasurer with a new set of glasses. Because of his demeanour, and with the assistance of his tailor and barber and the stewards at the Albany Club, he was able to project an image of confidence, but now we are seeing far more bluster. We are seeing a far less specific response to some of the very difficult questions. We are finding that he is in a bind. If you look at question period for the last week, look at his responses to the straightforward questions asked, look at how he has changed the rules; it is my opinion that the decline of Darcy McKeough is starting to set in.

Mr. Haggerty: The duke is on his way out.

Mr. Peterson: I think that we are going to see a very different view of this gentleman held by the people of this province.

I planned, today, to talk briefly about some of our historical problems because I think they are important and relevant to the financial bind we are in today. I expect, in the process, to analyse our relative position, to talk briefly about how we compare to the other provinces in Canada, because I think it is important that we understand the trends and the kind of situations that we have developed for ourselves today.

Then I intend to discuss the present government's solutions: how we differ, how our priorities would be different; then I would go to our constructive suggestions. And that is going to include our specific suggestions for job creation, our specific suggestions for developing an industrial strategy in this prov-

ince—which the Treasurer mouths the need for but does absolutely nothing about—and I intend to talk briefly about an energy strategy for this province, because we are the most energy-consumptive people in the world per capita; and as we find that we are totally vulnerable—because we are importing some 80 per cent of that energy and the energy bill is getting into the area of 10 per cent of the gross provincial product—it becomes an area in which we need massive new invigorated strategies with new insights, a new toughness. We on this side of the House are prepared to provide that, and I intend to lay out some of our approaches and give our reasons why. So with any luck I will be finished by 6 o'clock; if we are not, well we will try to accelerate it.

Before I start I would like to thank many people who assisted in the preparation of all of this work. As I have said before, the research department of the Liberal Party of Ontario—that you may or may not be familiar with, Mr. Speaker—is just first class. They have just done a marvellous job. We have assistants with new insights, taking us into new areas; and I, for one, am very grateful to them. I am going to take the liberty of reading five of these names into the record just because they have been a great help to me. And it will be interesting when their children read Hansard—and they will particularly want to refer back to this debate, I am sure—and they can see their 'mommies' and 'daddies' names in Hansard. They are Daphne Rutherford, Jane Shapiro, Lou D'Onofrio, Sandie Giles and Jean Shilton, who have been terrific and worked many long hours and many weekends to assist me. In addition to that we have had many outside experts who have assisted. That's one thing that gratifies me.

Mr. Laughren: Walter Gordon tried that too.

Mr. Peterson: Many outsiders—economists, people in the labour movement, people in the investment business—are now coming to us with positive ideas. They are trying to provide meaningful input. Today the Liberal Party of Ontario, I say with great pride, has gained under the leadership of the member for Hamilton West (Mr. S. Smith) a great deal of respect in many communities and in many constituencies in this province. We will continue to grow as we continue to attempt to represent all of those constituencies as fairly and as equitably as we can.

Mr. Samis: Finally.

Mr. Martel: I'm glad the member for Brant-Oxford-Norfolk (Mr. Nixon) is here.

An hon. member: I'm glad he got the message.

Mr. Peterson: I want to start off with a little historical view of the situation. The Premier (Mr. Davis) took over the reins of government inheriting a provincial budget of some \$5.2 billion. Today the budget stands at \$14.005 billion, an increase of some 171 per cent.

Mr. Johnson: That's an irresponsible statement.

Mr. Peterson: Prior to the Premier's advent, this province had the benefit of sound financial and economic management. Our economy grew steadily and we led the nation. The first Davis-McKeough budget in 1971 promised controlled public spending and delivered a 15.6 per cent or almost \$1 billion increase in government expenditures. That year saw, not coincidentally, an election and a record provincial deficit of \$1.28 billion.

With the characteristic inaccuracy that we have grown to expect on a yearly and even monthly basis from this government, the Treasurer underestimated his budgetary expenditures in that year by more than \$1 billion in 1971 and against in 1972.

Mr. Haggerty: He's consistent.

Mr. Peterson: Expenditures went up by 7.5 per cent or almost \$450 million, increasing 50 per cent more than the spiralling cost of living.

In 1973, with a different Treasurer at the helm, the provincial budget called for increased spending to the tune of \$750 million, or 11.8 per cent compared with the preceding year. Ultimately, expenditures increased by some \$811 million, an increase of 12.7 per cent at a time when Ontario's inflation rate was running at 7.6 per cent.

Inflation was still rampant in 1974. Experts agreed that control of public spending was absolutely essential. The government of Ontario responded by calling for a 14.2 per cent increase in expenditures, notwithstanding a predicted inflation rate of 7.7 per cent. Again the budget was overspent, this time by about \$385 million. Increased spending rose from an estimated 14.2 per cent to an actual 20.8 per cent. Did I hear "shame" from my benches?

Mr. Nixon: Shame.

Mr. Peterson: Thank you. The 1975 budget envisaged an increase in government expenditures of 16.8 per cent, about \$1.5 billion. That was the year of the "mini-budget," which boosted the increase in government spending to 21.2 per cent. Updated to December, 1975, budgetary and non-budgetary deficit figures were \$1.976 billion, within

nudging distance of the dreaded \$2 billion mark—almost half of the entire provincial budgetary expenditure when the Premier took over.

Deficit financing had clearly become a way of life for the government of this, the province of opportunity, for they knew no other way. Our budgetary and non-budgetary deficit had gone from \$566 million in 1970-71 to nearly \$2 billion in December, 1975. The year 1976 saw net cash requirements increase by \$158 million to nearly \$1.4 billion, an increase of 12 per cent in government spending, the budget overspent by \$55 million and a budgetary deficiency of \$302 million more than the estimated amount.

By this time, the bizarre fiscal policies of the Premier and his colleagues had incurred a well-nigh intolerable burden of debt for the people of Ontario. Between 1970 and 1974, the accumulated provincial net debt had more than doubled, from \$1.4 billion to \$2.9 billion. Within the next two years, to March, 1976, it more than doubled again to \$6.2 billion.

Mr. Haggerty: It sounds like a balanced budget.

Mr. Peterson: Last March it was estimated at \$7.2 billion; in fact, at the end of the fiscal year it is \$7.8 billion. The projection for 1978 is \$9.1 billion. Soon we will be in debt by almost twice as much as the entire provincial budget when Mr. Davis became Premier and Mr. McKeough started to get his hooks into the Treasury.

I just want to recap this because it's meaningful in terms of the environment we're in today. Since John Roberts' last full year as Premier, we have witnessed the following: Budgetary expenditures have more than tripled from \$4.2 billion to \$12.9 billion, an average annual rate of increase of 15 per cent. The projection for 1978 is over \$14 billion. From a budgetary surplus of \$150 million we now have budgetary deficits totalling \$6.4 billion.

The projection for 1978 adds almost another billion and a half to that deficit. The provincial net debt has more than quintupled. It has increased 450 per cent, from \$1.4 billion to \$7.8 billion. The projection for 1978 has the net debt rising a further 17.5 per cent to \$9.1 billion. The net debt as a percentage of gross provincial product has increased by 112 per cent. With the 1978 projection, that increase will be over 120 per cent.

The net debt as a percentage of budgetary revenue has more than doubled, increasing from 31.9 per cent to 68.5 per cent. For 1978, the percentage is expected to rise to

72.1 per cent. Interest payments on the public debt rose 472 per cent from \$209 million to over \$1 billion. Projections for 1978 show a further increase of 15.4 per cent, the largest increase in the budget, to a total of \$1.2 billion in interest payments. That is about \$3.3 million a day in interest on the debt accumulated by this government.

The net debt per capita has increased 391 per cent from \$189 to \$928 and is projected to rise this year to over \$1,000—\$1,077 to be exact—an annual increase rate of 22 per cent.

These are the sad facts but they are important to setting a context for today's budget debate, for the situation that we are in today.

What we found is the Treasurer isn't stupid. He understands the evils of his past and now we find him trying to run against his past. We see him making or trying to make a virtue of denying his own past excesses at the public expense. When we have seen this massive growth in debt and the raiding of the pension funds in order to finance it we have seen a situation entirely created by this government, no one else. That is something that he is going to have to own up to. It is something that he is going to have to pay for in the near future. I suspect he won't be in government to have to deal with it when the crunch comes.

Mr. Nixon: He'll be back pushing plumbing.

Mr. Peterson: It's important that I also discuss Ontario's economy not in terms only of its past but in terms of its relative position in this country and indeed in this world.

The decline in Ontario's economy in the last eight to 10 years is serious enough when viewed in isolation. In comparison with developments in other selected provinces and the Canadian national average the implications are cause for very real anxiety.

Let's consider the compound annual rate of growth in gross provincial direct and guaranteed debt in Ontario between 1968 and 1975—which was 14.5 per cent. This was the third highest growth rate in the country. Moreover, the actual debt was greater in size than Quebec's by \$4.5 million; than Alberta's by \$10.8 million; and British Columbia's by \$9.1 million.

The per capita compound annual growth rate in gross provincial direct and guaranteed debt for Ontario between 1968 and 1975 was 12.5 per cent. This was the third highest growth rate in the country. In 1968, Ontario ranked behind Alberta in having the lowest debt per capita. By 1975, Ontario had dropped to fifth place.

While Ontario has the highest personal income per capita in the country at present, the compound annual growth rate in personal income, per capita, between 1968 and 1975 in Ontario was the lowest in Canada; 9.8 per cent compared to 10.4 per cent in British Columbia, 11.3 per cent in Quebec, and 12 per cent in Alberta. In these circumstances, we cannot expect that Ontario will continue to rank first for very long.

Ontario's compound annual growth rate in provincial government gross annual revenues between 1972 and 1976 was 14.7 per cent. This was the lowest growth rate experienced by any province in the country.

The compound annual growth rate in Ontario's gross provincial product from 1970 to 1976 was 13 per cent—lower than the national growth rate of 13.6 per cent.

Another area in which Ontario's performance over recent years compares very unfavourably with other provinces in the national average is in terms of housing.

With the exception of 1972, the annual percentage increase in housing starts in Ontario has lagged the national average since 1970. If Ontario starts are removed from the national total the difference in percentage increase is dramatic.

In 1975, Ontario experienced a decrease of 5.7 per cent over 1974, while nationally, excluding Ontario, there was an increase of 16.6 per cent in urban housing starts. Again, in 1976, while Ontario had an annual increase of 5.4 per cent in urban starts, nationally there was a 15.3 per cent increase. If Ontario starts are excluded, the rest of the country experienced a percentage increase of 21.2 per cent.

These are a lot of numbers and in some ways I apologize for putting these in the record today, but I think it is very important that—

Mr. Nixon: Don't apologize.

Mr. Peterson: —we set the stage properly.

Mr. Nixon: It is a serious indictment of inadequate policy over many years.

Mr. Peterson: While urban starts in 1977 finally improved over the national average increase, the number of starts has declined. With the exception of 1975, the total is the lowest since 1970. Urban starts declined by one and one half per cent over 1976. While all starts came in close to, but under, the projected level of 80,000 starts for 1977, they were targeted by the government at a level almost six per cent lower than 1976; so reaching this goal cannot be considered a great achievement.

The data for January of this year is not promising, especially in multiple dwelling starts where an increase of 25 per cent for Ontario in January of this year over January 1977 was matched by a national increase of 57 per cent. Ontario's increase is less than half the federal. If Ontario starts are excluded from the national increase, the latter increase would have been more than 73 per cent over the period last year. This is of particular concern, given apartment vacancy rates for selected Ontario cities in October 1977 as follows: London 1.6 per cent, Ottawa 1.2 per cent, Sudbury one per cent, Thunder Bay 0.2 per cent, Toronto 0.2 per cent and Windsor one per cent.

That's just too low and has tremendous distorting effects on the local housing markets.

In almost every case these figures represent a decline in the apartment vacancy rate from October 1976. The national figure, which represents the average for 24 centres across Canada, rose from 1.3 per cent in October 1976 to 2.2 per cent in October 1977, coming slowly closer to the three to four per cent apartment vacancy rate which federal housing experts maintain is healthy—conducive to fair rents and the construction of more buildings. Ontario is making no progress towards that healthy target.

The government is forecasting 80,000 housing starts for Ontario in 1978. This represents no increase over the 1977 level. This is also a far cry from the 100,000 starts which the government-commissioned Comay report four years ago said would be necessary annually for a decade to avert a housing crisis. Indeed in each of the intervening years we have fallen so far short of that level that it would take a monumental effort, far beyond anything we have come to be able to expect from this government, to rectify the situation and to provide the number of starts required.

The target for 1978 will certainly not help in this regard. We will not even fulfil the famous Brampton charter which forecast 90,000 housing starts per year for a decade. The low levels of housing starts are due to a high inventory level of newly-completed homes. Clearly what Ontario continues to need is not housing but affordable housing.

Ontario has lagged substantially behind the national percentage increase in retail sales in 1973, 1974 and 1976; and while this province finally slipped by the national increase in 1977, it was attained by a lower annual percentage increase than was achieved in 1976. In 1976 and 1977 Ontario failed to reach the percentage increases predicted by the government. An increase of 12.3 per

cent was forecast for 1977, but only 8.4 per cent was achieved, a shortfall of \$1.1 billion in retail sales. The 8.4 per cent achieved is certainly a far cry from the Treasurer's prediction of 10 per cent for 1977.

From 1970 to 1977, capital expenditures for the nation as a whole increased by 161 per cent. Ontario experienced an increase of only 110 per cent, lagging behind the other growth provinces during this period. Alberta had an increase of 298 per cent, Quebec 215 per cent, British Columbia 132 per cent. If the Ontario figures are excluded from the national total the increase for Canada was 194 per cent from 1970 to 1977, compared with 110 per cent for Ontario. The gap in expectations for 1977 between Ontario and the national average widened over the course of the year.

From 1970 to 1977 capital expenditures for machinery and equipment showed the same trend, rising by 159 per cent for Canada and only 116 per cent for Ontario. Again, the other growth provinces fared better; Alberta 370 per cent, Quebec 190 per cent and British Columbia 125 per cent. When the Ontario figures are excluded from the national total the increase for Canada was 191 per cent compared to 116 per cent for Ontario. Again, the gap in expectations for capital expenditures between Ontario and the national figure grew over the course of the year.

The lagging trend for Ontario shows no signs of changing. Specifically, the annual average percentage increase in capital expenditures in 1976 was 7.6 per cent for Ontario and 12.1 per cent for the nation as a whole. In the entire country, only Newfoundland experienced a lower yearly percentage increase in 1976, at 5.2 per cent; while Alberta saw an increase of 27.6 per cent, Quebec 10.7 per cent and British Columbia 10.2 per cent. For 1977 the increase for Ontario at six per cent was well below the national increase of 11 per cent.

Ontario's share of the country's planned capital spending in 1977 works out to 31 per cent, down from 39 per cent in 1970. This will mark the fifth year in a row that Ontario's advance in capital spending has lagged behind the national average.

The situation may, however, improve slightly for Ontario in 1978. Predictions by the Conference Board in Canada rate Ontario as number three nationally in production growth and increased retail sales, number three in real provincial growth, and second in gains in employment and personal income.

As a Toronto Star economic columnist stated—and I really don't want to read a lot of editorial comment; I know that the Premier

was very worried about that, because almost every editorialist in this country has castigated this government in the last week, but I just want to quote the Toronto Star economic columnist. He says this about Ontario:

"It's not bad for a has-been," and he commented: "One factor, obviously, is that the province has done so badly in the recent past that it has plenty of room to improve. Ontario may be over the worst of its painful adjustment to the fact that it is no longer number one in just about everything."

Indeed, a survey conducted by the Toronto Star last month found that a growing number of politicians and economists believe that Ontario is in an economic decline from which it may never recover its once envied position. Not one of the experts interviewed held out hope for an upturn in Ontario's fortunes this year.

Arthur Donner, a respected Toronto economist, expressed the view that rather than holding our own, "we're slipping both ways; in Canada and in the rest of the world." Whether 1978 proves to be a year in which this province improves slightly over its dismal performance of the last six to eight years, or whether we decline even further in major indicators of economic growth, the fact remains that our situation is critical.

This government has allowed our provincial economy to drift, providing no leadership, no direction for recovery or growth.

The survey conducted by TV Ontario is clear proof that the people of this province lack confidence in the economic future of Ontario. And this attitude, of course, affects investment intentions which are so important to any turnaround in the economic climate.

We do not have to take a defeatist stance, we do not have to take a hands-off stance—the one taken by the government which believes the solutions lie with the federal government.

Ontario possesses the resources, both human and financial, to become a leader again. We must have economic leadership. We must chart a course to prosperity by building a manufacturing base and by putting our skilled and motivated labour force to work. It is tragic that the Ontario economy has been allowed to deteriorate to its current state when the decline, in large part, was avoidable.

Government, along with the private sector, should have planned and must plan together for the future. Unfortunately, the government's economic performance in 1977 hardly represents a step in the right direction.

I just want to point out a discrepancy that bothers me. I think that the Treasurer understands these trends because he's faced with them daily. Indeed, when he went to Ottawa and presented his paper reassessing the scope for fiscal policy in Canada, he presented this statement as one of his major conclusions. Of course, the Treasurer and the Premier came away from that conference very smugly. The people felt they were looking to the Premier and the Treasurer for leadership because he said this:

"The composition of unemployment in Ontario and the rest of Canada merits more attention. Skilled, permanent jobs for youth is highlighted as the pre-eminent challenge to governments in the immediate future. Required are fundamental structural changes in the economy to enhance competitiveness, to increase exports and generate well-paying jobs in the private sector." When it came to his budget some months later, there isn't one reference to this. He denies, in almost everything that he says there, having made that kind of a statement.

That statement summarizes what we believe has to be done for the economy of this province. We have, and I will be laying out this afternoon, constructive, positive ways to reach this goal—a goal that the government has stated but from whom it has completely backed off. I for one am disappointed—not only disappointed but struck, very frankly, by the hypocrisy between those two documents.

I think it's important that we run down some of the past budgeting of this province to understand how deeply in error they have been on so many occasions and how any objective observer, looking at their past record, is going to not face the numbers with a great deal of credibility.

[4:00]

At the time of the 1977 budget, revenues were estimated at \$12,621 million with expenditures at \$13,698 million. Net cash requirements were quoted as \$1,077 million. The publication Ontario Finances, issued by the Treasurer's ministry on June 30, gave revenues as \$12,529 million, expenditures as \$13,606 million. It's interesting to note the immediate post-election drop of \$92 million in revenue. Possibly even more interesting is the fact that, as soon as it became necessary, the government was able to reduce expenditures by the required amount. In one stroke of his magic wand he cut out that amount of expenditure to arrive at this revised revenue figures.

What I am going through now is a litany of the number of budgets we have had in

the last year. We have had six or seven budgets, each time the figures being revised in major proportions.

Let's not forget either that much of the loss of revenue resulted from delay in implementing tax measures—a delay caused by the government's determination to have an election no matter what the cost to the people of Ontario. Nor should we overlook that fact that while the Treasurer maintained that performance of the economy was weaker than had been expected, the only so-called authority who was really surprised—or pretended to be—was the Treasurer, whose pre-election optimism or, for want of a better word, pseudo-optimism had led him astray.

By mid-September, the Treasurer was once again forced to undertake far-reaching "refinements" of his financial statements because of his irresponsibly optimistic predictions last spring. He admitted that his revenue projections had been inaccurate; revenues were now stated to be lower by some \$309 million. The implications were particularly serious, given that we were at that time only five months into the fiscal year.

As of June 30, 1977, the Treasurer's net cash requirements had been the same as his budget estimate. On September 16, he admitted that these would be another \$217 million more than this figure. In other words, within two and a half months he had estimated an increase of some 20 per cent.

Two weeks later, on September 30, the Treasurer reported a further drop in revenues of \$158 million, or \$467 million less than the budget estimate. Once more, a sluggish economy was blamed, together with a downward re-estimate by the federal government of Ontario's 1977 personal income tax by some \$350 million. However, even given this federal re-estimation, Ontario's revenues were off \$117 million in five months—not even halfway through the fiscal year. By this time, net cash requirements were up \$375 million or 35 per cent since the budget estimate.

The December 31 issue of Ontario Finances offered us yet another revision of the budget plan and, as the publication noted, "one significant change—the need for an additional \$103-million contribution to the Teachers' Superannuation Fund." This figure is actually \$107 million. Even more noteworthy is the fact that this was the second time in 1977 that the government was forced to admit that it owed the fund over \$100 million more than it had thought. It was also the second time in 1977 that the government was able to accommodate an

additional expenditure increase or loss by cuts in other spending areas. In June, \$134 million was found through "a reordering of priorities and implementation of spending cuts." In December, another \$103 million was found.

If reductions in expenditures are that simple to achieve, surely a tough and disciplined budgeting process could bring about far greater reductions in the initial budget allocations. For if the Treasurer can continue to make this kind of adjustment to compensate for loss of revenue, then obviously there is considerable fat in the provincial budget. This is not a time when we can afford to tolerate such loose budgetary procedures. If this government sincerely believes in restraint, let's see a budget so tight that it cannot be pared down.

I want to get back to the figures for a minute. Revenue in December had dropped off yet another \$162 million and fell another \$5 million by the time the 1978 budget was introduced—a total decrease of \$634 million in revenue over the year. Net cash requirements have now risen by \$539 million or 50 per cent since the last year's budget estimates. The budgetary deficit rose to more than \$1.6 billion from the predicted \$992 million, rather than decreasing by some \$287 million over the year as anticipated.

Again the Treasurer blames his new revenue loss on a downward adjustment by the federal government of its personal income tax payments to the province. I would like to take a few minutes to consider this matter and to relate to this House a very important exchange that took place between the Treasurer and myself and his executive director of fiscal policy during the consideration of the ministry's estimates.

My colleague the member for Brant-Oxford-Norfolk, now the famous House leader, and I were asking about the reliability of the forecasts the federal government provides to us as to the amount Ontario receives in personal income tax payments. Mr. Allan, the executive director, stated: "We run an independent capacity, just for our own interest" and "We've had a pre-warning since 1970 that they're"—and I'm referring to the federal government—"all screwed up basically." The Treasurer later corroborated this view by saying: "They have continually underestimated the effects of indexing and it's caught up with them."

I then asked Mr. Allan if the fiscal policy division did its own independent forecast on these figures, and he replied: "We always do. We run computer programs on the income tax tapes." To this the Treasurer added,

"Obviously, in creating our own picture—a snapshot of what we think the economy is—we estimate a whole lot of things on our own and we take a look at the income tax." Later he said: "We do our own forecasting of the economy, what the personal income tax or the retail sales tax, or any one of the other things may turn up."

Two very important points flow from this exchange. First, on the day before this discussion, on October 18, 1977, I asked the Treasurer the following question in the House: "Does the ministry do independent forecasting, its own forecasting, about the provincial take on income tax as well as mining tax?" To this the Treasurer replied: "We do our own forecasting of mining tax. We do not do a forecast on the income tax." Those were two entirely different answers in two days. I would suggest that the Treasurer was not being honest with this House in his answer to me, and that it was only after his official inadvertently gave me the facts that the Treasurer told the estimates committee the truth. How can we be expected to have faith and confidence in the Treasurer if we can not trust his statements in this House?

I believe, and I told the Treasurer this at the time, that he has an obligation to make an apology to this House and to myself for the deliberately incorrect answer that he gave me at that time.

Mr. S. Smith: Hear, hear; half a billion dollars.

Mr. Peterson: The second point arising from this exchange concerns Mr. Allan's assertion that the federal government is "all screwed up" in its predictions, and has been told so since 1970. I later asked Mr. Allan if he told the Treasurer there was a risk in putting that particular budget number, the income tax revenue based on federal figures, in his budget. He replied: "I suggested that we couldn't believe that the income growth could be nearly as high as that being projected by the federal government"; and the Treasurer added: "What he is saying is that he was pessimistic that the incomes would generate that amount of taxes."

If the Treasurer and his senior advisers have so little faith in the federal government figures, how can they in good conscience base their annual budget revenue forecasts on them? Since they have doubts and since they do their own calculations, why does the Treasurer not act responsibly and at least give us the numbers he thinks are correct and the revenues he believes will be generated, based on these figures?

What is the point of doing an expensive provincial forecast, which he believes is correct and which has apparently proved reliable over the last several years, and then ignoring it and calculating budgetary revenues on the basis of figures he does not believe are correct and have not been very reliable in the recent past? As I said, the very least the Treasurer can do is to inform us of the discrepancy and say what, in his opinion, we can in fact expect the revenues to be.

It is amazing to me, given this record, this blatant discrepancy in just a two-day period, how any sophisticated observer of the budgeting process in this province can have very much faith in the figures. The record, frankly, doesn't warrant very much faith. I think the Treasurer's credibility is increasingly going to be an issue in this House and in this province.

I want to discuss an area of very great concern to me. I have spent a lot of time looking at this and a lot of time studying it. It is the distortion on the capital markets by the access this government has had to public service pension fund money. It's a difficult area, it is complicated and most people won't understand it. It may not be an area of broad public concern, but we have to make it an area of public concern, because it shows very clearly how we have sold out our future options and how we have really reduced our flexibility. Starting in the years 1982 to 1985, when we have to go back to massive return payments of capital for the amounts we have borrowed in the past six or seven years, we are going to have a much worse time than we have today.

The province currently owes our pension funds about \$12 billion dollars, made up as follows: Canada Pension Plan, about \$7 billion; teachers' superannuation, \$2.5 billion; OMERS, \$1.2 billion; public service superannuation fund, \$1.1 billion. These totals increase every year, as do the interest payments. Over the decade to March 1, 1977, interest was over \$2 billion for CPP, over \$600 million for teachers' superannuation, and almost \$300 million for OMERS. This year the interest on our public debt soared to \$1.2 billion.

The province has appropriated this large pool of capital funds, which has earned a lower rate of return than it would have, had it been invested in the Canadian capital market. Each year the Treasurer has spent an amount equal to revenue plus the amount available for borrowing from internal pension funds. I would suggest that this is not good fiscal management.

Last year the Ontario Economic Council endorsed our view that the Treasurer has no incentive to balance the budget any closer than the level of provincial expenditures plus the amount available for borrowing from the pension funds. The council's report singled out as the most important development affecting Ontario's finances in the next decade the dramatic reduction in the future availability of non-public funds, strongly suggesting government financing will be complicated in the 1980s by a decline in net financing from these sources.

Deceleration of growth of CPP funds has raised many questions on alternative financing methods, the most obvious being a contribution rate increase. Even this would only postpone, not eliminate, the day when the province could no longer rely on the CPP as a net source of new finance.

The council warned that provincial governments might respond to an increase in available funds by increasing provincial expenditures. That has been the story in the past. It's been an availability-fed demand—anything that's available, they spend. This distortion in recent budgeting is probably the most critical we've faced in the history of this province.

The council noted that the province pays an interest rate on CPP funds equal to the yield on long-term government of Canada bonds, below what the province would have to pay in the public market. The advisory committee of the Canada Pension Plan estimates this interest subsidy to be about 1.12 percentage points, and has recommended that provinces pay interest on these funds at a rate commensurate with the yield offered on securities sold on the open market.

This year, in a study on business investment in the province, the council stated that: "As the level of investment gradually accelerates, led by energy and resource developments, the need will arise to redirect a larger percentage of domestic saving from the government to the private sector and from short-term investment instruments to long-term investments more suitable for financing long-term capital investments.

"An increased flow of private savings from the public to the private sector could be encouraged in several ways. The largest flow to the government sector occurs through the medium of the Canada Pension Plan. Consideration should be given to depositing at least a portion of the net contributions in a special trustee fund in each province to be available to the private sector on a competitive bid basis. To ensure the maximum availability of such funds to finance business capital investment it might be desirable to

limit the use of such funds to equities or debt with a term of 100 years or longer."

Business capital expenditure dollars have always been high-powered. They create additional employment income and output demand in other sectors of the economy. Yet available funds for business investment may become more and more scarce in the future because of the growing burden of providing adequate pension benefits.

Not only will government savings in the period ahead be biased downward by a decelerating rate of net savings from government-operated pension funds, but there will also be a downward bias in corporate savings arising from the accelerating costs of funding corporate pension plans and the large outstanding liability represented by the unfunded portion of these plans. That is a great worry, Mr. Speaker.

Thus the picture emerges. Vast amounts of government-operated pension fund dollars must be redirected to the open market to stimulate the efficient growth of our business sector. Also, there is a danger that available pension funds will become scarce in the years ahead, due to the trend toward indexing benefits in line with inflation—in itself reason enough to emphasize placing those funds on the open market.

The trend toward indexing increased pension funds benefits in line with inflation has forced Canadian pension funds to take measures to ensure that they are maximizing the rate of return on total fund investments. An increase of even one per cent in the fund's rate of return can greatly increase the value of the fund and its ability to meet future payments, according to the estimates of investment measurement analysts.

With the exception of a portion of OMERS funds, government-operated pension funds have been invested in non-marketable province of Ontario debentures at preferential interest rates. The public service superannuation fund in Ontario doesn't even go that far. It is deposited with the province's consolidated revenue fund and the net increase in the value of the fund at year end is given interest at the current long-term, 25-year bond rate issued by or guaranteed by the province. On March 31, 1977, the overall blended interest rate on all funds in the PSS account stood at 7.94388 per cent. The balance of the fund at that time was about \$1.1 billion.

A joint study group looking into the investment policies of OMERS concluded that the funds should be invested in a broader range of Canadian securities to obtain a higher rate of return. We have endorsed this

position, and, in fact, urged the government to follow this course a year ago. We are pleased to see that the Treasurer has seen fit to follow this course, even if it is in an extraordinarily moderate way.

[4:15]

It's just unfortunate that he delayed so long in deciding that these pension funds should be allowed to assist in the capital financial expansion projects of Canadian companies. If the funds had been available 10 years ago, we might have seen a more prosperous provincial economy. We would have seen less unemployment. We would have seen more real income. Studies have said that we are undercapitalized in this province—that we haven't put the money into capital that we need. This is one of the reasons we are not competitive on an international basis today.

In addition we would have seen a richer set of pension funds for our province, as evidenced by the rate of return on OMERS that is earned in the public market.

When we look back 10 years I can tell you the historians are going to be very critical of one Darcy McKeough. A historical look at Ontario's financial methods reveals that the province has relied almost 100 per cent on in-house pension funds to cover its deficit virtually every year. If the contribution rate remains unchanged, the Canada Pension Plan will run out by about 1982, by which time payouts will have risen to equal contributions, and the surplus cash flow for provinces will become negative.

The Treasurer has suggested doubling the contribution rate. In other words, he would like Canadians to double their payments to CPP, to subsidize a preferential borrowing rate to his government to gratify his spending desires.

The Treasurer has argued that the province has incurred a string of deficits for capital spending purposes—generally in long-lived assets. Here is his argument that all this money has gone into plant and capital.

Mr. O'Neil: The Conservatives have a great attendance over there.

Mr. Peterson: Total non-public borrowing over the last five years has been \$5,271 million. Total capital investment for the same period has been \$6,835 million.

The capital investment profile includes transportation vehicles—predominantly GO vehicles and subways, taking in streetcars and buses, with an average life expectancy of 20 years. Land is also included in this figure that he tries to justify. We have spent \$614 million on land in the past five years.

Finally, there are financial assets. Mortgages, OMC, commercial loans for the development corporations, investments in Ontario Northland, UTDC, and equity investment in Syn-crude.

I challenge the Treasurer's argument. We question the validity of including some of these assets as long-lived, or whether a normal financial accounting would show them as revenue producing. We question the land banking expenditures. If we remove from the total figure transportation vehicles of \$191 million, land purchases of \$614 million and financial assets of \$942 million, then capital investment over that five-year period would be a little over \$5,088 million—less than the amount of the non-public borrowing over that period.

The Treasurer has expressed the belief that non-public borrowing from internal funds has been used to finance the creation of a productive and necessary capital stock. In my view, there is nothing productive about the 3,000 acres of land lying idle in the Kitchener area that the government may not even want any more, some 10,000 acres at Edwardsburgh, 20,000 acres in North Pickering, 13,000 acres in South Cayuga, or another 13,000 acres in Townsend.

In addition, consider the schools, libraries, universities and hospitals over the past five years that have taken \$1.2 billion out of the Treasury. We are now finding the government turning around and wanting to close these institutions. They are now using a different formula—four beds per thousand—than they were then.

We are finding that we have an overbuilt system with declining enrolment they didn't anticipate. And the buildings that we do have are in the wrong place. It is simply an overbuilt capital system. The Treasurer tries to justify his spending habits on that story, but it is a very phoney argument. I think when we see the capital expenditure we made that are no longer necessary, that we are overbuilt, again history is going to judge this Treasurer very critically.

This year the Treasurer intends to spend about \$1.4 billion on capital investments. That is equal to about 10 per cent of the budget. Yet we face a deficit of more than \$1 billion.

In Mr. Roberts' era, he made capital expenditures too, but he didn't go to the market to raise the money for these kind of things, he balanced current revenues and current expenditures. My idea of a balanced budget is to match current revenues with current expenditures. That is not the Treasurer's idea.

We find that in the Roberts era they had capital expenditures; they didn't have massive deficits to do it. And it is not as if our obligations for capital expenditures are going to go away next year, or in the 1980s, when they have run out of these moneys. We are always going to have a demand for capital expenditure. We are going to have to go into new kinds of technology, into waste management and solar energy and that kind of thing, but that still doesn't entitle the government to go out and borrow money.

It is my view that the only thing that should be amortized in government is a revenue-producing device like an Ontario Hydro reactor or whatever. But because there is a constant and full demand for capital expenditures, they've got to be done by up-front financing which I am frankly glad to see the Treasurer is talking about in this budget. He is going to write these off immediately rather than putting all these phoney transactions through the capital aid corporations and whatever else that he had under his control.

As I said earlier, a second problem is that reliance on these funds has contributed to expanded government spending. When these sources are no longer available, the expenditure pattern will have to be dramatically altered. Imagine the reduction of expenditure necessary in this past fiscal year ending March 31, 1978, if the government had not had access to \$1.5 billion in pension funds.

Last year, the Treasurer gave us a five-year forecast aimed at a balanced budget in 1981. By coincidence that is the last year that money will be available from the Canada Pension Plan—the borrowing source which has financed the lion's share of the Treasurer's deficits, and which this year will supply him with \$910 million.

While budget paper A indicates that the Treasurer is moving in the right direction, he still has not addressed himself to the repayment of the pension fund debentures which will begin from 1982. That year \$74 million will become due from teachers' super-annuation fund debentures. In 1986, \$20 million in CPP fund debentures will become due. But, from 1987 on, repayment of pension fund debentures will be in the hundreds of millions of dollars for every year, surpassing \$1 billion in at least two of the years before the turn of the century.

In other words, over and above normal expenditures and similar to no expenditure in our budget today, starting in 1987 the province will have to find a way to deal with the repayment of hundreds of millions of dollars in pension fund debentures. There's just no

walking away from it. Even if the province simply refinances these loans, they are eventually going to become due.

Already this year of the \$900 million the province will borrow from CPP more than \$500 million will go to paying interest on that debt. How does the province intend to meet those debenture repayments, and does the Treasurer have a plan for the financial commitments he has imposed on this province? Does he intend to refinance his debts for ever, amassing interest payments and putting off the debenture liabilities for future generations to take care of? I don't know and, frankly, he doesn't know because I have asked him this question in estimates, and he says, "Well, we will let them worry about that later."

I have a chart listing the principal amounts of the pension fund debentures which will become due in the 1980s, and I would just like to read a few of these figures into the record because they are important to an understanding of the scope and nature of this problem.

In addition to the debentured amounts, we have these massive unfunded liabilities that appear in no account sheet, appear only by way of note on the financial statement.

We have given this a very serious look and have prepared a chart into the year 2002, which takes into account, as best we can determine—and I will grant you there may be the odd little error in here, Mr. Speaker, but I think it is essentially accurate—the principal amounts of funds repayable, starting in the year 1982, and, in addition, the amounts of unfunded liabilities that will have to be paid over this 25-year period. It's all here in front of me.

In 1978—this year—we are going to have to pay back \$175 million; 1979, \$198 million; 1980, \$198 million; 1981, \$198 million. Then in 1982 when some of the debentures become due we are going to have to add an additional \$267 million to our budget; 1983, \$193 million; 1984, \$193 million; 1985, \$193 million. Then when we get to 1986 the crunch comes. That year we will have to repay capital and unfunded amounts of \$213 million; 1987, \$701 million; 1988, \$568 million; 1989, \$605 million; 1990, \$638 million; 1991, \$530 million; 1992, \$1.013 billion; 1993, \$873 million; 1994, \$800 million; 1995, \$1,082 million; 1996, \$953 million; 1997, \$1,056 million. These figures are alarming, and I don't mean to bore the members of this House with them, but it's time they knew what the figures are doing to the future governments of this province and the kind of obligations they are going to have to deal with.

Let us not forget, in the process we have dried up every available source of money that we have now. They have two choices: Either they can refinance this by going to the public markets of this country, competing with private enterprise for capital, or they can raise the tax rate. If we raise the tax rate at those times—and it is my suggestion that we're at the economic tilt point right now; we don't have any more room to move—we're going to be robbing more initiative out of the private sector in this province than we are already. We can't afford to do that.

Mr. Reid: They're bankrupting us.

Mr. Peterson: The total for capital repayments, debentured liabilities plus unfunded liabilities, is in the range of about \$15 billion over the next 25 years. That's the best estimate we are able to make, and I suspect it's a pretty accurate one. I have yet to see any plan or even any suggestion of a plan by this government as to how they are going to deal with it. They are counting on an increased growth rate and a larger budget, and they'll fudge it or hide it somewhere in that budget. But I can tell you, Mr. Speaker, thoughtful observers of this scene are seeing a long period of slow economic growth; they question some of the principles upon which our growth has been developed in the past. We're seeing rapid deindustrialization. We're seeing that our resource base is no longer as strong as maybe it once was. These premises about the economy growing automatically are not always accurate, and a thoughtful government is going to have to start thinking ahead a little more than we have seen to date.

I think I have dealt with the pension fund problem as best as I can, given the limited amount of information that is available on it, although a great deal of work was put into it. But I commend those numbers to the Treasurer and I urge him to develop some kind of a strategy to look at them. This information gives us, in my judgement at least, the context in which we are facing a budget in 1978. The Treasurer has put forward his proposal, and I would like, if I may, to deal with those proposals in a specific way and to look at our alternatives.

In this year's budget, the Treasurer is predicting a growth rate of some 4.3 per cent, which is a questionable proposition at best. You will recall, Mr. Speaker, that last year he was off by about two percentage points. As I recall, he predicted 4.7 per cent; it ended up at 2.7 per cent. We all admonished him and told him he was a

dreamer and he was crazy because everyone else in the country was predicting a lower growth rate but he, of course, thought everyone else was a little funny. In fact, most of the predictions came in about right.

This year, I'll grant, he's taken a middle course on this matter. There are certain estimates higher and certain estimates lower; it's impossible to tell. I suspect it won't hit the level that he has suggested. He is relying on an increase in consumer spending of 4.1 per cent, a decrease in business investment of one per cent—and that is a real worry—an increase in government expenditures of 1.6 per cent and an increase in exports of 8.9 per cent, to drag through this growth rate of 4.3 per cent.

What he is doing is relying on the devalued Canadian dollar as a short-term crutch—for short-term assistance. If the dollar was at parity today, he would be projecting a much lower growth rate, because he wouldn't have that export advantage—and surely the experience in other countries of this world tells us that at best it is only of extraordinarily short-term advantage to have a devalued dollar. I do not criticize any government or any business in this jurisdiction for taking advantage of that, but please let us not be so naive as to think that it's going to last forever. History tells us there are very quick structural adjustments to those kinds of things, and you lose your competitive advantage very quickly.

Mr. Laughren: He thanks God for the federal Liberals every night.

Mr. Peterson: The Treasurer himself has said that the Quebec crisis is worth five cents of that to him; he's suggesting we profit from this five-cent advantage because of the unity crisis we're facing in this country.

I can't argue with that—

Mr. Laughren: That's why he's grateful to the federal Liberals.

[4:30]

Mr. Peterson: —but I would say this, that these figures should prompt him to look at the structural problems and to look at some of the more basic problems that he at least alludes to.

In past years under other premiers and treasurers we were able to deal with Ontario's basic needs and problems ourselves. We did not have to depend on the external forces to bail us out. Joint federal-provincial initiatives are valuable and necessary, but they should not be our only hope; they should not be our only refuge. We must take positive, forward-looking programs right now. Surely Ontario, as the largest, richest province, has a role.

At the first ministers' conference in Ottawa, the Premier of Ontario presented a paper outlining the need to improve the business climate and increase private investment in this country. He stated that private enterprise needs more confidence and less uncertainty if it is to risk new capital investment to improve productivity and expand employment. He stressed that the first commitment must be to manufacturing—action to bring about increasing employment in manufacturing and an increase in the share of GNP. Yet this budget offers no incentive to stimulate the private sector or arouse confidence. There is not a word of encouragement for the manufacturing sector, let alone concrete measures, and absolutely nothing for small business. Let me tell you, Mr. Speaker, that the Treasurer is part of the crisis of confidence in this province.

The small business sector particularly is capable of contributing a great deal to redressing our economic problems, being labour-intensive and able to deal easily and quickly with new and changing economic realities.

The contradiction between word and action is quite unacceptable to our party. We are very happy that the Liberal message—and unabashedly we have been talking about restraint in government expenditures for a long time in this party and we will continue to talk about that and we are glad, to some extent at least, that the Treasurer has seen fit to limit increases in spending to seven per cent. We think it is a laudable objective, as is his intention to introduce sunset provisions to cover certain government boards and commissions. My leader introduced a resolution in the Legislature last fall which provided for the termination of government agencies, boards and commissions, as deemed appropriate by the standing procedural affairs committee according to specified conditions.

We again are pleased to see the government implement our idea. However, in this case, if the Treasurer intends to apply his provision only to certain boards and commissions, he should quickly indicate which ones and what criteria will be used in deciding which ones will or will not come under review. We are not persuaded that the implementation of this legislation should be selective.

As the members recall, when I was doing the budget address last year we suggested four specific points to bring government under control. We suggested management tools which could be used by this government. One was zero-based budgeting. I am glad the Treasurer has alluded to that. He had made

mention of it; we have no idea what his plans are.

We talked about sunset laws that we would bring in immediately. We talked about de-regulation that we would bring in immediately and a regularization of the various devices the government has under its disposal.

Very importantly we talked about—and I am glad the Treasurer mentioned it in his budget this year, and I hope he does something about it—bringing in an economic analysis of the impact of any law or regulation on this province. Because it is very important that we don't consider any law in isolation without considering the net effect throughout the entire economy.

Those were our four suggestions in last year's budget. I am glad that the Treasurer is looking at them seriously. He will certainly have our assistance in the implementation of those measures or in any similar legislation he brings in.

I want to talk about some of the specific suggestions that the Treasurer had—suggestions that by and large are okay as far as they go but reveal, in my judgement, a tremendous absence of leadership on the issue.

If the Treasurer was serious about resource industries in this province, he would have developed a comprehensive resource plan for the present and the future, rather than tossing out a mere \$5 million token gesture to the mining industry. It is a step in the right direction but a very small and isolated one, which the Ontario Mining Association feels will not adequately stimulate the new mining investment and exploration in Ontario.

Let me get to energy conservation. If the government was really serious about energy—and I think very seriously that is one of the most profound deficiencies in government policy today—the lack of a comprehensive energy strategy. Surely the Treasurer could come up with more than a rebate of sales tax on storm doors and storm windows. That is just absolutely minuscule.

I can't sortie into this whole area of energy conservation. We gave the government a myriad of good suggestions. We have in our party, I'm proud to say, the most authoritative person in this House on energy, our critic from Halton-Burlington (Mr. Reed). He will continue to make suggestions. I look forward to the day when that man is Minister of Energy so that he can bring in the kind of positive, perceptive proposals he has. I will be talking more about energy later because I think it is so important. Obviously, we don't disagree with removing sales tax on some of these little items, but it's a long

way short of any kind of meaningful policy.

The tax break proposed for the travel and tourism industry is long overdue, but again there is no co-ordinated strategy. What the Treasurer gives with one hand by eliminating sales tax on hotel rooms, he takes away with the other by increasing alcohol taxes and continuing the 10 per cent tax on so-called luxury meals. As part of this package, this tax should have been reduced to seven per cent and the dollar value of exempted meals should have been raised.

We should have been looking into gas prices along Highway 401. It's the first contact that many drivers of motorized vehicles have when they come into this province and they get ripped off immediately at the gas pumps along 401. No wonder we have created an inhospitable impression to people travelling into this province.

Mr. O'Neil: It's called highway robbery.

Mr. Peterson: The government has direct control over that. Why isn't it doing something about it? We've been pushing for years to have some kind of a look at the leases under which those gas stations are held. Why don't we introduce a gift certificate program for domestic travel that is exchangeable anywhere, almost a form of currency that could be used for just domestic operations? We need an overall policy and we need something to address the \$650-million tourist deficit we have in this province.

Mr. O'Neil: Hotel rates have already gone up.

Mr. Peterson: My colleague from Victoria-Haliburton (Mr. Eakins) has conducted a task force on this for the last six months. He has talked to many people in this industry and he has made himself the House authority on this particular issue. He has brought a considerable number of good suggestions as a comprehensive way of looking at these issues.

He has suggested, and I support it, putting the Tourism portfolio in with Culture and Recreation. That little squirt doesn't do that much anyway, except administer a few funds ill-gotten that he gets. Why don't we put that important portfolio in there so that a comprehensive strategy can be built in that area? And why don't we turn Industry and Tourism into Industry and Small Business, an important and neglected area of the provincial economy where we would really have a chance to do something? These are some of his recommendations. I look forward to the day when he is the minister and can implement all these things.

Perhaps the most blatant evidence of an empty promise contained in the budget is

the research and development proposal. The Treasurer wants a strong incentive for new jobs in industrial research, development and design and has gone so far as to tell the Minister of Finance in Ottawa about it because he feels it should be a national program. He and his colleagues must be spending a lot of time talking to their federal counterparts these days because they have passed the buck in that direction a lot. Let me reiterate: Let us start at home. Let's introduce a program for research and development here in Ontario now. If and when the federal government decides to implement a plan, then they can join us or we can join them—it doesn't matter—but we can't delay when we have the most threatened industrial base of any province in this country.

Statesmen-like positions which concentrate on the national perspective, such as that taken by the Premier and the Treasurer in Ottawa last month, are fine but they cannot replace something positive and something concrete here in Ontario. We have several ideas. We think we should use the Ontario tax credit to bring about research and development for Canadian-owned companies in this province. We are not happy about the Treasurer's sellout to branch plants and to foreign-owned companies.

Mr. Laughren: Is this a Liberal speaking?

Mr. Peterson: We think we should be encouraging indigenous Canadian-owned research and development capacity here in this province. To that end, the government can use two mechanisms. It can use the tax credits, and we should be using that. We shouldn't be given generous tax write-offs for that kind of work here in the province. There's no reason we can't expand the Ontario Research Foundation. There's no reason they couldn't be using Wintario money, or some percentage of Wintario money, putting it out to private enterprise, allocating it on a fair and equitable basis to build an indigenous entrepreneurial talent here in this province.

Mr. Laughren: Is the Treasurer getting these alternatives?

Mr. Peterson: I will be talking more about this later because I think it's critical to the financial and economic future of this province.

The Treasurer maintains that his objective of balancing the budget in 1981 remains a viable goal. In the 1977 budget, when he first introduced his five-year deficit reduction plan, he said—and I want to read this in because it shows another major

abdication, another major change from his previous philosophy. In the 1977 budget paper called Towards a Balanced Budget, he talked about the five-year deficit reduction plan. I want to quote to you from that, Mr. Speaker, because it's very important. He said:

"Achievement of a balanced budget by 1980-81 assumes the continuation of this trend, but it assumes that eventual elimination of the budgetary deficit will be realized via expenditure restraint and not via tax increases."

And what did he do? He turned around one year later and increased the OHIP premiums to \$271 million; as I recall, that's the figure.

During the first year of the plan, both precepts were violated. In the 1978 budget, the Treasurer asserts that "discretionary revenue increases in this budget, together with continued expenditure constraint, have put the fiscal plan back on target." These revenue increases result from tax increases amounting to \$429 million in 1978. What tax increases will be required in 1979 and 1980 to keep the plan on target? What will it cost the taxpayer in terms of jobs and disposable income? In other words, what will be the cost to the economy of balancing the budget? We agree with the objective, but there are other objectives in budgeting too. We need job creation, and the question we have to ask the Treasurer is at what price is he prepared to do this? He has used only the regressive OHIP rates of 37.5 per cent.

Mr. Laughren: You are getting these alternatives are you, Darcy?

Mr. Peterson: Also, in the first year, net cash requirements increased by \$300 million, or 50 per cent, rather than decreasing by \$200 million, so falling short of the target by \$500 million. This year the target has been revised to show an anticipated shortfall of \$200 million, or an increase in net cash requirements of 22 per cent over what was actually projected. In the light of the Treasurer's recent track record, we can expect net cash requirements to grow over the year.

For several reasons, as I pointed out, it is very difficult to have faith in this Treasurer and that ministry.

Finally, Mr. Speaker, we've seen a major shift in policy. The Treasurer is willing to sell off the province's assets in his desperate attempt to balance the budget. His decision to begin selling the \$1 billion portfolio of mortgages held by the Ontario Mortgage Corporation to the private sector can best be likened to a firm that starts selling off the

office furniture to avoid bankruptcy. This is of great concern to me because my conception, as I said earlier, is of a balanced budget to match current revenues and current expenditures.

When asked in the House last week if, in balancing the budget in 1981, he anticipated selling off provincial assets to do so, the Treasurer said, "No." He has dramatically changed his budgeting in order to hit that god of the 1981 balanced budget, with a major change in position that, I'm sure, he thought would slide through. I can tell you right now, Mr. Speaker, if he is the Treasurer in 1981 he will balance the budget, because he will have sold off the \$1 billion portfolio of mortgages or whatever. I liken it to selling off the Robarts library for \$50 million—assuming you can find a market for it—and then putting that money into current revenues and reducing your deficits by that amount.

If one looks at this budget carefully, on the non-budgetary side, one sees a major change this year. We are seeing more receipts than disbursements by selling off this money. The Treasurer has decreased his net cash requirement by fudging below the line rather than above line. It's a major change from generally accepted accounting principles, and accounting principles which the people of this province have become used to. That is one of the very major changes that I see in this budget, and it disturbs me.

I have never said I'm against divesting unproductive assets but I am against not bringing revenues and expenditures closer into line, and I will never accept those kinds of mechanisms as an excuse to balance the budget.

The Treasurer also intends to manipulate a deficit figure to suit his purpose and has led us into thinking the government's deficit position was better than it is.

[4:45]

Ten years ago the Smith committee on taxation formulated a rule that the province should maintain debt at the ratio of approximately nine per cent of provincial domestic products. This year's budget will lead us to believe that the net debt as a percentage of gross provincial product is surpassing the Smith standard for the first time, hitting 9.5 per cent. In fact, net debt passed the Smith standard in 1976, registering 9.7 per cent of the provincial domestic product. To camouflage this fact, the Treasurer altered one of the bases on which he reports annual net debt position. Provincial domestic product and gross provincial product are not the same

standard. GPP is a broader indicator, taking into account indirect taxes and external investment income.

The advantage to the government of making this reporting change is made clear in the 1976 figures, the first year the switch was made. That year net debt as a percentage of GPP was eight per cent while the percentage of provincial domestic product was 9.7 per cent and therefore more than the acceptable level. According to the Smith standard of PDP, the figure this year is really 11.1 per cent.

The Treasurer is reported as saying that the Smith committee standard really is no longer relevant. If that is the case, why has the Treasurer gone to such lengths to deceive us? Sneaking in a change in the reporting base to make his miserable debt position appear better is irresponsible. And this is not the only change from generally accepted accounting principles or from historical principles—to alter the figures and alter what we are getting today.

Finally, increases in expenditure in the area of debt servicing—interest payments already accumulated as well as additional deficits this year—are alarming. Net debt has now reached 9.5 per cent of the gross provincial product and 72.1 per cent of annual revenue. Interest payments of \$1.2 billion are now taking 8.5 per cent of the budget, an increase over last year of 15.4 per cent, the largest dollar increase in the budget.

In addition to decrease the net cash requirements he took advantage of a one-time \$70 million accelerated cash flow through the payment of corporate income tax. I am not against that. That's a reasonable accounting device—it's a reasonable thing to do in the circumstances.

But let us not be deceived by his figures. Had he not flogged off the assets to the tune of \$120-\$125 million, had he not had this accelerated cash flow on corporation income taxes of \$70 million, his real net cash requirements would be some \$200 million higher than he projected. Rather than being only \$200 million off his projection in 1977, as he says, in fact he is \$400 million off that projection according to generally accepted accounting principles.

We are going to be watching this very closely and we are going to be pointing out as best we can, with as loud a voice as we can summon—

Mr. S. Smith: You have been caught, Darcy.

Mr. Peterson: —that these aren't reasonable in the circumstances.

The Treasurer's performance in other areas has been no less disappointing. Personal income tax revenues declined by \$525 million, or 21 per cent over the 1977 estimate. Corporation income tax dropped by \$119 million, or 14 per cent; mining profit taxes fell by \$70 million, or 175 per cent; retail sales tax by \$66 million, or three per cent; and the motor vehicle fuel tax by \$17 million, or 20 per cent—some terribly shoddy budgeting throughout.

There are, however, two aspects of this budget that cause me even greater distress than what I was talking about. I want to talk about those in some length. First is the increase in OHIP premiums and second is the lack of measures to deal effectively or meaningfully with any kind of permanent job creation in this province.

Mr. Speaker, I think we are going to make it by 6 o'clock so don't despair.

The OHIP rate increase of 37.5 per cent is, in our judgement, unconscionable. At a time when pay increases are being held to six per cent, how does the government expect taxpayers to cope with this increase in health insurance premiums which total 100 per cent in two years? Two years ago a single person paid \$132 per year in OHIP premiums and families paid \$264 per year. In May those figures will be exactly double—\$264 for single people and \$528 for families.

Mr. Haggerty: What does the AIB say?

Mr. Peterson: It is a regressive form of taxation, hitting those who can afford it least and who cannot afford it equally. Even the premium assistance provisions are cruelly unfair. The taxpayer earning one dollar more than the allowable assistance amount is hit by the full weight of the increase. If premiums must be raised—and the Liberal Party believes there are far better ways of dealing with the health care system that is financially out of control—they have to be increased on a progressive, graduated basis.

Mr. S. Smith: And we mean business on this one, Darcy.

Mr. Peterson: The new premiums will be more than double those in effect anywhere else in Canada. Only three other provinces use premiums or special payroll taxes to help pay health care costs. The province with the next highest premium is British Columbia, where the annual single rate is \$90 and the family rate is \$225 per year. That is 34 per cent and 43 per cent respectively of Ontario's rate. Alberta and Quebec also charge their taxpayers separately for health care coverage. The other six provinces finance their programs through general tax revenues, thus eliminating all premiums.

According to the Treasurer, premiums will now cover 34 per cent of health expenditures. In Quebec, the figure is 13 per cent; in Alberta, 10 per cent and in British Columbia, 15 per cent. However, the discrepancy between Ontario and the other provinces is far greater. The Treasurer, as usual, has manipulated the figures to serve his purposes. He has not taken into account the \$415 million paid by the government in premium assistance. If this figure is included, the portion of health costs paid by premiums is more than 46 per cent. No study or committee I am aware of in this province has ever recommended that premiums pay anywhere nearly as large a percentage.

The burden of this increase to every sector of society is awesome. The Ministry of Labour analysed 258 municipal agreements in 1977 and, of these, 234, affecting 97.6 per cent of the municipal employees under these agreements, provide for 100 per cent OHIP coverage. The impact of the increases on municipal budgets across the province will be significant. In Metro, the cost will be about \$2.5 million. Chairman Paul Godfrey noted that Metro's 1978 budget, which had called for a 5.2 per cent increase in spending, would now have to be amended to 5.5 or 5.6 per cent. The regional municipality of Niagara estimated that the increase would cost it about \$170,000; the city of St. Catharines said about \$77,000 this year.

School boards will also feel the blow. The higher premiums will cost the Metro school board another \$1.4 million annually. Board officials claim the tax increase would have been even higher, if they had not set aside \$400,000 in anticipation of possible OHIP increases. Outside of Metro, the Lincoln County Board of Education calculated increased costs of \$225,000 this year. Municipalities and school boards, already reeling under the effect of reduced transfer payments provided for under the again revised Edmonton commitment, will almost certainly now be forced to increase their property tax rates to cover this additional cost. They have been hit coming and going this year, and if they have been hit, so has the taxpayer. Hospitals, already under severe budget constraints this year, will be even harder pressed. We can anticipate staff and service cutbacks as they attempt to absorb this additional cost increase.

I had a small businessman—not exactly a small businessman, but not in big business—phone me: He said: "This OHIP increase is going to cost me about \$5,000 this year. I am probably going to have to lay off at least one person to make that up because I just

can't afford it in my costs." These are the real effects. We are talking about the effects on government and on the taxpayers, but it is going to have a real effect throughout the economy of this province because of the very high burden of payroll taxes we are putting upon the employers in this province.

The Treasurer, by way of reassuring us, says that almost three-quarters of the increase will be paid for by employers. However, employers cannot simply absorb such additional costs. There are bound to be adverse effects. A spokesman for the Canadian Manufacturers' Association, whose members employ about 800,000 workers in Ontario, said the premium increase would cost employers an extra \$122 million this year. He predicted that some companies would pass on the increase to consumers by raising the prices of their products. Others may decide it is cheaper to invest in automation than to spend the money on new workers because machines aren't paid fringe benefits, such as OHIP premiums.

Mr. S. Smith: The government is going to have to rescind it, just like the energy tax of John White.

Mr. Peterson: The self-employed will be forced to pay the entire amount themselves, in addition to the increases that will be passed on to them by the other affected sectors of society. No one benefits from this increase but the provincial Treasury. Seventy-five per cent of this year's announced tax increases will come from the OHIP boost. This will bring the revenue from OHIP premiums to a total of \$1.12 billion in fiscal 1978-79, making it the third-largest single source of budgetary revenue in Ontario, trailing only the personal income tax and retail sales tax. Even the corporate income tax will bring in fewer dollars.

The Treasurer also contends that premiums retain a visible link with the cost of services. How can this be true when three-quarters of Ontario residents have their health insurance premiums paid for by employers? Premium increases do not address the problem of cost awareness, nor do they act as a deterrent to unnecessary doctor or hospital visits. How can he even talk about this visible link when anyone can go to any doctor or take advantage of any medical service in this province, without even having to show any proof or without any calculation of how many provincial services he's consuming? It's the most ill-conceived system I can possibly imagine. Very quickly, in order to provide that visible link that the Treasurer is talking about, we must use far more acceptable and responsible methods than he has ever suggested. Cer-

tainly one of them is letting every person know how much he consumes in provincial services, and not just how much he pays. I suggest that the Treasurer's visible link provided by this mechanism will be questionable at very best.

Clearly the health care system is in need of a major examination and overhaul. Raising OHIP premiums in a non-election budget is not the answer. Last week my leader asked the Treasurer to delay implementation of the increase pending consideration of a report on alternative, cheaper and more equitable methods of financing that portion of OHIP costs currently paid by subscriber premiums.

Subsequently, my colleague the member for Renfrew North (Mr. Conway), the Liberal Health critic, petitioned that the annual report of the Ministry of Health for 1976-77 be referred to the standing committee on social development so that the current system of financing OHIP can be examined with a view to finding alternatives to the present scheme. This petition was granted.

We hope that this committee will present more equitable and just alternatives to the present health financing system. It is absolute folly for the government to persist in inflicting this iniquitous burden of sharply increased OHIP fees on the taxpayers. Another solution must be found—and must be found quickly. We have got to look at more progressive ways of financing this system. We are expecting answers from this committee and we are expecting that the government is going to act on some of these answers.

I want to turn now, if I may, to another very major area of concern; that is, the absence of job stimulation measures and, to that end, we have many proposals. The absence of job stimulation measures is another aspect of the budget which is offensive by virtue of its total disregard for the plight of some 316,000 Ontarians who are currently out of work. In January the unemployment rate in Ontario was 7.9 per cent. Forty-three per cent or 137,000 of the unemployed were young people—those under the age of 25. Equally appalling, the number of unemployed in their peak earning years (25-54) who are often the sole support of families, rose by 47,000 between November and January, to 158,000, an increase of 42 per cent over two months.

Yet for the second consecutive year the Treasurer, acknowledging that unemployment will continue at about present levels in 1978, has not brought forward even one permanent job creation proposal. Again he is abdicating responsibility to the federal

government. He passes the buck up to the feds and down to the municipalities—just as long as it doesn't rest with him. In Ottawa he and the Premier unveiled a paper, entitled Immediate Action for Job Creation, which proposed 10 measures, either calling for federal initiative or making no recommendations for implementation at all. We need leadership here in this province, and surely that's the government's responsibility.

Last year the Treasurer forecast 89,000 jobs would be created in 1977. Actual job creation figures show about 73,000—a shortfall of 16,000 against his own 1977 budget forecast and 27,000 against the famous Brampton charter. This year, having failed to introduce either meaningful job creation programs or measures to stimulate the private sector, he blithely predicts 101,000 new jobs will be created in 1978. Like most of his predictions, I'll have to see it to believe it.

To be fair, the Treasurer does address himself briefly in this budget to youth unemployment. He proposes to buy off our young people for one more summer. Of the 60,200 jobs projected for 1978, more than half are designed to last only 16 weeks. Only the Ontario Youth Employment Program has been expanded to run for 25 weeks. This means that most of the unemployed youth in Ontario, representing almost 15 per cent of the labour force in that age group, will be back on the job market in the fall and the rest will join them two months later.

While the Ontario Career Action Program functions year-round, the jobs are for only 16 weeks in most cases, though a very few are for 32 weeks, and carry no guarantee of future employment. The operation of this program came in for severe criticism in the report of Provincial Auditor for the year ended March 31, 1977. The report cited case upon case of poor administration and mismanagement which has resulted in financial waste and abuse of the program. Since the funding for this program will be increased by 33 per cent this year, we advise the government to clean up its act and heed the Auditor's recommendations so as to be able to reap the greatest possible return from this program.

The government's job programs for youth are not inexpensive. It will cost \$2,090 to create each junior ranger job; \$3,000 for each youth care for senior citizens job; and \$3,685 for each job under the regular summer replacement program.

[5:00]

Given a spending increase of \$13 million this year to generate an additional 12,700

jobs for youth, the government is already conceding that of the 700,000 students expected to be on the job market this summer, at least 100,000 won't find jobs, probably more. Last year, at the peak of the summer, there was a shortfall of 159,000 jobs for young people. The Treasurer admits in his budget that more permanent measures are needed, and he urges the federal government to find ways of providing them.

This government has abandoned a whole generation of young people. It has also written off the adult unemployed. The Treasurer is so callous that he dares to justify his failure to fight unemployment on the basis of maybe the most offensive statement I have ever seen in a budget anywhere. And I want to read this into the record because I find it absolutely incredible. This is what he said on page 4 of the Ontario budget: "In reading this staff study, one reluctantly comes to the conclusion that the taxpayers of Ontario would see only marginal returns to the provincial Treasury when government stimulates the economy through general measures. Nearly all of the budget dividends, arising from the resulting job creation, flow to federal coffers in the form of savings on unemployment insurance."

So he is saying that because the taxpayers here don't get anything back he has no obligation to create jobs. It is a discrepancy, because I have heard the Treasurer on many occasions arguing that there is only one taxpayer in this world, be it federal, municipal or provincial. Now he is differentiating between the Ontario taxpayer and the federal taxpayer—even though they are one—saying that there is no obligation for the Ontario taxpayer to help out with the unemployment insurance. I find it incredible that he would take that view. I would urge him to dramatically change his position on that and take some responsibilities.

Mr. S. Smith: It's a disgrace.

Mr. Peterson: Not only does he not create jobs; he is actively pursuing a policy that is costing Ontario jobs. A study, which we demanded the government undertake, to examine the impact of their program of retail sales tax exemption for machinery and equipment, estimates that last year and this year Ontario will lose over 10,000 jobs because of the exemption. I must point out that we supported that exemption. The rest of the country gains almost 18,000 jobs as a result. There is supposed to be a turnaround in 1981.

I can tell you, Mr. Speaker, the Liberal Party of Ontario will hope that is true, and

we will continue to support it. But I want you to recall that it was us, the Liberal Party, that insisted on that review rather than blindly take the figures that the Treasurer would seem to give in the circumstances.

The Treasurer has always contended that tax exemptions to industry create jobs. What went wrong? The answer is that the tax exemption on machinery encourages manufacturers to replace people with machines, because it costs less.

This year the loss in jobs is expected to be even greater. It is estimated that some 6,078 additional jobs will be lost in Ontario as manufacturers replace people with machines. But because of the increased productivity of Ontario industry, about 12,635 jobs will be created in the rest of the country.

We will support that, Mr. Speaker. We will be looking for some action in the very near future.

We need short and long-term solutions to this very dismal job scene today. We direct all of our efforts to the long term. We may go under before we get there. The government has abdicated its obligations to the people of Ontario for the present, in the hope that problems will resolve themselves. We need to concentrate on short-term job creation programs, and we have to that end many suggestions that I want to get into now, as well as the structural problems that I want to discuss thereafter.

For our young people, our education system and guidance facilities must be brought into line with current labour market realities. Our schools have failed to teach the skills and technology necessary to succeed in our economically-lagging province. In a recent survey by the OECA, "meeting job market needs" was selected by Ontarians as the aim of education at the elementary level by 27 per cent, at the secondary level by 45 per cent, and at the post-secondary level by 51 per cent.

We must be honest with young Ontarians about the bleak job prospects in certain areas. They must not be misled into believing that higher education guarantees higher-paying work. The traditional jobs just aren't there any more.

Why have we continued to train more and more nurses and teachers, when our obvious needs will be for geriatric care workers and environmental specialists?

To take only one example—the medical field. About 3,500 nurses graduate in Ontario each year. Even though many hospitals hire nurses on a part-time basis, unemployment in the nursing profession stands between 10 per cent and 20 per cent. Year after year, we lose

a high percentage of Canadian-trained nurses to the United States and to other parts of the world. The need for improved guidance counselling has been widely recognized by professionals for at least 10 years, as has the vital necessity of extensive and accurate manpower planning. Surely the government has the facilities and available information to project future employment needs. Students wishing to take specific courses should be made aware at the outset of their chances of obtaining a job in their chosen field. Graduation day is no time to learn that through a lack of knowledge of future job prospects one has made the wrong choice when one entered university or community college.

All students must be provided with this information before they embark upon a course. They must be made aware of the prospects of finding employment in the career of their choice. No punches can be pulled in this connection. Enrolment must be encouraged in areas where there is an identified shortage and limited in areas where there is a surplus of qualified people. Let us not forget the approximately 73 per cent of Ontario's young people who don't go to university or community college. They desperately need help to bridge the gap between school and work and to contend with the want ads that state "experience required." They need a chance to acquire skills which will enable them to earn a living in today's competitive world.

Since 1963, at about the time the Premier became Education minister, five government reports have strongly recommended expansion of alternatives to formal, institutionalized education and training. In this year's Throne Speech, the government spoke of giving the highest priority during the year to evolving a training program geared to the manpower needs of industry. After some 15 years of study—of talk—there is still no definite plan and no program. The situation cries out for more action, and all we are offered is more talk.

The existing apprenticeship program in Ontario is little known, badly organized, inconsistently funded and not broadly applicable. During the last election campaign, we in the Liberal Party came forward with a proposal for an improved and expanded program. We proposed that employers wishing to train apprentices would register with the industrial training branch of the Ministry of Colleges and Universities, which would establish and monitor standards for training programs. Applicants for apprenticeship would also be registered and directed to potential employers, who would themselves decide which applicants are acceptable for

training. This matching service would be a substantial improvement over a situation where each potential apprentice must, without assistance, seek out an employer to provide training.

During on-the-job training, the apprentice would be paid by the employer at a salary level which gradually increased towards the amount paid to fully-trained persons in the particular occupation. Each year the apprentice would return to a community college for a period of three to four weeks for classroom instruction and examinations. During this time, federal financial assistance would be available to many apprentices under the Adult Occupational Training Act.

The program would be promoted through guidance counsellors in the schools and through Canada Manpower centres. Employers would be urged to take advantage of the excellent opportunities to hire and train reliable, comparatively inexpensive and increasingly skilled apprentices. The industrial-training branch would ensure that no employer abuses the program as simply a source of cheap labour.

At the end of the training period, an apprentice would receive a certificate of apprenticeship, acknowledging that he possesses certain defined skills and knowledge. At that point, he may choose to remain with his present employer, he may seek employment elsewhere or he may even establish his own business.

As an integral part of this program, a labour market information service would be established to determine future manpower requirements as well as a vocational counselling service to ensure that young people are fully aware of their job prospects and opportunities in various occupations. How many high school students are aware that present forecasts to 1982 indicate a high demand for electricians, machinists, carpenters, plumbers and skilled workers in manufacturing?

While we believe this basic plan would meet the training needs of many occupations, we realize the special requirements of the various skilled and technological trades must be taken into account. The recent study commissioned by the Industrial Training Council concluded that "on-the-job training lacks consistency, uniformity, and standards." On-the-job training costs were found to be quite high, due partly to loss of productivity because a journeyman's time is taken up with coaching the trainee. The study also indicated a very high turnover rate. Only about 29 per cent of those who begin a training program ever become graduate journeymen.

Clearly, an intensive, longer initial period of community college classroom instruction and examinations would be a tremendous asset for many skilled occupations. Possibly, a front-end community college term of six or nine months would be appropriate, followed by on-the-job training, interspersed with annual three to four week sessions at college.

An extensive and effective apprenticeship program is not only important to meet the needs of young people in today's competitive job market, it would also help to alleviate what is fast becoming a serious shortage of skilled tradesmen and artisans in this country. This shortage has developed because many of the highly skilled immigrants who came to Canada from other countries are approaching retirement age.

Last year, a confidential study of 15,207 skilled tradesmen in Toronto, Hamilton and Guelph showed that 87 per cent were more than 40 years of age, while only 2.6 per cent were 30 to 35. It's interesting to note that 73 per cent were foreign-born and 72 per cent were foreign-trained.

If this country—if this province—is to survive and prosper, we desperately need to benefit from the talents and skills of all of our people. We cannot risk losing great numbers of Ontarians to other provinces and other countries because there are no career opportunities at home.

Our proposed apprenticeship program is one way of increasing our skilled labour force, and preventing a brain and talent drain out of the province. Increased research and development would improve our economic and manufacturing position, and at the same time provide challenging career opportunities for Canadians.

We would introduce without delay a 100 per cent tax credit for companies' investment in research and development. The government's proposal in the budget would appear to be hanging fire until the federal government makes a move. We would implement such a program immediately. However, only Canadian-controlled companies would qualify for the scheme, contrary to the Treasurer's view.

We believe we must be concerned about a branch plant economy. We believe we must develop an indigenous research and development capacity here in this province. Only research and development carried out in this country, by Canadians, will result in real benefit to Canadians.

Mr. Laughren: How do you vote federally?

Mr. Warner: He doesn't.

Mr. Peterson: We certainly don't vote NDP, I'll tell you that.

Mr. Laughren: That wasn't an answer—

Mr. Peterson: Provision of R and D support to branch plant companies usually results in the export of the end product of the technological innovation to the parent firm.

If the Treasurer is not going to use Ontario funds for health care and other things, why don't we put a percentage of them into research? That's compatible with health research plans and everything else. We need to beef up, in terms of grants through the Ontario Research Foundation—

Mr. Cassidy: There you go gambling with our industrial future.

Mr. Peterson:—and that's a meaningful and important place. There is that mechanism in place whereby we could start operating immediately. We must have the courage and the imagination to identify these areas, and to encourage research and development. Ontario and Canada are far behind other jurisdictions in this field.

Mrs. Campbell: You'd better wait until he comes back. He's gone out to find more answers.

Mr. Haggerty: He's gone out to borrow more money.

Mr. Peterson: With the surplus of bright young minds in Ontario we have a tremendous opportunity to pioneer in new areas of manufacturing and economic activity, in the development of renewable energy, waste management techniques and environmental protection.

We are all well aware that the days of cheap energy are over. At this time of high unemployment, we have a unique opportunity to combine an effective job creation program with energy conservation measures, which are very important in view of the rapidly escalating energy prices and possible future energy shortages.

Some more of our job creation suggestions: We would institute compulsory insulation standards for all new buildings, residential and commercial, combined with a comprehensive program of thermal upgrade, retrofitting and insulation for all existing structures—certainly retrofitting of all public buildings.

These energy conservation measures would create many job opportunities. This work is highly labour-intensive. The technology is available; the side-benefits in fuel saving are enormous and would, on their own merit, make implementation of these proposals well worthwhile.

Incidentally, to encourage public acceptance of such a plan, we would amend the Assessment Act to ensure that no property tax increases would result from energy conservation alterations to buildings, be they residential or commercial.

To further stimulate job creation in the construction industry we would invest pension funds in the private sector. We talked about that earlier. This would lead to increased residential construction, creating construction jobs and employment in industries which serve the construction industry.

In order to encourage further investment and development, we would reduce red tape and planning delays. We would curtail the power of the Ontario Municipal Board to review zoning bylaw decisions of municipalities with demonstrated planning capability.

This party has advanced for some time, and will continue to advance, the cause of Ontario's small business. That provides a tremendous opportunity to strengthen our economy and to increase job opportunities.

In pursuit of a viable "buy Canadian" policy, we would, as stated earlier in our policy paper *New Directions for Small Business*, set a target of 40 per cent of government contracts and subcontracts to be awarded to small business within a three-year period. The most effective way to help small business is through our purchasing power—to buy from them. That's what they want. That's far more effective than any other device we can employ. We have that mechanism in place, through my associate's bill, and we look forward to that bill becoming law in this province.

Mr. S. Smith: Darcy's committed only to big business.

Mr. Peterson: Needless to say, we would endeavour to follow a "buy Canadian" policy right across the board for all government purchases as much as possible.
[5:15]

Finally, in the last election and innumerable times since, our party has proposed the creation of much-needed jobs by paying 20 per cent of the salary for each additional worker hired by a small business. We would do this up to a net gain in previously unemployed people of 10 persons per firm for a three-year period for salaries up to \$10,000 per year.

Mr. Eakins: Common sense.

Mr. Peterson: With some 316,000 Ontarians out of work, with our manufacturing industry in a state of critical decline, with our huge trade deficit and our dismal record in research and development, we believe it is time

for government to start to pay attention to the backbone of our economy—to the small businessman.

Small businesses are more labour-intensive than larger operations and can create more jobs more cheaply and more quickly. They are our best hope in our fight against rising unemployment. Small businesses, because they are less closely tied to international market forces, have a better chance of counteracting the effect of world-wide recession. They can, for instance, improve our balance of trade position by substituting Canadian-made products for imports.

Small businesses are generally more energy efficient than large capital-intensive firms. And this is crucial at a time when we must learn to conserve our energy supply, and increase our efficiency.

Inevitably, energy price—and, in fact, energy supplies—are going to have a major impact on the future of this economy, and country, domestically and in the international arena. Rising costs are making large, highly-automated capital and energy-intensive centralized enterprises less viable. This country's future economic development, the standard of living of all Canadians, will depend to a large extent on our ability to become more self-reliant and conservationist.

New technology, such as solar heat, lends itself to small operations and small-scale equipment, with a considerable potential for export to other countries, particularly developing nations.

Small businesses provide much more fertile grounds for innovative research and development in the often shifting environments of government and large corporations where risk taking is often overcome by inertia. Yet government policies generally leave small businessmen at a serious competitive disadvantage. Fast write-offs in equipment and machinery, for instance, tip the economic scales in favour of capital-intensive big business, and the whole system of payroll taxes—contribution to workmen's compensation, and unemployment insurance, Canada Pension Plan, and, yes, OHIP—also hits hardest at the labour-intensive small business.

In order to enable small business to continue and to expand its role in the economy, government must provide assistance through incentives and programs specifically designed to ameliorate the problems facing this sector. Such action is long overdue. We have the answers to that question. We are desperately hoping that this Legislature will follow our lead. The time has come when we must make a definite and a firm political commitment to such a small business policy.

We are looking forward to the clause by clause debate of that bill early this session. In that bill, we attempt to redress some of the ills that we have in the society. We will be prepared to amend that bill to redress some criticisms shown against that bill. The bill, as I mentioned earlier, establishes a target of 40 per cent of government purchases, contracts or subcontracts to be placed with small businesses which are defined as independently-owned or operated and not dominant in the field.

At present, the government does not even know how much of its business goes to these firms because they group them together with branch plants operating in Canada.

Also, the bill establishes a small business subcontracting program to ensure that small businesses are considered fairly as suppliers and subcontractors to recipients of large government contracts. Any firm awarded a government contract of over \$500,000 would designate a small-business liaison officer for this purpose. The bill provides that a small business liaison officer may already be a member of the firm and most firms would not likely employ an additional person for this purpose, although we did not want to interfere with any firm that may decide to do so.

The bill establishes a small business committee of the Legislature to review and report on all aspects of small business activity warranting legislative action. This committee would, of course, receive commissions from interested businessmen and others. The bill empowers the ministry to encourage small businesses to form co-operatives for the provision of central services or the purpose of jointly obtaining raw materials, equipment inventories, supplies or benefits of research and development or to undertake and use applied research.

Very importantly, the bill gives preference to Canadian-owned and managed business in the allocation of research grants and loans by the government, and requires the minister to assist small business to obtain government contracts for research and development.

There are two aspects of the bill that have been particularly controversial. I was going to discuss these today but the time is running a little tighter than I would like it to and I'll probably have to leave them out. But when that bill does come to committee, I am sure that our member, the fine member for Victoria-Haliburton, will have many ideas on how to amend this bill to improve it and to answer some of the objections that have been expressed.

I just want to say one thing: The new minister has taken very strong objection to

this bill, saying it will involve a very large bureaucracy and it's going to take a great deal of time in handling this. We can tell from the American experience that this is not the case. It has been operational there for 25 years; it has been successful and it is running well. Surely there's enough experience there that the minister shouldn't be so hesitant; he should stretch a little bit and use his imagination and creativity to make this a workable proposition in this province.

Mr. Speaker, I appreciate the opportunity that I have had to point out some of our specific job creation mechanisms, both for the short term and for the long term—some of them hitting the structural problems and some of them to create work tomorrow—because it is our view that this has got to be a high-priority objective. Sadly, it has been neglected by this government.

Mr. Bradley: All of them beneficial.

Mr. Peterson: I have two more areas that I want to deal with, and I'll try to be considerate of the members; they've been sitting here a long time—the ones that are here. I want to talk about structural problems. I want to talk about things that we think need to be done immediately.

It is interesting that in all the banter and exchanges we have had with the Premier over the last week since the budget, he has kept saying, "We'll be interested in your solutions; we'll be interested in your ideas about how to handle some of these problems." Mr. Speaker, as specifically as we can do, we have presented some of those ideas here.

As I said earlier, energy is an area that concerns us a great deal. We think we can make major inroads into assisting job creation and building a better economy in this province if we attack this problem squarely on the nose. The critical factor in determining the future course of Ontario's economy is the supply of energy.

Traditionally, energy consumption in Ontario has accounted for about 30 per cent of all the Canadian consumption. Canada, incidentally, now uses more energy per capita than any other country in the world: 350 million Btu, compared with 145 Btu in Europe and 335 Btu in the United States.

A full 80 per cent of the province's energy is imported. Provincial oil production meets less than one per cent of our requirements. Almost all our oil and more than 90 per cent of our natural gas come from western Canada. Most of our coal comes from the eastern United States.

For 1977, out-of-province energy costs have been estimated at \$3.9 billion—that's

\$3.9 billion directly transferred from the Ontario economy to the United States and western Canada to create jobs there. All of this increases our cost of living here. We must move to rectify that very large number.

Ontario's total provincial expenditure on energy in 1976 was about \$7.5 billion; divided by sector, that figure breaks down this way: transportation, \$2.9 billion residential, \$1.3 billion; commercial, \$1.1 billion; industrial \$1.9 billion; losses and own use, \$0.3 billion.

The government has estimated that oil and gas price increases in 1975 had a substantial effect on Ontario's economy: A \$1.50 increase in oil prices raised the consumer price index for Canada by 2.3 per cent on a full-year basis, and a \$1 increase in the price of a barrel of crude oil reduced gross provincial product by \$100 million in 1961 constant dollars. Every \$1 increase in the wellhead price of oil, along with respective increases for natural gas, means \$450 million flows out of Ontario per year.

Energy price increases have had a significant effect on economic growth in Canada and other industrialized countries. For example, in 1974 it's estimated oil price increases accelerated inflation by 3.5 per cent; a further 4.4 per cent inflation occurred as a result of 1974 price changes being delayed into 1975 and 1975 price changes. Indications are that in the long run, when energy costs double, there is a five per cent increase in the cost of manufacturing output in Canada and only a three per cent increase in the United States.

The days of low-cost energy are fast disappearing. By the mid- to late 1980s there probably will be a constraint, either physical or political, on the world's crude oil supplies. Prices will be forced upward; our economy will once again be jeopardized. The major oil companies estimate that oil will come off the tar sands—out of the Syncrude project—at about \$20 a barrel. At present, the price per barrel of oil in Canada is about \$11.75. World price is about \$15.10 Canadian. Let's not forget that due to OPEC control of a large percentage of world oil production overnight shortages could occur and could be deliberately created.

There is no question that Ontario will face serious energy supply problems within the next decade. Last year the Ontario Economic Council stated that movement of domestic energy prices toward world prices would stimulate domestic supplies, encourage conservation and the development of new technologies. The council warned that if these

technologies are not forthcoming, increased reliance on imported energy would lead to further depreciation of the Canadian dollar and higher energy prices in Canada. We were also warned that policies designed to prevent adjustments to the higher energy price would create distortions elsewhere in the economic system.

The Premier takes great delight in running around this province. I remember in the last campaign he was in the great riding of London Centre with the defeated Tory candidate saying that the Liberals are advocating putting the price up to the world price. "If the price of your heating oil and gasoline goes up, you can blame David Peterson, your provincial member," he said. That is so much nonsense it's incredible. The Premier would rather bury his head in the sand and deny these things are going to happen. We don't favour an increase in the price any more than anyone else does, but we must understand the inevitable, and it's going to come. It's our very strong view that we must take a defensive strategy, being as we are high consumers and being that we have very little indigenous resource here.

Mr. Cassidy: It's like the Liberals opposing wage and price controls in 1974.

Mr. Peterson: We need a very strong defensive strategy based on conservation and based on renewal. Does the leader of the NDP have something to say?

Mr. Cassidy: That's like the Liberals opposing wage and price controls in 1974.

Mr. Peterson: That wasn't a very high-calibre interjection.

We could reduce our problems to a great extent by cutting back on our energy consumption. It has been estimated that one megawatt of electricity can be insulated for half the capital cost of generating one megawatt. Each year the energy bill for government buildings in Ontario is estimated at over \$200 million. This could be substantially reduced. A 20 per cent saving in the residential sector would save some \$260 million. A recent study of the Department of Energy, Mines and Resources indicates that a primary energy demand growth rate of two per cent a year is clearly attainable, if extensive conservation measures are implemented. Historically, Ontario's annual growth rate in energy consumption has been five per cent. Reducing this to two per cent would mean a saving of approximately \$900 million a year by 1980.

In 1975, four industries—pulp and paper, industrial chemicals, smelting and refining, and iron and steel mills—consumed 43.6 per cent by value of energy used in Ontario

manufacturing. That year the manufacturing sector, which employs 923,000 people, used in excess of \$791 million in energy, an average of about \$860 per employee. That year, by comparison, the cost of energy consumed in pulp and paper mills averaged out to approximately \$3,958 per employee. To demonstrate the effectiveness of energy conservation, according to the office of energy conservation, some Scandinavian pulp and paper producers operate on zero net energy through efficient production techniques and by making their own energy—by burning bark and chips, for example.

We in the Liberal Party have recommended a comprehensive compulsory set of standards to ensure these kinds of things. We want compulsory insulation standards for all new buildings, residential or commercial, thermal upgrading, retrofitting and insulation of all existing structures. If we brought our existing housing stock up to 1975 federal standards, we could save 36 per cent of our residential heating bill or the equivalent of 824 million gallons of oil, which would mean well over \$400 million annually. That would cover OHIP premiums right there and the Treasurer wouldn't have to worry.

Another major factor in the solution of our energy problems is development of renewable energy sources, such as energy production from industrial and renewable waste, biomass production, solar energy and methanol. Conservation and the development of renewable energy sources are opposite paths from the development of conventional energy sources with an expanded nuclear component. Unfortunately, neither the federal nor provincial government has seen fit to acknowledge the urgent necessity of choosing these alternatives as opposed to the conventional and less realistic approach.

[5:30]

Ontario's commitment to renewables and conservation is totally inadequate. For 1977-78 it is roughly \$5.15 million. The provincial office for energy conservation has a base budget of \$4.3 million. It's not a very substantial sum, given the size of the province.

Last year the government of Ontario scrapped its low-interest loan program for home insulation and its policy paper, Ontario's Energy Future, does not accord high priority to conservation or renewable energy sources. The paper anticipates that only two per cent of energy requirements will be met by renewables by the year 2000. The United States, by comparison, has set a goal of 25 per cent of input from renewable resources by that date.

Even a conservative figure of, say, six per cent of Ontario's energy needs being supplied from renewables by the year 2000 would save us some 60 million barrels of oil. Based upon the predicted price for next year of \$14 per barrel, this would mean a saving of \$840 million. I have to use these numbers to show that there are profound economic advantages to our province's taxpayers by instituting this kind of program immediately.

Last December, the former Minister of Energy told this House that the budget for renewables in 1978-79 would be \$4.4 million. In fact, it is only \$2.4 million, approximately the same amount spent by the Ministry of Government Services last year on long-distance phone calls. Long lead times are required for development of new sources. The government's present allocation of funds would not even permit development of alternative energy sources sufficient to supply two per cent by the year 2000.

No doubt this totally inadequate budget reflects the extent of the government's commitment to renewable energy source development. Compare this pathetic commitment with the estimate of \$180 billion of new energy investment required in Canada by 1990, equivalent to 5.2 per cent of the gross national product, as opposed to 4.5 per cent at the present.

We are all aware that the high unemployment threatens the stability of our province. Greatly increased efforts in conservation and renewables would minimize Canada's and Ontario's reliance on oil imports and slow down the demand for capital for high technology energy development, whether for new oil and gas supplies or nuclear power. This would free resources for other capital projects, for creating more jobs and for providing more economic opportunities.

US figures indicate that solar technology will provide about 2.5 times more jobs per unit of energy than nuclear. The Science Council of Canada estimates that sales of \$50,000 in renewable energy technology equipment results in one person-year of employment. By comparison, the investment in the petroleum industry per employee is about \$108,000. Moreover, conventional energy sources involve placing our energy production in the hands of fewer and fewer people.

One of the most important economic benefits to be derived from immediate implementation of a conserver-renewable source energy strategy is that the investment required can be channelled into jobs that will be created here and into products that can be manufactured here in Ontario. As the

Science Council has stated, "A conserver approach will lead to the introduction of new technologies, new opportunities for Canadian business, and unprecedented challenges to the entrepreneurial spirit."

The greatly increased employment opportunities created by a conserver-renewable source energy program will help to offset the negative effects of rising oil prices in this connection. The government has not developed a program which produced any significant results. The Ministry of Treasury, Economics and Intergovernmental Affairs has estimated that as a result of the price changes that year, Ontario lost 22,000 jobs in 1974, 16,000 jobs were lost in 1975 as a carryover, and 19,000 jobs were lost as a result of 1975 price increases.

We have a number of specific recommendations to make on this question of energy conservation. My colleague, the great member for Halton-Burlington, has talked about some of these things. I think it's important that we give these suggestions to the government at this time for their consideration, because I can assure you, Mr. Speaker, we would enact all of them very quickly if we were the government:

1. The institution of compulsory insulation standards for all buildings.

2. All energy consuming devices, including houses in this province, would be energy efficiency rated.

3. The production of low-grade heat by the use of electricity to be targeted to off-peak hours through incentive pricing. If there is sufficient demand, we know we can reduce demand on this system by at least 20 per cent.

4. The hydraulic division of Ontario Hydro to be moved into the conservation program and Ontario Hydro to be directed to appropriate sufficient funds to develop the remaining hydraulic pump and power storage facilities in Ontario in keeping with proper environmental concerns and the government encourage the private sector to develop those sites which are of no interest to Ontario Hydro.

5. The energy pricing structure to be changed to promote conservation and to more truthfully reflect the cost and the "lifeline concept" for electrical pricing to be adopted in Ontario. The lifeline concept is a reasonable fixed price for basic family electricity needs. Hydro rates are increasing so rapidly that senior citizens and people on fixed incomes will soon be unable to afford electricity for even essential purposes. A basic minimum allotment would be established for

all residential customers. For those who use little electricity, hydro bills would be low. For people who use more than a minimum, they would pay progressively more as consumption rises.

Mr. Wildman: That's a good idea.

Mr. Peterson: 6. The government should subsidize co-generation units by industry to the extent of cost savings realized through the reduced need for transmission lines.

Mr. Speaker, I just got a very rude note from my colleagues here. "We'll stick it out to 6 o'clock, if you buy us dinner"; signed by an unattractive number of my colleagues. Mr. Speaker, would you be so kind as to lock all the doors of this House right now? I don't want anybody weaseling out at the last minute.

Hon. Mr. Parrott: We'll take up a collection if you'll stop now.

Mr. Nixon: Listen, you'll learn something, Harry.

Mr. Peterson: Suggestion 7. The government should make a major commitment to renewable energy source development.

8. All Ontario Hydro's future thermal expansion should be tied to the utilization of cooling water.

9. The Ministry of Energy and the Ministry of the Environment to combine to facilitate the construction of energy-producing units from combustible garbage—that might even include some of the cabinet members over there who are making a fuss.

10. Cutting rights agreements for wood fuel should be developed by the Ministry of Natural Resources in order to convert those species and qualities of trees considered undesirable for other forms of processing into usable products. These rights may apply to those areas where timber cutting rights are currently held and where timber has previously been cut, and be allocated to individuals on as highly dispersed a scale as possible, recognizing that good management in the forests is better served by the cleanup of undesirable species.

11. The government to study immediately the use of wood distillation for the operation of remote generating facilities currently operated by diesel power, and the application of such direct installation for other internal combustion use.

12. Tax exemptions for energy conservation to extend to all forms of heat reclaimers, chimneys and any renewable methods of producing energy.

13. Insulation of renewable energy equipment such as solar panels or insulating ma-

terials should not increase the tax assessment of a property.

14. That various incentives for energy conservation of renewable energy generation for homes, farms and businesses be found, such as tax credits and low-interest loans.

15. Careful study having been given to the use of methanol for fuels for auto transportation, the government should construct a pilot methanol production plant, using biodegradable waste—such as government reports and some of the budgets that it has produced in the past.

Those are just some suggestions; there are so many more. We have talked about them at great length and we will continue to talk about them. I just want to make this point: Apart from the ethics involved, apart from the fact that this is the way the world is going to have to go, and particularly Ontario, there is a more important point that may appeal to the Treasurer's crass nature; we will actually save money.

In the long run it will be to Ontario's benefit. We will actually create more jobs. It is in our financial self-interest, apart from anything else, to do these things. I would urge him, in his great strength in the cabinet, with his great sense of charity, with his great leadership, to use his good offices to provide that kind of thing; because when he has the numbers, he will understand that it is in his interest. I am hopeful today that through the sheer power of my oratory I have been able to convince him to embark on some of these kinds of programs.

I have a little more here I would like to mention, although we are running out of time. Do I hear from my colleagues that they want to hear a lot more?

Mr. Nixon: Hear, hear; give them the full load.

Mr. Peterson: As you can see, Mr. Speaker, we have been trying to be positive and constructive today, and to lay out some of our specific suggestions to some of the structural problems facing this provincial economy. I want to talk about industrial policy or industrial strategy or some kind of vision, some kind of place that we have got to start moving the Ontario economy, in our judgement, immediately. I want to just take the last few minutes to give this House the outline of that particular strategy.

The Science Council of Canada has suggested we are now witnessing sluggish industrial development, perhaps even a de-industrialization of Canadian society. How did this happen, where did we go wrong?

Mr. Wildman: Did you say sluggish industrial development?

Mr. Peterson: The answer lies in the history of Canadian industry, its development in this century, its desire for and dependence upon foreign investment. Canadians encouraged foreign investment, and it served to facilitate and quicken the growth of the Canadian economy in the early decades of Confederation.

Until the First World War, British portfolio investment predominated. However, since the 1920s American investment—initially portfolio and then direct—increased and replaced British investment in Canada. This development is significant, because while portfolio investment implies ownership, usually through the buying of shares or bonds, but not control, direct investment invariably leads to both ownership and control.

Today 57 per cent of Canadian manufacturing is under foreign control. The latest data available for Ontario from Statistics Canada shows that 61 per cent of the province's manufacturing sector was foreign-controlled in 1972. All indications are that the current figures would be worse not better.

Much of this control is in the hands of American multi-national corporations through branch plants established in Canada in order to overcome the tariff barrier to goods entering this country. Designed to serve the domestic market, they frequently discourage the emergence of Canadian-owned firms in the same industry.

The essential problem of a branch plant economy such as ours is that we cannot control it, and the economic objectives of the multi-national corporation seldom coincide with those of Ontario or the rest of Canada. As the report of the task force on the structure of Canadian industry in 1968 found: "A parent firm may expect its subsidiary to behave in such a way as to maximize the global profits of the multi-national enterprise rather than the profits of the subsidiary itself. The interest of the host country, however, is in maximizing the efficient growth of the subsidiary."

This concern of the parent firm may, for example, require a normally financially successful subsidiary to show a loss for a number of years, permitting the parent to be the locus of profit accumulation. Since transactions between parent and subsidiary occur within the firm, rather than within the marketplace, intercompany prices and profits are open to considerable manipulation by the parent firm. Profits may be expatriated, and their tax benefit lost to this country. The

effect of a branch plant economy on the structure of domestic industry is by now well established—too many firms producing too many product lines at high unit cost.

Mr. Wildman: Are you against the branch plant economy?

Mr. Peterson: However, foreign multi-national corporations are not interested in development of Canadian world markets or in making the Canadian economy more efficient and globally competitive. This would be a direct contradiction of the purpose for which a branch plant was established in the first place.

Mr. Wildman: At the behest of the federal Liberal government.

Mr. Peterson: Above all, a branch plant economy inherently entails low levels of research and development undertaken by subsidiaries in Ontario. Canada spends far less on R and D and is far more dependent on foreign sources than most countries in the western world.

Mr. Wildman: It's a federal Liberal policy.

Mr. Peterson: As a result, our economy grows slowly these days and does not develop. In 1973, Canadian spending on R and D equalled only one per cent of gross national product, ranking 14th on a list compiled by the OECD. The United States, the United Kingdom and West Germany ranked at the top with 2.4 per cent, 2.1 per cent and two per cent respectively, while only Ireland and New Zealand ranked below Canada.

Largely as a consequence of this low level of spending, entrepreneurial skill and expertise are inhibited. For the multi-national, it is more economical to develop technology at home, exporting know-how and professional managers to its Ontario subsidiary. This may initially appear to have some advantages for us in terms of receiving a ready-made package and, therefore, not needing to invest in such development ourselves.

Mr. Wildman: Would that you would speak to your federal counterparts.

Mr. Peterson: However, in the long run this process serves to increase our dependence. Why are you yapping so much back there?

Mr. Martel: It is your party that brought it in.

Mr. Peterson: It hinders our ability to initiate future independent research and development, for we have neither the base nor the expertise to build on. Because technology is supplied directly to the subsidiary,

we may ultimately receive no usable benefit at all. Further, the subsidiary often receives only a part of the total production package, thus increasing its dependency. Frequently, the package is old or mature technology because technology sales to subsidiaries tend to occur in the late growth or mature phases of the production life cycle. Technology received when it is mature is often deprived of the skill-intensive stages of product and process development.

Industrial R and D in Canada has been largely marginal and applied, rather than innovative or basic work. This has wide repercussions for our international position. As the report of the task force on the structure of Canadian industry observed: "Power accrues to nations capable of technological leadership, and technological change is an important source of economic growth." The lack of indigenous, innovative industrial research and technological development in this country, and especially this province, has placed us at a distinct disadvantage in terms of global competition.

Another consequence of the small amount of R and D done here has been the emigration to the United States of Canadian-born, Canadian-trained scientists and engineers. This is a circular problem—a vicious circle. Lack of ongoing research work eventually compels Canadians to seek better opportunities elsewhere, yet we need these experts to rectify the problem.

Ontario's industrial structure must be strengthened and time is of the essence. We do not believe that nationalization or buying out foreign-controlled manufacturing enterprises are viable solutions. Independent, Canadian-owned and controlled companies must be encouraged, developed and supported with the full extent and power available to government. Our policy paper on small business suggests many mechanisms. Government leadership and assistance are crucial in the context of cohesive industrial strategy. We do not have the resources to waste. John Shepherd, executive director of the Science Council of Canada, has pointed out the difficulties which will result from uncoordinated or inadequate planning.

[5:45]

In the boom years of the 1960s, government-sponsored R and D programs were developed with little regard for existing industrial capacities or potential markets. Even in that golden decade, we steadily lost market positions at home and abroad. "In this context there seems to have been little appreciation of the relationship between technology and the entrepreneurial function, or

between innovation and the industrial structure, or between the entrepreneur and the business environment.”

By the end of the 1960s government, sceptical about the payoff for R and D, reduced its expenditures. Industry reacted to market uncertainties and to the curtailment of government support by cutting back its own R and D spending. The resultant loss in potential development is tragic. A co-ordinated, comprehensive strategy must be developed in consultation with the private sector and put in place immediately. The components must be clear; the sector and their potential must be identified. Ideally, we need several years' lead-time before initiating any moves to free trade as a result of the GATT negotiations. This is unlikely. We must, therefore, do as much as we can as quickly as we can.

The Liberal Party has long called for a clear and comprehensive industrial strategy for the province of Ontario. Regrettably, this government's performance at the first ministers' conference in Ottawa, and its Throne Speech, amount to an abdication of responsibility for such long-term planning to the national level. The federal government, in its turn, seems content to rely on internally produced selected sector profiles which are more descriptive than prescriptive, and do not provide a comprehensive context or strategy. We believe a national industrial policy is long overdue. Time is running out, and we cannot risk further delays. We are prepared to address ourselves to these issues.

The emphasis of an industrial strategy for Ontario must be on the manufacturing sector. However, we realize the important inter-relationship between this sector and the resource and service sectors. These very connections stress the crucial role of manufacturing. In recent years the secondary manufacturing sector in Ontario has declined rapidly; and as it goes, so goes the capacity to add value in our resource industries and viability to our service sector where one and a half jobs are lost for each manufacturing job that disappears.

According to John Shepherd, 450,000 manufacturing jobs were lost to the Canadian economy between 1970 and 1977. Without a well-developed manufacturing sector, the service sector will not mature and will thus be deficient in the quantity and quality of its work it is able to offer.

Many of the services provided by the service sector are directly or indirectly provided to the manufacturing and resource sectors. If Canadian manufacturing is allowed to become insignificant, the prospects for a healthy service sector are slight.

In the past we have relied heavily on our resources as the basic strength of the provincial economy. We can no longer afford to do so. Canada and Ontario are becoming resource-deficient, particularly in the area of energy. The layoffs at Inco and Falconbridge have shown clearly the danger of reliance on our resource sector to the exclusion of the manufacturing and service sectors. We must have a more diversified economy.

It is noteworthy that \$1 worth of resource products typically embodies 6.5 cents worth of wages, while \$1 worth of manufacturing goods generates 20 to 35 cents in wages. Therefore, by following a policy of over-emphasizing resource exports, for every job created by resource exports, the Canadian economy may lose the potential for anywhere from two to five jobs in the manufacturing sector.

Mr. S. Smith: Very sobering thoughts.

Mr. Wildman: Talk to Jack Horner.

Mr. Peterson: The interconnections are evident as is the importance of secondary manufacturing as the focal point. A study by the federal Department of Industry, Trade and Commerce points out: "The importance of the manufacturing sector is highlighted in that it purchases over one-third of the primary products as inputs, over one-half of manufactured products, three-quarters of repair construction, 15 per cent of utilities and more than 16 per cent of services." Another study demonstrated that 60 per cent of service industry output went to consumer demand. Incomes generated in the goods-producing sector play a major role in stimulating consumer demands for these services.

Mr. S. Smith: If there is one word we need in our industrial strategy, it is "manufacturing."

Mr. Wildman: Talk to Jack Horner.

Mr. Peterson: Some 923,000 people, or 25 per cent of the Ontario work force, are directly employed in manufacturing which contributes 29 per cent to the provincial domestic product. Fifty-one per cent of the national sales take place in Ontario. The importance of the sector to the health of the Ontario economy is obvious, as are the reasons for its precipitous decline. There was a loss of 27,000 jobs in manufacturing in Ontario between 1974 and 1976, and officials of the provincial Ministry of Treasury, Economics and Intergovernmental Affairs forecast a continuing decline in the share of employment derived from this sector.

What is needed now, what has been lacking in this area, as in so many others, is govern-

ment leadership. And I am sure you would agree with me on that, Mr. Speaker. It is not enough for the government to say that it is up to the private sector. The government must create a climate of confidence. More important, in consultation with business and labour groups, it must clearly chart out the course it wishes the economy to follow and actively support that course with all the resources at its disposal. The time for drifting is long past.

Mr. S. Smith: Yes, indeed.

Mr. Peterson: The primary objective of industrial strategy must be job creation; decent jobs providing a reasonable standard of living and leaving some kind of environment for our young people today and for the generation that follows.

In January of this year there were 316,000 unemployed persons in the province of Ontario, a rate of 7.9 per cent. In 1977, 282,000 more people were in the labour force than there were jobs available. This situation can only be expected to worsen when about 200,000 young people are entering the labour force every year until a peak of about 214,000 is reached in 1981.

A strong, innovative manufacturing sector provides for a whole range of jobs, from highly-skilled technicians, engineers, scientists and craftsmen, through white-collar professionals to semi-skilled and unskilled workers.

Second, an industrial strategy must promote an indigenous research and development capability. Its seminal role was recognized in the 1976 International Economic Report of the President of the United States in which he said: "Technological innovation is the primary determinant of economic growth and competitiveness." To remain internationally competitive in a world that has undergone dramatic structural shifts and changes in the post World War II period—with competition between the industrialized nations of the west intensifying at unprecedented rates and with rapidly industrializing Third World countries entering the fray—technological innovation is the only answer.

Mr. S. Smith: That's right. Manufacturing and technological innovation.

Mr. Peterson: It is the only payoff.

Mr. S. Smith: That's the answer.

Mr. Peterson: Technological change today is concentrated in the secondary manufacturing sector.

Mr. S. Smith: I hope the Minister of Industry and Tourism (Mr. Rhodes) is listening to that.

An hon. member: He's reading the comics.

Hon. Mr. Rhodes: You're right. It's coverage of your convention.

Mr. Peterson: It is fast becoming our only advantage vis-à-vis the very inexpensive labour supply of the Third World countries. However, as I said earlier, it is an advantage not readily available to Canada. It will be difficult for Ontarians to become technological innovators on an international scale. It is to a great extent a new game for us. It is, however, imperative for us to achieve this objective.

Mr. S. Smith: The Treasurer is beyond redemption but the Minister of Industry and Tourism should listen.

Mr. Peterson: I'm glad the Minister of Industry and Tourism is here today because he is quite new in his portfolio and I have actually had a couple of months more experience—

Mr. S. Smith: He still has a chance to learn; the Treasurer is beyond redemption.

Hon. Mr. Rhodes: Don't get mean fellows. I am trying to be sweet and lovable, but I can change.

Mr. Peterson: The impact of technology on industrial performance is clearly demonstrated in a comparative analysis of US technology-intensive manufacturing industry versus all other manufacturing, undertaken by Michael Boretsky of the US Chamber of Commerce. He found that technology-intensive industries experienced—and it is very important to understand this—45 per cent faster growth in output, 88 per cent higher growth in employment, 38 per cent greater growth in productivity and 49 per cent higher growth in exports.

Mr. S. Smith: John Rhodes is the velvet hand in the iron glove.

Mr. Peterson: Similarly, American economist E. F. Denison has estimated that technology accounted for 45 per cent of US economic growth from 1929 to 1969.

More recently, at a Financial Post conference on research and development, Dr. Thomas Vanderslice, senior economist US General Electric Co., released the findings of a study commissioned by his company to gauge the impact of R and D on the economy. The key findings were—

Hon. Mr. Rhodes: I don't know whether this is a speech or a chant.

Mr. Peterson: 1. High-technology industries grew nearly three times as quickly as low-technology industries; 2. Productivity in high technology was twice that of the low; 3. High-technology industries were more inflation resistant; and 4. Employment in high-technology industries in the US has been

growing almost nine times as fast as the low-technology industries.

Mr. S. Smith: Manufacturing, technological innovations research and small business; that is the answer. But you don't even know the question.

Mr. Peterson: According to Vanderslice: "The same kind of favourable ratios prevail in terms of international trade. The positive contribution of high technology products is up to a plus of over \$25 billion a year."

Mr. Wildman: We all agree.

Mr. Peterson: "By contrast, the US trade balance in products of low technical content is down from a breakeven in 1960 to a \$16 billion deficit."

Mr. Nixon: Shame.

Mr. Peterson: The Ontario government must lead the way to technological growth by putting personnel as well as financial resources and incentives at the disposal of the private sector. Government must also assist in making choices. We cannot compete in everything. Together with the private sector, we must pick areas in which to concentrate our efforts.

Third—and I am drawing close to the end—an industrial strategy must generate and support indigenous entrepreneurial and managerial talent. This objective is linked to the research and development goal. Technological change takes two forms: The design of new or improved products; or the development of processes to increase productive efficiency. In both cases, the impetus to change usually comes from the entrepreneur—the person who has the ideas, is willing to take risks, both financial and personal, and has the managerial ability to see the project through.

Entrepreneurs are crucial to the survival and growth of small business, and an intrinsic part of the makeup of small and medium-size enterprises. Two separate studies commissioned by the United States Department of Commerce found that: 1. Out of 61 important innovations and inventions selected randomly from all possible choices during this century, more than half were the work of independent inventors and/or small firms; 2. of major inventions from the decade 1946-55, more than two-thirds were the results of work by independent inventors and small companies.

Ontario does not have a thriving entrepreneurial class, and we must develop one. The Liberal Party outlined the steps necessary to foster the growth of entrepreneurial skills in our policy paper *New Directions*

for Small Business and our bill; we think that is one of the answers to this very difficult question. Small businesses are very crucial in that that they are labour-intensive. The small business sector employs between 50 and 60 per cent of all working Canadians.

The final objective of our industrial strategy is to support rationalization in selected areas. In some instances mergers are the most appropriate mechanism. We believe that a healthy economy should consist of a mix of small, medium and large firms, since each enterprise has a different optimal size in terms of efficiency and effectiveness depending on its product and the market it serves.

These, then, are the goals of an industrial strategy for Ontario. They provide a framework within which a strong manufacturing sector, with a capacity to compete internationally can be developed in Ontario. It is not a question of choice, it is a question of economic necessity. I would say to the Treasurer, don't be staggered by the size of the task, he must start immediately.

Members will all be happy to know that brings me very close to the end. I thank you for the opportunity of participating in the debate. We have tried to be constructive. Since I have been elected to this House, the party under the leadership of the member for Hamilton South and the member for Brant-Oxford-Norfolk has always tried to be constructive and provide a plausible and possible alternative. We are not in the habit of introducing spurious motions of no-confidence; we aren't in the habit of blocking first reading of various pieces of legislation just to get a little free press; that isn't our style.

Mr. O'Neil: Tell him how it is.

Mr. Peterson: We consider ourselves the alternative government. Frankly, we have no competition for that particular role, I hasten to add. That is why we are not, at this time, going to introduce a motion of no-confidence.

Mr. Martel: Aw, bring the government down.

Mr. Peterson: We reserve our right to do that.

Mr. Martel: Bring them down.

Mr. Peterson: The very troubling issues of the economy and the lack of permanent job-creating measures—

Mr. Martel: More huffing and puffing.

Mr. Peterson: —and particularly this OHIP matter, are of very serious concern to us.

An hon. member: You're on automatic pilot.

Hon. Mr. Rhodes: Here is your chance to pump some money into the economy, have an election.

Mr. Peterson: We have taken the leadership in putting this matter, which has not been reviewed by a legislative—

Mr. S. Smith: Move a vote of no-confidence. Bring the government down.

Mr. Deputy Speaker: Order.

Mr. Peterson: Would you bring my leader to order please, Mr. Speaker?

We have taken the leadership in putting this matter, which has not been discussed by a legislative committee of this House for 10 years, we have assumed leadership in sending it to that committee. We are going to make constructive, positive suggestions in that committee. If the government does not see fit to mold their views somewhat, to change somewhat, to the suggestions of this committee, then believe me, no fooling around, we are prepared to introduce a motion of no-confidence and we will live with the results of that. At this time, we are going to give the government, as we have tried to do today, the benefit of our advice, the benefit of our as-

sistance, towards building a positive kind of a program for this province.

Mr. Warner: The Treasurer is chuckling.

Mr. Peterson: In our opinion, it is not to the benefit of the people of this province to go to the polls tomorrow or have an election immediately. The government learned that lesson last time, and we don't think it's the answer to these problems.

Mr. Wildman: You more than bend over backwards.

Mr. Peterson: It is only by working creatively and effectively together that we can progress, and in order to do that the government's going to have to be a lot more receptive than they have been in the past.

Mr. Nixon: Oh, a lot more.

Mr. Martel: You're in danger now, Darcy.

Mr. Peterson: Mr. Speaker, I thank you for the opportunity of participating.

On motion by Mr. Martel, the debate was adjourned.

On motion by Hon. Mr. McKeough, the House adjourned at 5:58 p.m.

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No. 18

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Second Session, 31st Parliament

Tuesday, March 14, 1978

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, MARCH 14, 1978

The House met at 2 p.m.

Prayers.

COMMONWEALTH BOXING CHAMPION

Mr. Makarchuk: Mr. Speaker, yesterday we had the opportunity in this Legislature to honour the Commonwealth. Today, with the consent of the members, I wish to introduce to them a distinguished guest, Gary Summerhays, the Commonwealth light-heavyweight boxing champion who is in the Speaker's gallery.

Mr. Summerhays, who, of course, hails from Brantford, won the Commonwealth title in a bout in Melbourne, Australia, defeating Tony Mundine, the reigning Commonwealth champion.

Mr. Martel: He will sock it to you.

Mr. Makarchuk: In discussions yesterday with the Australian council, I was advised that our man in Australia was definitely the underdog in view of the long record of victories scored by the defeated champion. I'm sure all members would agree that the victory is a credit to Mr. Summerhays and it is something of which all of us can be proud.

Accompanying Mr. Summerhays is his wife, Teresa. Also in the gallery with the Summerhays is the coach and manager and another well-known Brantford resident, Mr. Frank Bricker. Mr. Bricker has been coaching boxers of all ages for many years. His record of coaching and managing a series of successful boxers is probably unmatched by anybody else in Canada. When you combine Mr. Bricker with Mr. Summerhays you have an unbeatable combination, and if anybody would like to dispute that, they'll probably take care of you in the hallway. With Mr. Bricker is his wife, May.

Mr. Warner: He should take on the Treasurer (Mr. McKeough).

Mr. Makarchuk: I also wish to acknowledge at this time the contributions to the winning of the title by members of Branch 90 of the Royal Canadian Legion in Brantford, who provided the encouragement and training facilities for boxers trained by Mr. Bricker. I'm sure the members will join

me in extending to them our congratulations and wishing them more success in the future.

STATEMENT BY THE MINISTRY

CROWN TIMBER ACT

Hon. F. S. Miller: Mr. Speaker, later today I will introduce amendments to the Crown Timber Act. These amendments are, for the most part, based upon the report of the timber revenue task force. Detailed discussion and analysis following public review of this report has resulted in some amendments to the original recommendations.

The purpose of the amendments is to accomplish two principal objectives. First, they will enable the establishment of a system of Crown charges that is responsive to the cyclical nature of the forest industry. Second, they will ensure that revenue from the cutting of Crown timber is generated in an equitable manner.

Specifically, the Crown Timber Act will be amended to authorize regulations to be made under which the Crown dues to be paid by order in council licensees will be indexed to commodity selling price indices and will be responsive to such indices.

In addition, the Crown Timber Act will be amended to amalgamate the present management charge and forest protection charge into a single area charge. Currently, the management charge and forest protection charge are \$27.60 for each square mile of productive forest lands under licence. By regulation, the amalgamated area charge will be fixed effective April 1, 1978 at \$41.40 for each square mile of productive forest land under licence, and will increase at the approximate rate of 10 per cent per annum for four years.

The proposed amendments to the Crown Timber Act will also enable regulations to be made under which compound interest of one per cent per month will be charged on overdue invoices for Crown charges. The regulations will also prescribe an objective rule for determining the due date of an invoice. Generally, invoices for Crown charges will be payable on the last day of the month following the month in which the invoices are prepared.

These amendments will provide better protection of the Crown revenue and are in line with currently acceptable business and accounting practices.

A great deal of thought has gone into the foregoing matters. However, we recognize that there may be certain adjustment problems for individual firms during the early phases of implementation. It is our intention to closely monitor the effects of these amendments to determine if they create deterrents to good forest utilization practices or operating procedures. Should these occur, steps will be taken.

ORAL QUESTIONS

CIVIL SERVICE COMPLEMENT

Mr. S. Smith: If the Premier (Mr. Davis) won't be in, I'll ask the Treasurer a question. Referring to table 7 of budget paper C, would the Treasurer care to explain to us how it is that he has been referring to a reduction of over 4,000 people in the civil service over the years since 1971? In fact, the Premier spoke to the Canadian Society of New York on May 17, 1977 and said: "We have increased government efficiency and in the last three years reduced our civil service by 4,200." Can the Treasurer reconcile that with table 7 of budget paper C which shows only a reduction of 1,350 since March 1, 1975, when the Premier has made a claim of 4,200?

Hon. Mr. McKeough: The Premier and I—and I think members generally—have referred in the last couple of years to complement positions within the civil service. The complement positions at any given time were perhaps never all filled, but there was a reduction of something like 4,200 over a three-year period or two and a half-year period in the approved complement positions.

Members opposite and others also put questions on the order paper from time to time concerning contract staff, unclassified staff. In last year's budget, although it may have been separately, I believe the Chairman of Management Board (Mr. Auld) indicated we were switching over to an entirely new system of dollar control and not just complement control.

The figures which are available in table 7 were not available before. For a whole variety of reasons, we didn't have a complete spotlight on the number of people working at any given point in time. What the board does now—I think on the last day of each month—is take a snapshot, as they call it, on the number of employees, full- or part-time, contract or otherwise, within each ministry. That, in turn, happens within each institution or

office of the government. The figures, which are very gratifying, would indicate, that although it was suspected people were simply reducing their classified staff and increasing unclassified staff, this has not happened.

Since March 1, 1975 to December 31, 1977, two years less two months, there has been a drop in total employment of 1,350. These figures were collected on a yearly basis to begin with and it is only within the last 15 months that the board has been collecting the monthly figures.

I can give members a further figure, for example, as of the end of January. The total figure which includes "other," that is, provincial police, uniformed security guards and so on, is now 84,613 as against 85,994 in December or as against 85,096 at the end of January 1977. If the member is interested, the Chairman of Management Board, I am sure, either as I say in the budget or subsequent to the budget, explained the full details of the switches that were being made.

The simple answer to the question, the quick answer, is that the Premier or others were talking about approved complement positions whereas this table for the first time refers to total staff at any given moment on staff.

Mr. S. Smith: By way of supplementary, does the Treasurer not agree that it is somewhat misleading for the Premier to speak in New York of "having reduced our civil service by 4,200," when by the Treasurer's own admission now the only reduction has been 1,350 and the remaining 2,900 people who are no longer there were never there in the first place? He is eliminating nothing from nothing.

Mr. Mancini: Right on.

Hon. Mr. McKeough: No, I don't feel that it is inconsistent.

Mr. Roy: In the used car business it is called puffing.

[2:15]

Hon. Mr. McKeough: If the member would examine the words used, he would find the words "complement positions" as opposed to "staff."

Mr. S. Smith: Not in the Premier's statement.

Hon. Mr. McKeough: We recognized in making this change that there would be some confusion. I recognize that the Leader of the Opposition is embarrassed by these figures—

Mr. S. Smith: Oh yes, embarrassed at having you as Treasurer.

Hon. Mr. McKeough: —because during this

same period, his kissing cousins in Ottawa have gone on and on and on, adding staff.

Mr. Ruston: Is that the best you can come up with?

Mr. Bradley: Passing the buck again.

Interjections.

Mr. Speaker: Order. The hon. Leader of the Opposition with his second question.

Mr. S. Smith: I was hoping to ask a question of the Premier but failing that the Minister of Labour (B. Stephenson) and failing that the House leader (Mr. Welch). Who will be acting House leader?

An hon. member: Ask the Treasurer again. He's accessible.

Mr. S. Smith: No, it has nothing to do with the Treasurer. Who would be acting House leader in the absence of the House leader, Mr. Speaker?

Hon. Mr. McKeough: The House leader was here, and will be back.

Mr. S. Smith: I'll wait for him to return for my second question.

An hon. member: You just used up the question.

Mr. Cassidy: I would not want people to feel that my suit was deceptive, Mr. Speaker, so I want to put this button on because as a good New Democrat would say, "No taxation without legislation." And for members opposite who wish one, the member for Scarborough-Ellesmere (Mr. Warner) will be happy to provide a supply at \$1 apiece.

Mr. Lewis: What do you mean at \$1 apiece? For Tories it is \$2.

Mr. Cassidy: That's right, whatever the market will bear.

INCREASE IN OHIP PREMIUMS

Mr. Cassidy: I have a question for the Treasurer. Is the Treasurer—and the government—now prepared to reconsider the announced increase in our health tax—in other words the OHIP premium increase—given that a worker earning the Ontario average wage of \$13,400 will pay 8.4 per cent of his net income after taxes in health premiums whereas a person earning almost twice as much—\$25,000 a year—will pay only 3.8 per cent of his net taxable income for the same coverage?

Hon. Mr. McKeough: First of all I think we should all recognize that today is the leader's reply to the budget speech, and I want to congratulate him on wearing a three-

piece suit again. I never thought we'd see it again. It really is very stunning and the orange button just sets it off beautifully.

Mr. Martel: We rent them, Darcy.

Mr. Makarchuk: The clothing rental industry is a growth industry.

Hon. Mr. McKeough: Mr. Speaker, I would like to take the figures in that question under advisement.

Mr. Cassidy: Supplementary then: Does the minister not agree that a tax that takes more from people the lower the income they have, right down to the poverty line, is completely contrary to the principles of a fair and equitable tax system?

Hon. Mr. McKeough: The member, I assume, is a member of the public service and has his premiums paid in full through the Office of the Assembly. This means that whatever his marginal rate is—and I assume that it must be 70 or 80 per cent—they would have to pay him a lot to take that job, one way or another—

Mr. Martel: That's why they pay the Premier so much.

Hon. Mr. McKeough:—therefore you are being taxed at a heavier marginal rate on that taxable benefit. Those who pay a low marginal rate, if they're receiving their benefit in full from their employer, obviously are taxed at a much lesser rate.

Mr. S. Smith: And if they pay it themselves, God help them.

Hon. Mr. McKeough: The difference is exactly the same as it would be if the money were paid out in the form of income and tax levied off it.

Mr. Lewis: Talk about sophistry.

Mr. Cassidy: Supplementary: Does the Treasurer not understand that employees whose employers pay their premium will lose this in wage increases, and that employees who have to pay the premium themselves will be having to pay out a rate of health premiums which is higher than the total of the federal and provincial tax combined at modest rates of income?

Hon. Mr. McKeough: I read the Globe and Mail—good Lord, I read it three days ago and I'm glad the member has got around to reading it.

Mr. Martel: I didn't think you could after the budget.

Hon. Mr. McKeough: There are certain notch problems.

I have replied extensively to the Globe and Mail today. I invite the leader of the third

party to read that letter and then we'll discuss it again.

Mr. Cassidy: Final supplementary: In view of the fact that premium income provides only 10 per cent of health costs in Alberta, 15 per cent in British Columbia, and 13 per cent in Quebec whereas the Treasurer, on behalf of this government, intends to collect 34 per cent of health costs through premium income in this province, does the Treasurer not agree that Ontario therefore will have the most regressive system of health premiums in all of Canada?

Hon. Mr. McKeough: Mr. Speaker, no, I do not agree.

Mr. Cassidy: The facts belie you.

Hon. Mr. McKeough: My colleague the Minister of Health (Mr. Timbrell) points out that the premiums will pay about 28 per cent of the total health bill or a third of the insurance services. I think one might look at the tax rates in some of the other provinces. If the member wants to move to the provinces of British Columbia and Manitoba during their erring Socialist days when they put on rates of income tax which crippled both those economies, then let him go.

Interjections.

Hon. Mr. McKeough: We pride ourselves on having the second lowest rate of income tax in Canada, and we aim to keep it that way.

Mr. Cassidy: Mr. Speaker, a final supplementary.

Mr. Speaker: No. A new question.

Mr. Cassidy: Ultimate final supplementary?

Mr. Speaker: New question.

JOB CREATION

Mr. Cassidy: Mr. Speaker, I have a new question of the Treasurer. With the announcement by Statistics Canada today that there are one million people unemployed in Canada, and 326,000 men and women now unemployed in this province, is the Treasurer prepared to reconsider his refusal to introduce any program of permanent job creation in his budget?

Hon. Mr. McKeough: Mr. Speaker, obviously I am disturbed by the unemployment figures which were released today and which show a small deterioration in the figures from January in Canada as a whole and marginally here in Ontario. I think one must remember, and bear in mind, that on an actual basis—and, for that matter, on a seasonally adjusted basis—unemployment figures in both Canada and Ontario typically peak during January,

February and March; February and March, I think would be more correct, generally speaking. We are seeing the results of the fact that we are at that particular time in the calendar year. I said in my budget that I thought we would have a small decrease in the number of unemployed. Obviously I did not expect that to happen in the month of February, nor do I.

Mr. Cassidy: It won't happen with your budget either.

Mr. Deans: Which month?

Hon. Mr. McKeough: I know the member wants us to spend more to create jobs; whether by borrowing or raising taxes, he has never made clear.

Mr. Warner: You have no plans for jobs.

Mr. Martel: You are not among the unemployed. You wouldn't know what it is like.

Hon. Mr. McKeough: I rejected that course of action last Tuesday night, as we rejected it a year ago. I would point out to my friends that governments right across this country have rejected that course of action. The easy thing to do, of course, would be to say, "Sure, we'll run up the deficit. We'll run up our cash requirements by several hundred millions of dollars." But somebody will have to pay that bill.

Mr. Renwick: The hard thing for you to do would be to care about any people who are unemployed.

Hon. Mr. McKeough: I'm not prepared blithely to leave that bill to future generations.

Mr. Martel: There are 326,000 unemployed now.

Mr. Mackenzie: The unemployed are paying the bill now.

Mr. Foulds: Try balancing the economy as well as the budget, you clunk.

Hon. Mr. McKeough: I would point out that even in February, employment rose in Ontario by about 16,000, which was not enough to absorb the growth in the labour force, which was some 27,000.

Mr. Warner: You are a picture of perpetual failure.

Hon. Mr. McKeough: The number of unemployed increased on an actual basis by some 10,000, but I would point out to the member that, since February a year ago, the actual number of jobs in Ontario has increased by 98,000 and, on a seasonally adjusted basis, 101,000 additional jobs have been created in Ontario since February 1977.

Mr. Mackenzie: What do you figure on a structural basis?

Mr. Cassidy: Tell that to the people of Sudbury.

Hon. Mr. McKeough: I think that's pretty good, considering the conditions that we have in the country and the world economy.

Mr. Warner: You helped make it so.

Hon. Mr. McKeough: I don't rest on that; but I'm honest enough, and we in this party are honest enough, to say that the growth in jobs and employment will come through the private sector and not from make-work programs which the member advocates.

Mr. Cassidy: Tell that to the unemployed. I have a supplementary, Mr. Speaker. How many people must be unemployed in this province before the Treasurer will reconsider his complete refusal to undertake any job creation programs for Ontario?

Ms. Gigantes: How low can you go?

Hon. Mr. McKeough: Mr. Speaker, I can think of one who I would like to see unemployed but he just got his job; so I don't know that I would do anything about that. I don't want to see him unemployed.

Mr. Cassidy: I will be here after you have gone.

An hon. member: Keep them around, we need them.

Mr. Warner: The Treasurer really should resign; he is totally inept.

Mr. Speaker: Order.

Hon. Mr. McKeough: I recognize the keenness with which the members of the third party particularly attack this problem; that is their right and it is my duty to defend our position, and I shall do so.

Mr. Laughren: Defend it. That's right, exactly right.

Hon. Mr. McKeough: While I am on my feet, though, I have to take exception to yesterday's Star which reported on—

Interjections.

Hon. Mr. McKeough: This is a point of privilege, Mr. Speaker.

Yesterday's Star was reporting on a meeting of the Toronto Teachers' Federation; it was on their brief to the pension commission. I quote:—

Mr. McClellan: Make a hat of it and put it on your head.

Hon. Mr. McKeough: —“The brief blames the enrolment crisis on failures of government policy, arguing that economic uncertainty, high unemployment and staggering inflation have led to a climate where people do not want to risk having children.” I will take a lot on my shoulders, but not that. I object to that statement.

Mr. Laughren: You are very funny, Darcy.

Mr. Cassidy: A supplementary: I want to say that the Treasurer's compassion has all the character of Marie Antoinette and shouldn't be permitted here in this province.

Hon. Mr. Davis: Do you know her well, Michael?

Mr. Cassidy: Is the Treasurer saying that when one out of every seven young people in this province is unemployed, when one out of 12 men in this province is unemployed and one out of every 11 working women in this province is unemployed that the situation is not serious enough to justify any reconsideration of his determination to do absolutely nothing about the unemployed?

Hon. Mr. McKeough: I brought in a budget a week ago and I don't propose to change it a week later.

Mr. Warner: Disaster.

Mr. di Santo: Shame.

Mr. Speaker: Does the Leader of the Opposition now have a target?

Mr. S. Smith: Yes, and just before I make mention of my second question, Mr. Speaker, I would like to draw to the attention of this House that tomorrow is the fifth anniversary of the happy event whereby the member for St. George (Mrs. Campbell) and the member for Huron-Middlesex (Mr. Riddell) first took their seats in this chamber.

Mr. Sweeney: And you guys have been running ever since.

Mr. Ruston: Put them on the run, Margaret.

Mr. S. Smith: That was, of course, the start of the long road upwards which we have gradually been making progress on, and we trust we are still heading in the right direction.

Mr. Warner: You are always headed to the right.

Hon. Mr. Rhodes: You lost a seat in the last election.

Mr. S. Smith: There has been the occasional setback.

Interjections.

HUMAN RIGHTS REPORT

Mr. S. Smith: A question to the Premier, regarding the matter of the report of the Human Rights Commission of Ontario, entitled *Life Together*, a report which all of us have now had a chance to study carefully. Would the Premier undertake to provide some forum in the Legislature for us to discuss this report with all its implications, particularly the changes in the code but also

the changes in reporting, the changes in financing, the changes in staff and so on recommended in this report? We in the Legislature can then have the opportunity to discuss it, as the outgoing chairman of that Human Rights Commission would have wished us to do.

Hon. Mr. Davis: I would have no reluctance to a discussion of the report in the House. The government is presently evaluating the report. I think there are some aspects of it that may find their way into possible amendments, which might provide the opportunity for the kind of discussion the Leader of the Opposition is suggesting. If there are no proposed legislative changes during the course of the spring session, assuming that the work is going along relatively well, I am sure we could find an afternoon or evening to discuss the contents of the report.

I think it's a very constructive document. There will be some in your party who do not share some of the recommendations in that report. There will be one, at least, who will, and I know that the member will want to have that sort of discussion with people able to offer their totally objective points of view on some of those issues—

Mr. Reid: Yes or no?

Hon. Mr. Davis: —and I think that some discussion of that nature might be helpful, but I would just ask the Leader of the Opposition to be patient for two or three weeks to see whether there is an opportunity, perhaps through proposed legislation, where we can do that.

[2:30]

Mr. S. Smith: By way of supplementary—and given the concern that exists, and rightly so, about racism, as well as about the problems of minorities defined in other manners, and despite the probable amendment that I think the Premier is referring to, and which has to do with the handicapped and their inclusion in the Human Rights Code, I do hope that he will have a chance to discuss the whole report.

May I, by way of further supplementary, ask the Premier for his comments on two particular recommendations? The first one is that an annual report should be prepared and tabled in the Legislature, detailing all the activities and the progress of the commission; what is his feeling about that? Secondly, what does he feel about the recommendation, “that it become an established practice for the Premier to consult with the Leader of the Opposition before recommending the appointment of the chairman of the commis-

sion”? I would like his opinion on that last category, inasmuch as there was no consultation whatever with regard to the most recent appointment.

Mr. Martel: Why don't you make him deputy prime minister?

Mr. McClellan: Give him a seat in the cabinet.

Mr. Lewis: We could strike an all-party committee to look into this.

Hon. Mr. Davis: I have known the prime author of this report and his very constructive approach to a number of these matters, and as well, the conciliatory way in which he approaches some of his recommendations. Firstly, on the suggestion that there should be an annual report tabled, I would have no reluctance in discussing that with the commission. If it makes sense, I certainly would have no objection to it.

I sense that the author of the report really was looking at the appointment of the chairman of the Human Rights Commission as something comparable to the way the Ombudsman of this province is appointed. I would say with respect to Professor Symons that while I agree with a number of the recommendations, I think it is fair to state that the Human Rights Commission does not fall in the same category as the Ombudsman. There is no question that if there are difficulties in terms of the administration of that commission, if there are difficulties in terms of policy as it relates to the commission, I think it is fair for the members opposite to raise those with the government, which has the responsibility ultimately for the determination of, first, the people; second, the legislation; and third, the general direction the Human Rights Commission takes. In that the government must assume that responsibility under our system, I think it is only appropriate that the government assume the responsibility for the chairman and for those who are appointed to the commission.

FLECK MANUFACTURING COMPANY

Mr. Riddell: A question of the Solicitor General: In view of the rather unfortunate incident which occurred at Fleck Manufacturing Company this morning where there was considerable property damage done by UAW members from outside the area; and in view of the number of workers who expressed concern to me this morning that they wanted to go to work but were certainly reluctant to jeopardize their safety by crossing the picket line without police protection; and in view of the fact that I indicated in

my question to the Premier yesterday that the picket line was going to be reinforced this morning by workers from Talbotville, why did the Solicitor General not take steps to reinforce the police force in order to keep order at the plant? And what does he intend to do to prevent further violation of the Criminal Code in connection with this particular strike?

Mr. Martel: Now there is a friend of labour; that whole group.

Mr. di Santo: They're worse than the Tories.

Hon. Mr. Kerr: There was an incident this morning. I understand the incident related to a number of people in a car who were not employed at the plant. Apparently the pickets mistakenly thought they were employees trying to enter the plant, but they were apparently employed at a firm, Protective Plastics, which has a plant near the Fleck plant. That was an unfortunate occurrence.

Mr. Breithaupt: Would it have been all right if they were employed?

Hon. Mr. Kerr: The police were informed, of course, that there would be a number of extra picketers attending at the plant today, and it was decided by management that the plant would not be open. In view of that, there was no necessity of reinforcing or adding numerous police officers in the area of the plant this morning.

Mr. Riddell: Supplementary: Is the Solicitor General indicating that mobs of people can come and do considerable property damage, even though the plant is not open? As I understand it, there was assault on two press people. Is the minister indicating that this can go on and the police can just stand and watch it happen, even though the plant isn't in operation?

Hon. Mr. Kerr: No. There were a number of police officers there. I believe there were about six or seven police officers there. As for the incidents to which the hon. member refers, there is a possibility that charges will be laid.

Mr. Renwick: Supplementary: Upset as I am by the comments made by the member for Huron-Middlesex, I address my supplementary question to the Solicitor General. Will the Solicitor General instruct the OPP that their obligation with respect to the picketers on lawful strike at that plant is to provide them with an opportunity of communicating with those who are trying to break the strike?

Hon. Mr. Kerr: The Ontario Provincial Police are quite aware of their responsibilities and duties in respect to a picket line.

Mr. Renwick: Further supplementary: Will the Solicitor General advise this House in what way a person on lawful picket, on foot, can inform persons in vehicles about the reason for the strike and why the strike is taking place?

Mr. S. Smith: Not by turning a car over.

Mr. Rotenberg: You can't stop people from working. You talk about unemployment; let them work.

Hon. Mr. Kerr: I think any employee attempting to enter the plant by way of using a motor vehicle or a bus is quite aware of the fact that that plant is on strike and that the picket line is there in order to inform the employees that the plant is on strike. I'm not aware that the picket line has been unable to communicate in some way with the employees inside that plant.

Mr. Renwick: Oh, come off it! How do you communicate with a bus escorted by police?

An hon. member: Does that give them the right to obstruct?

Mr. Reid: Supplementary: Can the Solicitor General tell the House if, as a result of what happened this morning, any charges have been laid against anyone?

Mr. Deans: He already answered that.

Hon. Mr. Kerr: I already answered that for the hon. member for Huron-Middlesex. There is the possibility that charges will be laid, yes.

INCREASE IN OHIP PREMIUMS

Mr. Warner: I have a question for the Treasurer. Before I put it, I wish to present the Treasurer with a button entitled, "No taxation without legislation." I'm sure he'll wear it in good health.

Hon. Mr. Rhodes: When are you dumping the tea in the harbour?

Mr. Warner: Does the Treasurer now admit clearly and unequivocally that he has no intention of lowering the OHIP tax increase nor of making the committee to which the health tax had been referred a meaningful exercise and that the committee will not be relevant and will have no effect upon his decision?

Mr. Rotenberg: Send buttons to the members for Wentworth and Scarborough West too. They haven't got one.

Hon. Mr. McKeough: I obviously have and will continue to have a great respect for committees of this Legislature. I will look forward to their deliberations in this area with a great deal of interest. I listened

yesterday to the financial critic from the Liberal Party. I didn't hear any suggestions—just a lot of rhetoric. But it may be that the committee will have something positive to say.

Mr. Kerrio: That makes us even.

Mr. Warner: Supplementary: Perhaps the Treasurer could explain why the order in council which now makes the premium tax a law in the province of Ontario was signed yesterday. Why did he go ahead and sign that, knowing that he is undermining whatever work the committee could have done?

Hon. Mr. McKeough: I think the member is somewhat wrong. The order in council went through cabinet on March 8, a week ago.

Mr. Warner: Mr. Speaker, on a point of information, it was filed, dated March 13. Under the Regulations Act, section 3, it clearly states that a regulation comes into force and has effect on and after the day upon which it is filed, such date being yesterday. Although it was first drafted on March 9 it did not become law until yesterday.

Mr. Speaker: The hon. member has made his point.

Mr. Martel: Now answer the question.

Mr. Lewis: Question, Mr. Speaker.

Mr. Martel: He has not answered the question.

Mr. Warner: Do we get an answer?

Mr. Speaker: It wasn't a question. It was a point of information.

Mr. Lewis: Of course it was a question.

Mr. Wildman: The Treasurer never responded to the initial question.

Mr. Laughren: A button a day keeps the Treasurer away.

MUNICIPAL FIRE DEPARTMENTS

Mr. Roy: Mr. Speaker, I have a question for the Solicitor General and it deals in the realm of the Fire Marshal's office and the policies of various fire departments.

Would the Solicitor General advise whether there is a policy involving fire departments in this province, especially in regional municipalities, where we have various fire departments dealing with different municipalities, that they fight fires on a first-arrival basis? Is this a provincial policy and is he going to enforce it to avoid a situation as happened in Ottawa last week where the Rideau Fire Department got to the scene of a fire and sat back and let the building burn down—a lady

was seriously injured—because the fire was in the Gloucester area?

Hon. Mr. Kerr: In situations of that kind within a region—and as the hon. member says, there may be three or four different departments in the municipalities within that region—the prime responsibility rests with the department within the region where there may be a fire. However, in many instances there are agreements between municipalities that, depending upon the location of the fire, other departments and other personnel will also answer the alarm.

I am surprised when the hon. member says that one particular department refused to assist, because there is a certain amount of reciprocity between the municipalities within a region, and that is understood in many parts of the province. It isn't necessarily dictated by the Fire Marshal or an edict by the Fire Marshal; that is something that is usually agreed to by the departments within the region.

Mr. Roy: In view of the fact that we clearly had a situation in Ottawa where apparently Gloucester advised Rideau that it didn't want Rideau to fight a fire in Gloucester even though it was closer, would he not feel, as minister responsible provincially and through the Fire Marshal's office, that it should be a provincial policy that fires are fought on a first-arrival basis, and so avoid situations like this, where two municipalities apparently could not come to some agreement?

Mr. Hodgson: Getting away from local government now. Getting away from local representation.

Mr. Roy: Doesn't the minister think it is somewhat ridiculous for one fire department to show up and just sit back and wait for the other fire department, which is 11 minutes away from arriving at the scene? Doesn't he think there should be a provincial policy when municipalities can't agree?

Hon. Mr. Kerr: Mr. Speaker, I will look into that.

Mr. Nixon: You would let the place burn down eh?

Hon. Mr. Kerr: I didn't realize that the hon. member was saying, in fact, that the department personnel who arrived at the fire were told by the fire department in the area where the fire occurred not to take any action. This seems strange and I will look into it.

Mr. Breithaupt: Supplementary?

Mr. Speaker: The hon. minister said he would look into it. There will be further opportunities.

Mr. Peterson: He fights fire with fire, Mr. Speaker.

JAQUES MURDER

Mr. Lawlor: A question of the Attorney General, arising out of the Jaques murder trial: What is the intention of the Crown with respect to appealing the verdict of acquittal in the case of Mr. Gruener and the second degree murder verdict in the case of Mr. Woods?

Hon. Mr. McMurtry: I have requested the senior law officers of the Crown to review the matter with a view to launching an appeal with respect to those two accused. It is first necessary to obtain a transcript of the rather lengthy charge to the jury by Mr. Justice Maloney, and we are hoping that this transcript will be available within the next day or two. I would expect a decision should be made with respect to appeals in relation to these two gentlemen at the beginning of next week.

FIRST AID TRAINING

Mr. B. Newman: Mr. Speaker, I have a question of the Minister of Health. In the light of the recent recommendation of a coroner's jury investigating the death of one Kenneth Clarke, a promising young hockey star who suffered fatal brain damage when he was hit by a puck behind his left ear just below his helmet, that his life may have been saved if he had been given basic first aid treatment, would the minister suggest to his colleague, the Minister of Education (Mr. Wells), that artificial respiration or some method of respiration, including cardiopulmonary resuscitation, be given top priority in the schools so that at least we can save lives simply by teaching our students the basics of artificial respiration?

[2:45]

Hon. Mr. Timbrell: I haven't yet seen that coroner's report. Unfortunately they are usually a number of weeks behind the press reports about them. When I receive it I will review the recommendations and ask our staff to consider that with the Ministry of Education staff. I know that first aid, including various forms of artificial resuscitation, is quite widely taught now throughout the province. It may well be that it is something we can consider putting an added emphasis to for some expansion.

Mr. B. Newman: Supplementary: May I ask the Minister of Health then, while the Minister of Education is here, that at least no athlete be allowed to indulge in the

athletic activity unless he has taken a course in pulmonary or artificial respiration?

Hon. Mr. Timbrell: I am not sure that is a realistic suggestion. If the hon. member were to suggest that trainers of teams in high schools, or coaches, should have had some form of training, I think that would be something worth considering, but to suggest that every athlete must have CPR training I think is perhaps stretching it a bit.

Mr. Breithaupt: My supplementary is of the Minister of Health, with respect to the requirement that coaches or managers of teams at least be required, perhaps by the beginning of the next educational year to have completed a short first aid course. Would the minister look into that prospect so that this might be a reasonable first step in providing for an intelligent balance of the needs for first aid availability to all the teams of young people?

Hon. Mr. Timbrell: As I said, Mr. Speaker, once I have received the coroner's inquest report—the report of the jury that is—I'll consider the recommendations and take them up as necessary through our staff, with representatives of the Ministry of Education. I hope members realize the problems in high school sport, in first of all getting people to take on positions as managers and coaches of teams. We would want to have a proper balance between precaution and getting people to take those jobs on.

MINI-SKOOLS LIMITED

Mr. McClellan: I have a question of the Minister of Community and Social Services with respect to Mini-Skools. Yesterday, in his statement of exoneration, the minister said: "We have no evidence from our inspections that Mini-Skools overenrolled generally." I wanted to ask the minister whether his inspections revealed enrolment in excess of licence capacity at the Queensview Centre in December 1977; at the Tuxedo Centre in November 1977; at the Brimorton, Tuxedo, Kingsview One and Kingsview Two centres in October 1977?

Hon. Mr. Norton: I am sorry, I did have, yesterday, a complete list of the inspection reports and I don't seem to have them with me at the moment and I don't recall that from memory. Perhaps that is something we could deal with at the late show tonight when the hon. member wishes to entertain the House.

Mr. McClellan: With respect, that is not a sufficient answer to the question. I would hope the minister would take it as notice and

provide the data in a normal response to the question.

By way of supplementary, let me ask him simply why did he exonerate Mini-Skools yesterday without having thoroughly reviewed the material that was presented to him on Thursday, let alone obtain full material from Mini-Skools, including the Mini-Skools financial report and other financial and enrolment data, as he was requested to do? Why did he exonerate them right off the bat?

Hon. Mr. Norton: As usual, Mr. Speaker, the hon. member is relying upon some erroneous assumptions. First of all, I said nothing with respect to exoneration of anyone yesterday. I indicated to the hon. member that I had reviewed the material, that my staff had examined the material; if that was not his impression I don't know where he got any other impression.

The only statement I have seen with respect to total exoneration was in the press this morning. That certainly was not a quote from my lips.

Ms. Gigantes: It's not what you said; it's what you did.

Hon. Mr. Norton: My staff have thoroughly reviewed the material and all I suggested yesterday was that we certainly found no substantiation for the hon. member's allegations.

Ms. Gigantes: You didn't look.

Hon. Mr. Norton: I did not indicate that the matter was entirely closed. If the hon. member has any additional information, I would be happy to review it, as I have the other. I don't know on what he is basing his erroneous assumptions with respect to how I have dealt with this matter.

Mr. McClellan: Final supplementary, Mr. Speaker? He hasn't answered my question.

Mr. Speaker: No. There will be an opportunity during the late show this evening.

LEGISLATIVE BUILDING

Mrs. Campbell: My question is to the Minister of Government Services: In view of the fact that there would appear to have been a shift in the policy of this government with reference to this building, would the minister now at least begin to get the matter on track by tabling the report of Eric Arthur?

Hon. Mr. Henderson: Mr. Speaker, I'm not aware of any shift of the government's position respecting this building.

Mr. Wildman: What about a shift in the building?

Mrs. Campbell: Supplementary: Perhaps the minister is not aware of the discussions which have been ongoing with his predecessor (Mr. McCague) with reference to the use of this building and the position of Mr. Speaker with reference to the allocation of space. Would he now comment as to his position in this matter so that we can have some clarification?

Hon. Mr. Henderson: It is the intention of this minister to uphold the commitment made by the previous minister.

Mrs. Campbell: Supplementary: May I just point out that the commitment was to start the relocation in February. How is the present minister going to do that?

Interjections.

Mr. Speaker: Order.

Mr. Roy: What year?

Interjections.

Mr. Speaker: Order. I'm sure all members would like to hear this answer.

Mr. Sweeney: Just tell us it is retroactive legislation.

Mr. Peterson: Put out a new phone book, Lorne.

Hon. Mr. Henderson: Mr. Speaker, in response to the hon. member's question—

An hon. member: Put it on your Christmas card.

Hon. Mr. Henderson: —I, as the minister, have had several meetings with my staff, as has your office with the people who are responsible to you. They're trying to allocate the space in order that all members can have an office within this building. That is being worked on daily.

Hon. Mr. Davis: Hourly, sir.

Mr. Martel: Supplementary: Is it possible for the minister to allow the Speaker, who has responsibility for the building, to allocate space and get Government Services out of the situation totally?

Hon. Mr. Davis: That wouldn't be fair to the Speaker.

Hon. Mr. Henderson: Mr. Speaker, I am sure that you're more aware than anyone else in this House that you have the responsibility for a portion of this building; the Ministry of Government Services also has responsibilities for a portion of this building.

Mr. Martel: Boy, that sure answers the question.

FRENCH-LANGUAGE SERVICES

Mr. Swart: My question, Mr. Speaker, is to the Provincial Secretary for Resources Devel-

opment. I'm putting the question to him in his capacity as chairman of the cabinet committee on bilingualism and francophone rights: Would he agree that the *caisse populaire* movement in this province has a major place in the French-Canadian culture and the ability of the francophones to function in their own language? And in view of the Premier's statement that the government is going to institute practical measures to implement French rights, instead of the so-called symbolism of a declaration of a bilingual province, would the minister tell the House whether the translation of the Credit Unions and Caisses Populaires Act and its regulations into French have been completed—a request that was made to his government more than a year ago?

Hon. Mr. Brunelle: I think the hon. member is aware of the amount of work that has been done in providing services in the French language. The Speech from the Throne indicated more measures to be taken in having the Juries Act and the Adjudicators Act providing services in the French language. A certain amount of money has been set aside for the translation of statutes and regulations, and I'd be glad to let the hon. member know at what stage the translation of the regulations and the statutes of the Credit Unions and Caisses Populaires Act is presently at.

Mr. Swart: By way of supplementary, could the minister give some indication to the House of any schedule, not only for the translation into French of that Act but of the Education Act, the health and social services Acts and even the driver training program and the provision of it in those areas where it is needed? Could he give us some indication of the schedule of the translations?

Hon. Mr. Brunelle: I would be pleased to make that information available to the hon. member.

Mr. Roy: Supplementary: In view of the fact that there was \$100,000 available for the last five years, which the government of which he is a member did not take up with the federal government, has this government gone back to the federal government, now that it has made a commitment to start translating certain statutes, and said to them: "Could you allocate us that \$500,000 which we didn't pick up over the last five years?"

Hon. Mr. Brunelle: We certainly use and welcome all the money the federal government makes available to us and we just wish we could get more of it.

Mr. S. Smith: Come on now!

Mr. Roy: You can go back for it.

ABORTIONS

Mr. Williams: I have a question of the Minister of Health. It is my understanding that representations have been made in recent weeks to ministry officials advocating the establishment of private abortion clinics, described as "well-woman clinics," under the guise of public hospitals. It is my further understanding that such proposals are not in accordance with the hospital program and policy of the ministry relative to both hospital facilities and to the broader issue of government recognition and support of abortion clinics. Would the minister please advise if I am correct in this understanding?

Mr. Bradley: That sure wasn't a plant.

Hon. Mr. Timbrell: I have met on two occasions with groups proposing the establishment of women's health clinics, one of the major purposes of which would be to take out of at least some of the hospitals the therapeutic abortion procedure and put it into such clinics. I believe I have a further meeting coming up in the future.

My position throughout has been one of, shall I say, being wary of the proposal on three grounds: first, the question of anonymity for those women seeking to have a therapeutic abortion performed; second, the question of safety of the patient—even though a very small percentage of therapeutic abortions result in serious complications, my concern has been that, as long as they are going to be performed in the province, they should be in centres with qualified staff, sophisticated equipment, operating theatres and so forth as back up; and the third problem, as I see, it is a question of cost. When we have ample public hospital facilities already paid for by the people of Ontario, I don't see how we can afford to add this kind of facility on top of that.

Mr. Williams: With regard to the second part of my question, putting aside those particular concerns, would this type of proposal recognize or give support to the government's position with regard to the establishment of abortion clinics? I should say, is the government in support of the establishment of such clinics?

Hon. Mr. Timbrell: In one word, no.

Ms. Gigantes: Along the same lines, I would like to ask the minister am I correct in my understanding that he has received the re-review of the Badgley commission report, and is he going to table that review?

Hon. Mr. Timbrell: Since the last time the hon. member inquired of me about this, which I think was in November, the first

time being in July, just in the last three weeks we have received the comments of the Ontario Hospital Association as an association to the recommendations of the committee, headed by Dr. Caudwell in my ministry. We should be ready in the near future to move on that.

A number of the recommendations both of the Badgley commission, which reported to the federal Minister of National Health and Welfare, and of my own committee, will require further development of policy guidelines and so forth. I don't see us responding to the entire report at once. It is something which is evolving, but certainly—
[3:00]

Ms. Gigantes: Will the minister table it?

Hon. Mr. Timbrell: Will I table the responses from the OHA and the OMA? Yes.

PUBLIC POLLS

Mr. Reid: Mr. Speaker, I have a question for the Minister of Education. Did the minister personally authorize the engagement of a private opinion-poll firm to take a public opinion study in relation to the Toronto teachers' strike in 1975, a poll which cost something like \$30,000 in public funds? If so, can the minister tell us why?

Hon. Mr. Wells: At various times, during that year and other years, we have used the services of a polling organization in order that we may be fully aware of what the members of the public are thinking about the education system of this province.

Mr. Reid: Would the minister not agree that in that case those polls should perhaps be tabled in the House? And is it not a fact that he is buying an expression of public opinion with taxpayers' money, by taking these kinds of polls that really don't or shouldn't have any effect on government policy?

Mr. Peterson: All this time we thought the minister didn't know about it.

Hon. Mr. Wells: It has always been my philosophy that it is the role of government—and particularly we who are charged with the responsibility of developing policies and legislation—to have what we call people participation.

Mr. S. Smith: People participation?

Mr. Cassidy: What a lot of balderdash. You'll never share it. You're an arrogant bunch, you know; you really are.

Hon. Mr. Wells: The leader of the third party laughs, but he likes to mouth the phrases without really believing in it. We over here believe in it.

An hon. member: Is the government going to do a poll on OHIP?

Hon. Mr. Wells: I believe I want to know what the people think about various aspects of policies.

Mr. Reid: Will the minister table the report?

Interjections.

Mr. Speaker: Order.

Hon. Mr. Wells: I don't believe these are reports that should be tabled.

Mr. S. Smith: It is people participation, isn't it?

Mr. Speaker: Order.

Mr. S. Smith: By way of supplementary.

Mr. Speaker: Order. I thought there was only one final supplementary. The hon. member for Port Arthur.

Mr. Foulds: Thank you, Mr. Speaker. If the minister is so interested in receiving the opinions of the people in the province about the educational system, why doesn't he do more within his ministry to ask the parents and the children what they think of it?

Hon. Mr. Wells: The member knows that we do do more within our ministry to ask the parents and the children what they think about the system. Let me refer the member to one very extensive public opinion report that is public, which he's read and I've read. We've all looked at the results and we have used those results to determine some of the policies—

Ms. Gigantes: Table them all.

Mr. Foulds: How about participation in the community?

Hon. Mr. Wells:—and I refer to the Interface study which was done in this province.

Mr. Speaker: The hon. member for Essex North with a final supplementary.

Mr. Ruston: I have a supplementary question for the Minister of Education. While making the survey, did his people look into the lack of education that the children are receiving and at what effect it might have on the children over the next year or two? Did he survey that too?

Hon. Mr. Wells: I might bring to the member's attention that there is a research project coming out, which is being done by the Ontario Institute for Studies in Education, on the effects of the strike in Metropolitan Toronto—

Mr. S. Smith: The Premier (Mr. Davis) should get them on the public payroll.

Hon. Mr. Wells: —and when it is ready it will be public and will be tabled.

DEVELOPMENT CORPORATIONS

Mr. Wildman: Mr. Speaker, I have a question for the Ministry of Industry and Tourism. In view of the questions raised in many minds by the Treasurer's comments on the Ontario Development Corporation and the streamlining of government operations in the budget, can the minister assure the House that he does not intend to abolish the Ontario Development Corporation's role as the lending agency of last resort for small industrial and tourist resort entrepreneurs, and can the minister assure us that he does not intend to dismantle the programs of the ministry in the way that he approached his role as Minister of Housing?

Hon. Mr. Rhodes: Mr. Speaker, in response to the first question, I have no intention of doing away with the role of the Ontario Development Corporation. We may very well change the thrust of it and try to make it a little more responsive to some of the requests we've received.

In response to the second portion, I am most grateful that the hon. member has recognized the extremely fine job I did in streamlining the operations of the Ministry of Housing.

Mr. Swart: You misinterpreted it.

Mr. Makarchuk: Your perceptions are slightly twisted.

Mr. Wildman: Mr. Speaker, would the minister agree that instead of curtailing the lending programs of the Ontario Development Corporation in a period of economic slow-down, the government should be expanding them? Does he intend to make them more flexible to help spur economic recovery? Can the minister indicate when and how this re-examination will be carried out and completed?

Mr. Roy: Just give Claude a year or two and he will fix that.

Hon. Mr. Rhodes: Mr. Speaker, I think I indicated to the hon. member that there was no intention to curtail the operations of the Ontario Development Corporation. The context of what I said, if he had been listening, was that it's intended to change the thrust in order to respond more quickly to some of the requests and to do exactly what the hon. member suggests—to be able to be a lending agency and to assist people.

Mr. Wildman: Is it flexible?

Hon. Mr. Rhodes: We may very well want

to change the thrust of the development corporation in that way.

Mr. Martel: What is the deadline?

Hon. Mr. Rhodes: I don't put deadlines on anything.

ENERGY BOARD HEARINGS

Mr. Pope: Mr. Speaker, my question is addressed to the Minister of Energy. In view of the fact that the minister is meeting today with a delegation from the Federation of Northern Ontario Municipalities concerning energy matters, would the minister inform the House whether the minister will fund, in whole or in part, interveners' costs of energy board interventions of that organization? Is the minister contemplating limiting by regulation the number of interim rate applications and rate applications that may be presented by any one applicant to the Ontario Energy Board other than pass-throughs of federal energy board decisions? Finally, is the minister aware of movements of the northern Ontario municipalities to refuse to sign gas franchise agreements with Northern and Central Gas or its successors?

Mr. Roy: Glad you asked.

Hon. Mr. Baetz: Mr. Speaker, in view of the fact that, as the hon. member has noted, we are meeting with this delegation this afternoon, I think it would be premature and therefore inappropriate for me to answer that question at this time. I'm well aware of the issues he has raised—

Ms. Gigantes: Oh, tell us, come on.

Hon. Mr. Baetz: We are looking forward to a constructive meeting this afternoon.

Mr. Laughren: Good question.

An hon. member: You'd better cross the floor.

Mr. Cassidy: It's pretty grim when even your own members ask questions like that.

Mr. Speaker: I missed the government party in one rotation. I'm going to recognize the hon. member for Mississauga South.

TAX EXEMPTION

Mr. Kennedy: Thank you, Mr. Speaker. I have a question of the Minister of Revenue. With respect to the exemption of hotel and motel rooms from the retail sales taxes contained in the budget, would he clarify how this applies to such facilities as housekeeping cottages and cabins and so forth in respect to the summer tourist trade?

Hon. Mr. Maeck: Mr. Speaker, the member is obviously referring to the bill that is before the Legislature now—the amendment

to the Retail Sales Tax Act. The amendment would cover hotels and motels, and any tourist lodge that would be on the American plan would also be covered. It will cover house-keeping cottages and cabins provided, of course, they are not rented for a longer period of time than one month.

Mr. Kerrio: I have a supplementary, Mr. Speaker. I wonder if the minister could advise us if he is doing anything to monitor prices for accommodation to see if some people are going to take advantage of it, when the tax is lifted, to raise the price?

Ms. Gigantes: Oh, heavens no.

Hon. Mr. Maeck: Not at this time.

Mr. Martel: Not at this time. The business community wouldn't do that. You can't trust anybody over there.

MOTION

SITTINGS OF HOUSE

Hon. Mr. Welch moved that on Thursday next, March 16, this House will meet at 10 a.m. for the purpose of considering Bill 59 in committee and third reading. The House will adjourn for the luncheon interval at approximately one p.m. and resume at two p.m., at which time the normal routine proceedings will be called.

Motion agreed to.

Hon. Mr. Welch: Mr. Speaker, I would like to speak to that motion. It has been accomplished because of the co-operation of a number of people, including the member for St. George who had special responsibilities in the consideration of this bill, to rearrange the program. I do want to publicly thank all the members who have made it possible for us to add this extra time for the consideration of this bill.

INTRODUCTION OF BILLS

CROWN TIMBER AMENDMENT ACT

Hon. F. S. Miller moved first reading of Bill 35, An Act to amend the Crown Timber Act.

Motion agreed to.

Hon. F. S. Miller: Mr. Speaker, further to the statement I made earlier today, this bill provides in substance for the amalgamation of the management charge and forest protection charge into one area charge and for the authority to make regulations that fix or determine Crown dues by formulas employing commodity price indices.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Mr. Williams moved first reading of Bill 36, An Act to amend the Legislative Assembly Act.

Motion agreed to.

Mr. Williams: Mr. Speaker, the amendment would require a person who holds office as a member of a council of a municipality and whose term of office is not yet three-quarters expired to resign his office on official nomination day if he wishes to be elected to the assembly.

PUBLIC HOSPITALS AMENDMENT ACT

Mr. Williams moved first reading of Bill 37, An Act to amend the Public Hospitals Act.

Motion agreed to.

Mr. Williams: Mr. Speaker, this bill establishes several requirements relating to the composition of boards of public hospitals. The bill provides that the number of appointed directors who have a vote shall not exceed one-quarter of the elected directors. In addition, the bill establishes certain criteria for membership in a hospital corporation and guarantees a member's right to vote in the hospital corporation.

FAMILY DAY ACT

Mr. Williams moved first reading of Bill 38, An Act respecting Family Day.

Motion agreed to.

Mr. Williams: Mr. Speaker, the purpose of this bill is to provide for a public holiday known as Family Day. Family Day is established as a day to celebrate the institution of the family and will be held on a day to be named by the Lieutenant Governor.

[3:15]

LABOUR RELATIONS AMENDMENT ACT

Mr. Williams moved first reading of Bill 39, An Act to amend the Labour Relations Act.

Motion agreed to.

Mr. Williams: Mr. Speaker, the bill requires a trade union to provide additional information about its financial affairs to its members and to the Ontario Labour Relations Board. A union must prepare a statement of salaries, expenses, fees and commissions, and a statement of investments, to be provided to its members. An audited financial report must be filed annually with the board, and the members of the trade union may obtain copies

of the statement from the union upon request and without charge.

In addition, the bill limits the amount of union funds provided by Ontario members that may be transferred outside Canada; and requires that investments made of union funds be of the type authorized by the Trustee Act and the Pension Benefits Act.

EQUAL OPPORTUNITY ACT

Ms. Campbell moved first reading of Bill 40, An Act to provide for the Economic Equality of the Sexes.

Motion agreed to.

Mrs. Campbell: Mr. Speaker, the bill provides a remedy to an individual who is affected by discrimination on the basis of sex, practised by employers who are the recipients of public funds. The bill permits a person to apply to a court for an order suspending the payment of public funds to any employer who discriminates in employment practices on the basis of sex. The employer may apply to a court to terminate the order when the employer is no longer conducting such discriminatory practices.

This bill is intended to complement the family law legislation, which one hopes will one day pass this Legislature.

ADJOURNMENT DEBATE

Mr. Speaker: Before the orders of the day, I remind hon. members that pursuant to standing order 28, the hon. member for Bellwoods (Mr. McClellan) has indicated he is dissatisfied with the answer to a question provided by the Minister of Community and Social Services (Mr. Norton). This matter will be debated at 10:30.

Similarly, the hon. member for Carleton East (Ms. Gigantes) has indicated that she is dissatisfied with a question answered by the Minister of Health (Mr. Timbrell). This will be debated at 10:40 this evening.

ANSWER TO WRITTEN QUESTION

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the answer to question No. 12 standing on the notice paper. (See appendix, page 705.)

Just before some of the members go to other responsibilities, they know we will be calling the first order; if the member for Ottawa Centre (Mr. Cassidy) has completed before 6 p.m. it was understood that we would go into committee of the whole and start Bill 59. I therefore thought I would advise members there was some likelihood of them being required in the committee of the

whole as well, following completion of remarks on the budget by the member for Ottawa Centre, which will be some time later on this afternoon.

ORDERS OF THE DAY

BUDGET DEBATE

(continued)

Resumption of the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

Mr. Cassidy: Mr. Speaker, these are solemn and difficult times. Statistics Canada reported today that for the first time in our history more than one million Canadians are out of work. Three hundred and twenty-six thousand men and women are out of work in the province of Ontario, and that's 10,000 more than in the month of January. Yet the budget which the government brought down last week contains not one single proposal for creating full-time jobs in Ontario. Instead, it does its best to justify a policy of total inaction by Ontario's Conservative government.

When this budget came down last Tuesday, my colleagues and I said that it was outrageous. The reaction of the past seven days clearly demonstrates just how strongly that opinion is shared, both by the press and by the people of Ontario. The news that the economic situation is still worsening underlines just how bankrupt this government has become. It is outrageous that when 326,000 people are unemployed in Ontario the government's only proposal for creating jobs is for 13,000 summer jobs for students.

It's outrageous that there is no meaningful action to bring about the fundamental, structural changes in our economy that even the Treasury recognizes that Ontario needs. It's outrageous that property tax relief for senior citizens is being deliberately delayed. It's outrageous that the municipalities of Ontario have been manipulated into a loss of nearly half a billion dollars in provincial grants which they can only replace by turning yet again to property taxpayers.

It's outrageous that Ontario has provided yet another tax break to the mining industry and one which is certain to lead to the export of jobs. Above all, it is outrageous that the Treasurer (Mr. McKeough) should have again increased health premiums in order to avoid bringing a tax increase before this Legislature. This budget is part of the same pattern which was set when the Premier (Mr. Davis) went to the first ministers' conference in Ottawa last month. The

pattern was confirmed in the Throne Speech three weeks ago.

Even with Ontario facing its worst economic crisis in 40 years, the Conservative government is not prepared to act. This government has totally abdicated its responsibility for the health of Ontario's economy and is passing the buck to the federal government and to the private sector.

Mr. Haggerty: You've been reading Peterson's speech.

Mr. Cassidy: I listened for a while, but it was very difficult.

Not only that, but the Treasurer has joined forces with every reactionary influence in Canadian society in a chorus of simplistic solutions whose main thrust is to blame the public sector for the failures of Conservative and Liberal governments.

In short, this budget sets out to punish the people of Ontario for the mistakes of the Treasurer and his predecessors. We cannot accept that approach and neither will the people of Ontario.

Before I go into the specifics of this budget, I want to remind this House that the Treasurer's promises and forecasts cannot be believed. Two years ago, he promised to bring his budget deficit down to \$1 billion. He was \$300 million out. Last year he made the same promise again, but as the New Democratic Party correctly predicted, the figures were trumped up for pre-election purposes and the Treasurer was \$600 million out.

Ontario fell 20,000 jobs short of the Treasurer's promise of 85,000 jobs in 1975. We were 40,000 jobs short of the Treasurer's promise in 1976. If last year's inadequate job creation programs resulted in only 73,000 new jobs, which was 16,000 short of the Treasurer's target, how can anyone be expected to believe this year's target when the government plans to do even less? The Treasurer seems to be saying that the picture is so rosy that nothing needs to be done now about Ontario's economic problems. That is precisely the line he took last year when he said, "I think there is every reason to be optimistic about the outlook for 1977." What a piece of pre-election bravado that turned out to be. Last year the Treasurer saw such signs of solid strength that our economy grew by only 2.7 per cent and our unemployment rose to the present level of 326,000.

The pattern of misrepresentation which the Treasurer adopted last year continues in this year's budget. Last year the Treasurer redefined full employment from the tra-

ditional level of three per cent unemployed to a 5.3 per cent level in order to justify his failure to adequately manage the economy. Now he has devoted yet another budget paper to rationalizing 5.3 per cent unemployment as a full employment target. Yes, the Treasurer uses those words in his budget and uses that as yet another excuse for inaction.

Not only that; hours before the start of International Women's Day the Treasurer announced that he is prepared to accept an unemployment rate for women, 25 years and over, that is nearly twice the rate that he will tolerate for men. That sexist approach will not do in Ontario in 1978.

The Treasurer was caught out on so many fronts last year that he has been a shade more careful in his forecasts for 1978. After all, this is not an election year. But Ontario is still being led down the garden path by this Treasurer. In last year's budget, Darcy McKeough mortgaged the store with a \$1.6-billion deficit, and now he is selling the mortgages in an effort to apply some fiscal vanishing cream to his deficit.

Mr. Speaker: I must remind the hon. member that it is customary in this House to refer to another member by his riding name rather than by his surname.

Mr. Cassidy: Mr. Speaker, the Duke of Chatham-Kent; I will refer to him that way constantly.

The same day this budget was coming down, there was a new budget in the province of Saskatchewan. What a contrast there was between sunny Saskatchewan and the gloomy Ontario of this Treasurer.

Mr. Lewis: Utopia; Valhalla.

Mr. Cassidy: Thanks to the two budgets, Saskatchewan will have the lowest rates of tax of people earning \$13,000 a year in Canada and Ontario will have the highest rates of tax. Senior citizens and municipalities get more aid in Saskatchewan. They are denied it under this budget here in Ontario.

The jobs that are being provided in Saskatchewan will benefit 20 per cent of its unemployed workers, while the full-time jobs in Ontario's budget don't even touch one per cent of our unemployed. It makes one think that the time has come to end the Tory reign in Ontario and bring on an NDP government.

Mr. Lewis: Of which the Liberals will be a part, like it or not.

Mr. Cassidy: In the opinion of my party, the raising of OHIP premiums is the single most offensive action of the 1978 Ontario

budget. The facts of the health premium increase are not new but they should be put on the record again.

In the first place, this is the second time in two years that premiums are being raised, and effective May 1 they will be double the 1976 level.

Mr. Martel: The Treasurer should be ashamed of himself.

Mr. Cassidy: Here is what people in different provinces will pay for health insurance on that date: Newfoundland, no premiums; Prince Edward Island, poor Prince Edward Island, no premiums; Nova Scotia, no premiums; New Brunswick, no premiums; Manitoba, no premiums; Saskatchewan, no premiums. Six provinces of this country have got the secret that somehow escapes this Treasurer.

Mr. Lupusella: Why don't you clean your books?

Mr. Cassidy: In the deep-blue Conservative province of Alberta there is a maximum premium of \$169.20 for a family of four. In British Columbia—somewhat to the right of Genghis Khan—there is a maximum of \$225 a year in premiums. In Quebec there is a payroll tax of 1.5 per cent of net income, and no more than \$235 a year.

Now we come to rich, prosperous Ontario—

Mr. Martel: Under the Tories for 34 years.

Mr. Cassidy: —under the Tories, where a premium for a typical family of four is a staggering \$528 a year.

Some hon. members: Shame.

Mr. Martel: Resign.

Mr. Cassidy: Ontario will be raising 34 per cent of its health cost from premiums, compared with 10 to 15 per cent in the other provinces that have premiums.

And, as I read into the record in the question period today, a worker earning the average wage of \$13,400 in this province will pay 8.4 per cent of his net income in health premiums alone, whereas somebody earning \$25,000 a year will only be paying 3.8 per cent of net income. This is the most regressive tax that Ontario could have levied but, wonder of wonders, that is the one that the Treasurer chose. I say, and we say, that is shameful.

Through the order in council that was passed before this budget debate even began, Ontario will have the dubious distinction of raising more money in health insurance premiums than through the corporation income tax. That is the kind of priorities this Treasurer has. A family of four that earns

\$10,000 will pay more in health premiums than it pays in federal and provincial income tax combined.

[3:30]

This government keeps on insisting that the workers will not feel any effect of this increase because their health premiums are paid for by their employers. Just ask any worker about that the next time his contract comes up for negotiation. If this \$144 increase is paid for by the employer, it will be taxable and it is at the expense of other wage gains, whether or not the workers are under the Anti-Inflation Board. We think it is grotesque that OHIP premiums are being raised by a staggering 37.5 per cent when workers are being held to pay increases of only six per cent.

Not only that, but any flat rate tax like these health premiums hits people on low incomes far harder than people in the Treasurer's tax bracket. And he's getting a tax cut on his cigars as well. It is ironic that a government which says that it favours small business should be loading this additional burden on to small business people and that a government that says it wants to help farmers, whose real income has been falling steadily for the last four years, should be loading this new burden on to their backs.

We find it particularly arrogant of this Treasurer that he and his government are choosing to use a legislative loophole in order to impose this \$271-million tax increase without seeking approval from this House. The Treasurer has no shame. He doesn't even try to disguise this as a premium increase any more; he agrees that it is a tax action but he will not come to this Legislature. We believe it is a fundamental principle of parliamentary democracy that there should be no taxation without legislation.

Let me be very clear about the position of the New Democratic Party. We are opposed to this OHIP premium increase and we will do everything we can to stop it. Specifically, today I will be moving a no-confidence motion separate from the budget debate because this is the only parliamentary means at hand to stop this outrageous tax demand. We have already tried the other routes. We have appealed to you, Mr. Speaker, for a ruling that this tax increase must come before the House and I'm afraid that you did not see things our way.

We have asked both the Treasurer and the Premier himself if they will understand the principles of parliamentary democracy which are involved and bring this premium increase before the Legislature, either by resolution or

in the form of legislation. That has been refused. The member for Scarborough-Ellesmere (Mr. Warner) has introduced a private member's bill which will have the effect of changing the Health Insurance Act, but it is already clear that the Conservative Party intends to block that particular piece of legislation which will come before the House on March 30. Because the House leader of the Conservative Party decides whether that bill will go further or not, it is not an effective and sure means of blocking this particular premium increase before it is due to take effect on May 1.

That is why we do not believe it is sufficient to simply move a general no-confidence motion which would come to a vote only in December. That is why we will be moving a motion specifically related to the health premium increase and designed so it can be debated right after the school break in late March or early April so that this Legislature can decide whether or not health premiums should be increased now.

I will read the motion, Mr. Speaker, which I will be sending up to you and which will be seconded by the member for Nickel Belt (Mr. Laughren). It says very simply that this House condemns the government's outrageous decision to raise Ontario health insurance premiums to the highest level in Canada; deplores the regressive impact of this arbitrary tax increase on wage earners in general, on farmers and small businesses and in particular on people of modest incomes; condemns the government's affront to the fundamental parliamentary principle of no taxation without legislation; and that for all these reasons this House no longer has confidence in the government.

We will be moving that motion. I appeal to members from all parties to consider their position very carefully because it is in the hands of this Legislature to decide whether or not the OHIP premium increase goes forward. We will be having a vote in the near future to make that decision and I hope that everybody in this House votes on behalf of the people of the province of Ontario and not on the narrow and ideological kind of doctrine that has been put forward by the Treasurer of this province.

We will also do everything in our power to get property tax relief for pensioners which the Treasurer has deliberately postponed in this budget. It is a cruel deception to talk of this relief and then to delay its implementation into the indefinite future. Pensioners, in our opinion, deserve property tax relief now.

The shell game that the Treasurer—that the Duke of Kent is playing with the municipali-

ties, is equally deceptive. Last year at this time, municipalities were owed \$18 million by the province under the promise that Ontario made five years ago to give municipalities and school boards a fair share of its increase in revenue, but under the Conservatives this province can no longer be trusted to live up to its promises. Last September, the Treasurer unilaterally repudiated this pledge, and suddenly the municipalities found themselves \$298 million in deficit.

Last Tuesday, there was not even a blush of shame on the Treasurer's face as he announced that the Edmonton commitment was now reformulated—mark the word, Mr. Speaker—and put the municipalities in the hole to the tune of \$444 million.

That kind of manipulation means only one thing, less money for municipalities from the province, and therefore more money will need to be raised from property taxpayers who already are too hard pressed in Ontario.

As we prepared for this budget, we tried to imagine what would be the most predictable and least helpful tax move the government could make. Sure enough, there are even more tax breaks for the mining industry, and even the Treasurer admits in this House this time that his measures may not create a single new job for up to five years. We don't think that these concessions will create a single new job at any time.

The Conservative government cannot resist its obsession to give handouts to the mining industry, yet both Inco and Falconbridge testified before the select committee on the Sudbury layoffs that their problem lay in shrinking world markets and not in the level of taxation in this province. That reality is simply ignored by the Treasurer, just as this government ignored the recommendations of that select committee.

Ontario has offered a new tax exemption for foreign processing, which is certain to export jobs which could and should be created in northern Ontario. Ontario's gifts to its mining sector are rapidly becoming a legend in the western world. Only days ago, against the clear will of a majority of members of this House, the government signed contracts that will give windfall profits exceeding \$2 billion to two private uranium companies. The market value of the shares of Denison Mines alone has risen by \$57 million from the time those contracts were announced last December until the day they were signed early this month.

And how do the people of Ontario benefit from our natural resources? Just compare, Mr. Speaker. If we're lucky, we can expect

mining tax revenues this year, from every mine in the province, of \$33 million.

Mr. Martel: Oh boy!

Mr. Cassidy: And that compares with \$57 million that went into the pockets of shareholders of one mine thanks to the stroke of the pen by William Davis and Darcy McKeough.

When is this government ever going to learn that these mindless, blanket concessions to the mining industry are of no public benefit and must come to an end?

I want to mention only briefly the other tax measures announced in the budget. We have misgivings about the levy on railway rolling stock because we fear this may be particularly directed to the public sector by its impact on the Toronto Transit Commission and Canadian National Railways. Surely now is not the time to be doing anything that might discourage public transportation of freight or of passengers.

There's nothing wrong with a tax exemption on storm doors, but we are puzzled that a government which could not find \$5 million last year for the home insulation program promised in the election campaign, has now found \$15 million for a tax concession which is likely to have less impact, both in reducing energy consumption and in increasing employment.

We support the sales tax exemptions for the hospitality industry, because it is the only gesture in the entire budget towards meeting the economic needs of northern Ontario and because it is the only concrete policy directed to the needs of a particular industry.

It's now seven years since this Treasurer first introduced tax giveaways for capital investment by corporations. Whether they were called investment tax credits or sales tax rebates, there has been no evidence that these incentives help to create jobs. With this budget the Treasurer has introduced a document that purports to have the answers; it wasn't worth the wait.

This is just another self-serving document designed to prove the government's case. The only evidence offered by the Treasury is a prediction based on a computer model that the tax rebate would stimulate investment. What is particularly disturbing is the estimate in the same paper that the tax rebate program will eliminate 15,000 jobs this year as machines put people out of work.

That fact alone should justify withdrawing this tax concession particularly when that step would free up \$178 million for real job creation. We opposed the extension of this machinery tax credit when it was made

permanent 18 months ago and nothing has been offered to change the reasons for our opposition.

Likewise, last year we opposed a further \$80 million handout to corporations which Ontario offered through fast write-offs and we are still opposed to that. To put it very simply, we believe that Ontario should be taking action to create jobs and not to destroy them.

Mr. Lewis: All those years, we said you were wrong and now your own statistics prove it.

Mr. Cassidy: Six thousand jobs destroyed last year; 15,000 jobs destroyed this year; and some promise that something might happen in the future. It just isn't good enough when we have more than 300,000 unemployed and the government won't bring any concrete action in order to create jobs.

Let me sum up for a minute: As last year, we believe that the machinery tax exemption should be removed and that its cost of \$178 million should be put back into consolidated revenue; and while we oppose the OHIP premium increase in order to protect individual taxpayers, we are prepared to go along with the Treasurer's plan to raise \$122 million from business. This is his estimate of how much corporations would contribute to the government through the increase in OHIP premiums. We would also like to recoup the \$80 million that was given away last year for the fast write-off.

It seems to us, in the current economic situation, that the best means of achieving these two goals would be to raise corporation tax by two points, except for the small business rates, which would stay at 11 per cent. This would put us in the middle range of corporate tax rates for Canadian provinces and leave the income tax burden on corporations in Ontario still a full five percentage points below neighbouring US states, according to the Treasurer's own figures, and therefore more than competitive.

We also think that this is a prudent step in view of the program for job creation which will benefit the people of the province and business in the province much more directly than anything offered by the Treasurer.

That brings me to the single most glaring failure of this budget. The failure to take any effective action to help reduce unemployment.

At least there was some pretence of concern last year. The 1977 pre-election budget promised to accelerate \$75 million in capital projects and thereby create 3,356 jobs. But the tide started to turn as soon as the votes

were cast. By September, the Treasurer had decided to prune all but the most essential capital projects. He stepped on the gas in April, and slammed on the brakes in September.

There are now 326,000 people out of work in Ontario, the highest total in our history. There are 30,000 people out of work in the Ottawa area, where I live, and the unemployment rate is 8.8 per cent. Unemployment is 11 per cent in St. Catharines. It's 11.9 per cent in Windsor. It's over 10 per cent in the Peterborough area. Over 10 per cent in Hamilton-Niagara. Over 10 per cent around Georgian Bay and Lake Huron, and over 10 per cent in the north. Here, in Metropolitan Toronto, there are more than 100,000 people looking for work, and yet there is not a single specific new measure for creating full-time jobs in this budget.

The budget ignores the 142,000 young people who are unemployed now and focuses only on summer jobs for students who are still finishing their terms or their high school careers. There is not even a word of concern for the 88,000 women over 25 who are also out of work. In fact, the Treasurer has not told them that chronic unemployment is going to be a way of life so long as he is running affairs in this particular province.

[3:45]

We in the New Democratic Party just cannot understand how a government can be so heartless and so unconcerned. We believe that a job creation program for Ontario is absolutely essential to meet the current crisis.

We recognize that government, business and the people of Ontario must share in the solution of our unemployment crisis. We cannot afford to have a government that sits back and does nothing. I want to outline for this House what New Democrats think Ontario should be doing to help create jobs now.

First, we propose that Ontario should respond to two of our major manpower problems—the shortage of jobs for young workers and the need for skilled workers—by adopting a new approach to apprenticeships in industry. We believe that skills training should be a responsibility of industry, but that this responsibility should be taken over gradually. We propose that this year Ontario should share the cost of apprenticeships and training positions with industry on a 50-50 basis, a powerful incentive which could provide jobs and vital training for 10,000 young people at an estimated cost of \$40 million.

Second, Ontario should bring in a program to conserve energy and to supplement the

disastrously inadequate federal home insulation program. As of March 3 there have been fewer than 10,000 applications for that program out of nearly a million eligible housing units in Ontario. The federal program is obviously not going to work by itself. We propose a program of loan guarantees, coupled with a full interest subsidy which would encourage every house owner in the province to upgrade their insulation standards and save energy. This kind of plan could reach 100,000 homes per year at a cost of \$10 million. We estimate it would create 2,300 full-time jobs.

We also believe it is time for Ontario to make a major commitment to the development of renewable energy resources as a counterpoint to its massive nuclear program. The solar energy industry in this province is on the verge of a breakthrough in consumer acceptance which will not only create employment and save energy in Ontario, but could also lead to major benefits and exports. We propose that Ontario make that breakthrough a reality by offering a \$1,500 subsidy per unit to equip new houses with solar heating equipment. The cost to provide this subsidy for 20,000 new homes would be \$30 million. We estimate that it would directly create 1,500 jobs and that there would be enormous indirect benefit as well.

There is still an urgent need for housing for senior citizens in Ontario as well as for families of low and moderate incomes. This need is getting more acute by the day because of the government's decision to end its involvement in housing. It's time for Ontario to give serious encouragement to the co-operative and non-profit housing sector which it has so deliberately shelved in the past. This sector of the housing market will respond rapidly if given the chance. We propose a program to build an additional 7,000 co-operative and non-profit housing units this year for people of low and modest income. The incentive would be a capital grant of \$5,000 per unit. The cost would be \$35 million and it would create 14,000 new jobs in construction and in the building materials industry—two industries that are the hardest hit by unemployment.

We also propose that Ontario begin to meet the enormous need for assisted housing. Last fall there were more than 8,000 families and 15,000 senior citizens on the waiting list for Ontario housing. Thousands more have simply given up hope. We propose the construction of an additional 2,000 units for families and 2,000 senior citizens' units this year. Enough funding is available from the Central Mortgage and Housing Corporation

that the net cost to the province would be a maximum of \$85 million. We estimate that this would create a further 8,000 new jobs on site and in construction materials.

There is a clear need for rehabilitation as part of Ontario's overall housing policy, and the Ontario Home Renewal Program has already proven that it can do the job if it's given the resources. We propose a \$25 million expansion of OHRP to facilitate the upgrading of existing homes, particularly for families of modest income. This would create an estimated 1,500 full-time jobs this year.

The needs of the north have been totally ignored in this budget, as if the layoffs of Inco and Falconbridge and the high unemployment in the northwest had never taken place. We want action to create long-term jobs in the north, but right now there is a need to create municipal services and the benefits that would accrue would be permanent. We propose that \$25 million be allocated in special grants for hard services in northern Ontario to help to close the gap for this unemployed part of the province, and we estimate that this would create approximately 1,000 new jobs.

Now is also the time to take advantage of a large number of provincial and municipal capital projects that are on the shelf, approved and ready to go. With the current slack in the construction industry, these projects could be under way by this summer.

We propose that Ontario provide \$150 million to accelerate provincial and municipal projects, like the Toronto Board of Education's program to bring its older buildings up to municipal health and safety standards; the city of Windsor's expansion of its sewer system into previously unserved areas that are now on septic tanks; the problems of re-development of the Burwash site in Sudbury; and Sudbury region's local services improvement program; and the provincial office tower in Hamilton which was chopped by the Treasurer last September.

In Cornwall, there is a \$1.7 million grade separation project that has been cancelled because of lack of funds on the part of the city; and there are similar projects on the shelf in every part of Ontario that are ready to go if Ontario would give the green light. We estimate that acceleration of these projects would generate 7,500 new jobs, on and off construction sites, and respond to the particular needs of an industry whose rates of unemployment are the highest of any industry in Ontario.

The total cost of our job creation program would be approximately \$400 million and it would create 45,800 jobs. These are not

make-work jobs, Mr. Speaker; every one of these proposals meets a recognized need. Each of these proposals would be of long-term benefit, whether in housing, in government service, in conserving energy or in providing the skilled workers we will need to make Ontario's industry competitive in the 1980s. The McKeough budget only creates 142 long-term jobs, this program of the New Democratic Party would create 45,800 jobs; and that is the kind of leadership that we would have for Ontario.

The failure of the Davis government to come to grips with the long-term problems of the Ontario economy is just as glaring as its failure to create jobs now. Just three years ago, in 1975, this Treasurer seemed to feel that the province could play an active role in securing the future of our economy. Not any more; now he has embraced the creed that government should do nothing but abdicate its responsibility. It has become fashionable for government to attack its own role and to assert that its activities should be limited to limiting itself.

The Treasurer's view of economic strategy and that of the New Democratic Party could not be further apart. He is a cheerleader and an apologist for the lack of action by the government. The Treasurer's stance is passive; ours is active.

All the evidence is that we have been frittering away our advantages in Ontario under the Conservative government, and now Ontario is paying the price of a Conservative government's mismanagement. We've been living high on our natural resources and we have failed to be vigilant, either in building our industrial economy or in protecting the province from the damaging consequences of foreign ownership.

The key to our economic future in Ontario is self-reliance, but the Conservatives, under this Premier and Treasurer, have done all that they could to move us in the opposite direction. Whether you talk tourism or manufacturing trade, investment flows or research and management fees, we are simply not doing enough for ourselves and relying far too much on others. In the long term, both Ontario and Canada will pay the price.

We've always been able to count on the strength of our resource sector, but now even that strength is disappearing. The reason is not just the temporary weakness in world mineral markets. It's the mismanagement of our northern forest by this government; it's the failure to build industry in the north when our resources were most important in world markets. Our challenge is to build this

province's industrial economy in the difficult times that lie ahead, because the Tories failed to do the job when we were enjoying good times in the late 1960s and the early 1970s.

We will not succeed if we stand back, as the Treasurer tells us, and rely on the private sector alone. Ontario must use the power, the influence and the leadership of government in order to nurture and develop our manufacturing base rather than leave it prey to the monopoly capitalism that the Tories call free enterprise. Industry is crying out for co-operation with government; we believe that government should respond.

To have a real economic strategy, you must have goals and a view of the future and a sense of how to achieve it. Government must be willing to share responsibility with the private sector for reaching these goals. This means a new kind of relationship between the public sector and the private sector. We have to replace the generalized concessions that the Treasurer loves so much with initiatives that would respond to specific areas of weakness and specific problems in the economy. We have to target the use of government assistance and of government resources and we should expect to get a return for the public from the use of public funds.

Ontario faces serious economic problems. The proportion of our labour force in manufacturing has been shrinking to the point where the Science Council of Canada says that this country and its industrial heartland here in Ontario are becoming semi-industrialized.

The Ontario Economic Council's forecast for the next 10 years also makes depressing reading. It suggests that over the next decade the number of manufacturing jobs in Ontario will grow by only 11,000 jobs per year. Even this estimate lacks credibility when one considers that over the past 10 years, despite all of the boasts of the Treasurer, jobs in manufacturing have grown at only half that rate; that is, at only 5,000 or 6,000 jobs per year.

One has to ask where this province is going when the Ontario Economic Council relies heavily on the growth of the government sector to meet Ontario's employment targets over the next 10 years while the Duke of Chatham-Kent, the Treasurer of Ontario, proudly reports that he has brought the growth in public sector employment to a complete halt. Those contradictions cannot persist without seeing unemployment rise to levels which have been precedent in this

country before only in areas like Newfoundland, and that's not acceptable for Ontario.

The symptoms of our industrial malaise have been evident in the headlines week after week over the past year, and that's one of the reasons that we are shocked at the lack of action by the Treasurer. Ontario is now losing more than 15,000 jobs a year through layoffs and shutdowns, and these are only the figures that are reported to the Ministry of Labour. The list is almost endless: 165 jobs at the Chrysler trim plant at Ajax; another 100 jobs or more at Chrysler down in Windsor; 78 jobs lost at Northern Telecom in Brampton; 485 jobs lost at International Harvester in Hamilton; 136 jobs at Shepherd boats in Niagara Falls—

Mr. Peterson: Stephen already did this.

Mr. Cassidy: It's worth listening to, I say to the member for London Centre.

Mr. Swart: My leader is upstaging the member.

Mr. Peterson: I listened to him last time, and it was better than yours.

Mr. Cassidy: It is very much worth listening to, because this is what is happening to our industry in this province because the Conservatives are asleep at the switch and letting our industrial base decline.

Continuing with the list: 275 jobs at Bethlehem Steel's ore mine in Marmora; 250 at Pilkington Brothers in Scarborough; 280 next month at Reed National Drapery in Weston; 700 jobs in May at Christie Brown bakeries in Toronto; and 3,000 workers at Inco and Falconbridge in Sudbury and Port Colborne. Is this really the time for government to stand aside, as the Treasurer pretends? We do not believe so.

Mr. Peterson: There's a lot of criticism there.

Mr. Cassidy: And the criticism is well deserved.

I want to outline our strategy for a series of industries and for a series of major areas to which we would give priority if we were the government. I also want to underline how many of our problems are due to the fact that Ontario's industry is so heavily foreign-controlled. This is the biggest single structural weakness in Ontario's economy but, far from recognizing the consequences of foreign ownership in Ontario and trying to deal with them, Ontario looks the other way. Both here and in Ottawa the Treasurer and the Premier have vigorously lobbied to tear down the fragile and inadequate barriers that Canada has tried to erect against foreign economic domination.

In blithe ignorance of the problems created by truncated branch plant operations in this province, the Minister of Industry and Tourism (Mr. Rhodes)—and I'm sorry he isn't here—made his debut last month with an enthusiastic invitation to Japanese investors to bring more branch plants into this province. One of the reasons we question that kind of appeal is the fact that, as the Ontario Economic Council has pointed out in the study of business investment released just before the budget, our industry is 60 per cent foreign-owned, yet only six per cent of its financing comes from abroad. In other words, the continued foreign domination of our industry, with all the consequences that entails, is financed almost exclusively by money that is raised here in Canada.

[4:00]

Mr. Wildman: A sellout.

Mr. Cassidy: The consequences of foreign ownership are felt in every corner of our economy, through weaknesses in research, in marketing, in access to markets like the US, in innovation, in purchasing within Canada which could help develop small business; and even at times in the degree of company participation in local community life.

The way to solving these problems starts here in this chamber. Government must be prepared to provide leadership and direction in the economy. It must focus its efforts on the specific areas and industries where that help is needed, rather than spreading its efforts so thin that they have no impact. Government must be prepared to act as a counterbalance to the adverse consequences of foreign ownership here in the Ontario economy.

I want to focus specifically on four industries during this budget reply to give an idea of the approach that we in the New Democratic Party will be taking. I also want to say that during the budget debate my colleagues will be dealing with some of these sectors in more detail to demonstrate that our priority in the New Democratic Party is jobs and the building of Ontario's economy. This priority will not be reflected only in the budget debate; over the course of the coming months, the coming years, up to whenever the next election comes, whether it is in May or in 1979 or in 1980, we are going to focus on these economic issues. We are going to focus on the weaknesses of industry for which this government is responsible, and we are going to focus on all of the broad areas of industrial policy in which this government has been letting Ontario down.

I also want to say a word of tribute and of thanks to the researchers in the New Democratic Party research department who, three or four weeks ago, were faced with the challenge of adapting to a new leader and coming up with background material both for my reply on the Throne Speech two-and-a-half weeks ago and for this major speech on the budget. They are as fine a crew as we have ever had working for the New Democratic Party; and I want to tell you, Mr. Speaker, five or six New Democratic Party researchers have on occasion in the history of this province come very close to bringing the entire government of the Tories, that has been in power for 30-odd years, with all its civil servants and all its resources, right to its knees and almost to the point of being thrown out. They have come very close in the past, and we will do it in the future.

Mr. Lewis: Five or six of them? One, at any moment in time, can take you all on.

Mr. Cassidy: That's right.

Mr. Warner: They too want you to resign.

Mr. Cassidy: I want to begin with Ontario's single most important industry, the automobile industry. At the first ministers' conference, the Premier himself said, "We have had enough studies of the automobile industry. What we need now is action." His message is not getting through to his own government, despite the disturbing evidence that the automobile industry in Canada faces a very difficult future. Most of the auto industry is here in Ontario, and almost all of it is foreign-controlled.

Despite its expansion since the auto pact was signed 13 years ago, the automobile industry is still an outstanding example of how branch plant structure stands in the way of achieving a strategy that puts Ontario's needs first. Take the most fundamental factor of investment, on which the Treasurer harps so often. North America's automobile industry has embarked on a phase of massive retooling to produce the new generation of vehicles which will meet legislative demands for safer cars with less pollution and better gas mileage.

These investment needs are estimated at around \$2 billion a year for the next few years, but only a small percentage of this investment will be made in Canada. With nine per cent of the North American car market, automotive subsidiaries in Canada currently receive only five per cent of capital investment by the "big four" auto makers. When we are falling this far behind in auto-

motive investment today, how can we hope to have a fair share of jobs in the future?

The federal government's task force on the automobile industry, which resulted in what is known as the Arthur report, found that 49 per cent of US auto workers are unskilled but 75 per cent of Canadian auto workers are unskilled. In the US, the proportion of skilled workers is four times as high as in Canada. The best jobs go south of the border.

The structure of the industry also favours the US parents when we look at research and development. These expenditures are massively concentrated in the US, but the federal task force calculated that the big automobile companies in Canada had contributed nearly \$1.4 billion to the research and development work of their US parent corporations just in the six-year period from 1970 to 1975. Today, that transfer of research and development payments is running at a level approaching \$350 million a year. That represents an enormous loss to Canada, not just in scientific and technical jobs that we could have here, but also in the enormous benefits that we would gain if Canadian plants or firms were developing new products and processes for the auto industry rather than relying completely on US technology.

The Arthur report provides very strong evidence that costs and productivity in the Canadian auto industry are comparable to the United States and that belies the kinds of myths that we keep getting from Conservative ministers and back-benchers on the other side of this House. Because we are so competitive, it can only be the arbitrary decisions of the big car manufacturers that give us the short end of the stick every time.

Our deficit in trade of automobile parts across the border now runs at more than \$3 billion per annum. But in the view of the federal report—a very careful study—it is General Motors, Ford, Chrysler and American Motors which are primarily responsible for this imbalance because they control three-fifths of the parts industry. Their decisions about where plants locate determine whether or not Canada gets a fair share of parts production. In other words, any one of these automobile companies alone has more impact this year on the economic health of the province of Ontario than the entire budget brought down last week by the Treasurer.

An hon. member: That's the way he wants it.

Mr. Cassidy: It's obvious that our automobile parts deficit doesn't happen by accident. If we fail to deal with the reasons, we will not solve the problem. It's not good for

the Premier to wave a magic wand and say that Ontario could have 20,000 more jobs by correcting the trade deficit on the auto pact unless this government is prepared to deal with the fundamental problems of the industry. There has been no sign that they were prepared to take that fundamental approach in the past and no signs for the future that they're prepared to take that step either.

Ontario's concern for the machinery industry has also been almost non-existent. This industry drains our economic strength in Canada even more than the automobile industry. Last year's trade deficit in this sector hit the incredible level of \$3.8 billion, three times what it was 10 years ago. If we could close this deficit, the provincial Ministry of Industry and Tourism estimates that Ontario would gain 47,000 new jobs. That's a heck of a cut in the number of unemployed we have in Ontario right now.

Mr. Martel: You are interfering with the free enterprise system.

Mr. Cassidy: What strength there is left in Canada's machinery sector is dwindling rapidly. Most of that industry is in this province. We are the only industrialized nation that imports more than 50 per cent of our machinery and equipment needs. In fact, foreign producers now supply about 60 per cent of the Canadian market and Canada's imports of machinery are actually worth more in dollar terms than the imports of machinery for the entire United States, despite the fact that its population and its economy are 10 to 12 times the size of Canada's.

Mr. Philip: Think what that does.

Mr. Cassidy: The areas where we import the most—farm equipment, forestry, mining and construction—are precisely the areas where the Canadian market is large enough to support domestic industry. In mining alone, Canada runs third in world production, but we run a yearly mining machinery and equipment deficit of \$750 million and we import fully two-thirds of what we use in machinery in our mines.

Mr. Martel: Why doesn't the government get involved?

Mr. Cassidy: In forestry, the situation is almost as bad. If the current tariff negotiations in Geneva cut our machinery tariffs by half, the industry estimates that more than half its remaining workers will lose their jobs.

Why doesn't the Canadian sector of the machinery industry perform better? After all, they've been lavished with all sorts of

tax incentives by the Treasurer over the past seven years. Perhaps one reason is that three-quarters of the industry's output is from foreign-controlled subsidiaries, mainly from the United States. Their record for branch plant investment in research and development is terrible. According to the Treasurer himself, American machinery firms employ 79 times more innovators for research and development than do Canadian firms.

Even though Ontario has more than 300,000 unemployed, there is still a shortage of skilled labour in machinery which is so severe that some firms have been recruiting in Britain. Yet the industry has been unwilling to develop apprenticeship programs and the Ontario government has done nothing to force the issue. Obviously, the solution to the problems in the machinery industry are not simple, but the actions of the Ontario government have had no positive impact at all. The Canadian industry is relatively weaker today than when the Treasurer and his government began to promote business investment in machinery and equipment with tax concessions seven years ago.

Private industry initiative on which he is so strong, has failed to solve weaknesses in skilled labour and in research in this industry, and despite the enormous market for mining and forestry equipment in Canada, during a resource boom that has lasted in this country for more than 25 years private industry has failed to establish a strong resource machinery sector in Canada. The development of a co-ordinated approach by government and the private sector is not only long overdue in the area of machinery, Mr. Speaker, it is an essential part of an effective economic strategy, and we would do it if we were the government today.

Mr. Martel: It was recommended four years ago too; by your friends.

Mr. Cassidy: If ever there was a case, Mr. Speaker, for government to provide leadership and direction in our economy, it is in the textile industry.

There are 75,000 workers in textiles and clothing in Ontario and the Ontario Economic Council has optimistically advised the Treasurer that there would still be that many jobs 10 years hence. They may be whistling in the wind because the prospects are not good right now; for despite the fact that this industry is as efficient as almost any in the world, its future is in grave jeopardy because of import competition from low-wage countries.

The industry's problems are chiefly related to uncertainty about its future, and only a

commitment from government can assure the industry that it has a future to invest in. Both the Treasurer and his federal counterparts have been all too ready to write off the industry as an inevitable victim of changes in world trade. But the textile industry is by no means dead yet and it should not be written off.

The import share of the textile market has grown only a little since 1970 and is just over a quarter of the value of the Canadian market; we are still fighting back if we have the chance. In clothing imports have doubled their market share since 1970 and the number of garments that are imported is very high, but imports have only recently grown to a quarter of the Canadian market.

We urgently need a declaration from government that it is worthwhile having a viable textile and clothing industry and that for this reason the penetration of our market by imported textile and clothing must and will be kept to a tolerable level. That is what the industry is waiting to hear from this government, Mr. Speaker, and that is what it has not been getting from the Treasurer or his federal counterpart.

Many of the firms in the industry are very small; they need help in pooling research and development efforts, in testing and evaluating new equipment and new techniques and in expanding the number of trainees in the industry to fill the growing need for skilled workers. Textile firms are the economic mainstay of many small towns in southern Ontario. The policy of abandonment that the government seems to favour would do immense damage to these communities because the government has no alternative forms of employment to replace the textile firms if they close.

A sectorial study of this industry by the Ontario Ministry of Industry and Tourism concluded, and I quote: "If some confidence in the industry's ability to maintain or improve its share of the domestic market can be restored, there is every reason to believe that this industry will continue to improve its working conditions, wages, productivity, and its contribution to the economic wealth of this province and the nation. If, however, the continuing reduction in its share of the market persists the outlook is bleak."

The choice could not be put more clearly than in the ministry's own words, but because the Treasurer and this government deliberately choose to stand aside, 75,000 jobs in the textile and clothing industry in Ontario are on the line, Mr. Speaker, and we say that is wrong.

Mr. Roy: You will need more co-ordination in your support back there.

Mr. Cassidy: The member for Ottawa East should be clapping as well; it is a better speech than his party's financial critic gave. Compared to these three industries, Ontario's performance in steel has been outstanding, Mr. Speaker. This is almost the major manufacturing industry in this province in which we are self-sufficient. The industry is efficient, our prices are 10 per cent to 20 per cent below those of our US competitors, our plant is up-to-date and our technology and research are equal of any steel industry in the world. I think the people and the workers of Hamilton, as well as Sault Ste. Marie, can be proud of what our steel industry has achieved.

Mr. Swart: And Welland.

[4:15]

Mr. Cassidy: And Welland, that's right. The member for Welland-Thorold (Mr. Swart) mentions Welland as well.

While import competition has been a nightmare for many Ontario industries over the past five years, the flow of imported steel to Ontario has dropped sharply and the industry has been systematically expanding its facilities to make, or to be capable of making, products which were formerly not made here.

It is surely no coincidence that this is the only major Canadian industry which is almost entirely Canadian-owned. And that tells you a story, Mr. Speaker; I hope it tells the government a story as well.

On the dark side, however, the prospects for future growth in steel are very limited. We hold our own in international trade and succeed in exporting to the United States; but it's another story when we come to products that are made from steel. In fact, we are massive importers of manufactured products made from steel, and there is no prospect that this will change until we get a decisive economic strategy for Ontario.

I have already talked about the situation in automobile parts and in machinery and equipment. Without action by Ontario and the federal government, our deficit in these two industries is bound to continue and the jobs that could exist in Canada, providing primary steel for these industries, will also be lost as an inevitable result.

The situation is very similar in farm implements and the appliance industry, where we also have huge deficits. The demand for steel in the construction industry is weak because of the general weakness of our economy, for which governments carry a major share of the blame.

In fact, the only dynamic future market for Ontario's steel industry is in the area of energy; yet when he went to Ottawa for the first ministers' conference, the Premier of Ontario failed to make any concrete proposal to ensure that the Canadian portion of the Alcan pipeline will use Canadian pipe.

Even the apparent health of the steel industry, therefore, speaks to the weakness of the economic strategy of this government; they could not speak up for the protection of jobs in the most dynamic sector of the steel industry in the province, and we say that was wrong. We would have spoken up, and have and will continue to speak up for those steel pipes to be made in Canada.

Mr. Martel: That's why we voted on it.

Mr. Cassidy: This province and this country are running a spectacular annual trade deficit in manufactured goods of over \$10 billion, and that reflects the deep-seated weakness in the structure of our economy. We still depend on the export of resources to support our standard of living and in so doing we are exporting tens, if not hundreds of thousands, of manufacturing jobs.

The exporting of steel products, while we import manufactured goods which incorporate steel, is just another example of the same phenomenon. Ontario's steel production would go up by millions of tons a year if government moved to help create a strong manufacturing sector to complement the strength of our resource base.

That brings me to the most scandalous failure of all in the Conservative government's mismanagement of the economy: their failure to take advantage of Ontario's natural resources and to use them as a base from which to build a strong manufacturing economy. Over the past 30 years we have imported the manufactured goods we need by selling our resources in exchange. Now we are losing the advantage of that resource base and, at the same time, we have failed to develop the industrial base to take its place.

Mining production, for example, has plunged from six per cent of our GPP—our gross provincial product—in 1961, to only 3.5 per cent today. And how do the Conservatives react? They don't just act like spectators at a disaster; they even make things worse by actively encouraging the resource industry to export jobs rather than build jobs here in this country.

Mr. Warner: They are the disasters.

Mr. Martel: Giveaways.

Mr. Cassidy: The Conservatives have allowed the mineral industry to funnel its profits and jobs out of Ontario. They have given

incentives to shift processing abroad but made no demands that the industry's profits be reinvested in Ontario.

Now, they have made a deal with Denison Mines and Preston Mines which provides no guarantee that billions of dollars of windfall profits that are being given away on uranium won't also be exported out of the country to create jobs abroad, just like they allowed International Nickel to do over the past 10 years.

In 1975 the then Minister of Natural Resources (Mr. Bernier) announced that the government, in assessing the mining tax, was deferring for five years the disallowance on foreign processing costs. This action amounted to a giveaway to the companies of about \$15 million, with Falconbridge Nickel Mines the biggest beneficiary.

The reason offered was to ensure that the mining companies, "have the necessary financial resources to sustain employment in Ontario."

Mr. Wildman: Falconbridge has a great record.

Mr. Cassidy: But this giveaway did nothing of the kind. It did nothing to reduce the layoffs in Sudbury in 1975 and it did nothing to prevent the layoffs at Falconbridge and Inco in 1978. All it did was make the companies richer while Ontario got poorer.

Mr. Martel: And fewer jobs. You keep exporting them.

Mr. Cassidy: Mr. J. Edwin Carter—what a capitalist name that is—the chairman of Inco, quite bluntly told the select committee on Inco that if Ontario wiped out its mining taxes entirely—and they haven't far to go right now—"it probably wouldn't be that much of a big deal."

But the Tories ignore both their past mistakes and the present evidence. The new concessions to the mining industry granted in the budget will probably cost the province between \$75 million and \$100 million over the next few years. With that money, the government can and should intervene aggressively and with imagination. They should have stepped in last spring when the Ministry of Natural Resources warned of impending cutbacks in the nickel industry. But did the government act? They didn't even consult the companies involved, let alone the workers or the communities that are now so hard-hit by the layoffs at Inco and Falconbridge.

Mr. Martel: They give us a \$10 million building.

Mr. Cassidy: If Inco and Falconbridge were refining all of their nickel output in

Ontario, we could have about 2,000 extra jobs in this province rather than losing 2,000 jobs because of the layoffs.

Rather than bemoaning the reduction in mining exploration and hoping that something would happen, Ontario should have established a Crown corporation to insure that exploration does take place and that new mining discoveries are controlled by the people of Ontario and not by the private sector.

The Treasurer doesn't understand—as you do, Mr. Speaker, being a member for the north—that the economy of northern Ontario cannot survive on tax concessions that create jobs in other countries. The future of the north's economy depends on using its wealth to create secondary manufacturing jobs that will be there when the resources are gone. New Democrats have argued that public ownership is an essential tool in the industrial strategy to ensure that the future development of the mining industry is in the public interest. After 75 years, the private sector has demonstrated that it will never develop secondary industry in the north on its own; and that is why we say you've got to take another road.

Mr. Martel: How much more proof do you need? We've had 75 years of nothing.

Mr. Cassidy: The situation is no different with our other great natural resource, the forest. The mismanagement of Ontario's forest resources by this government in the past years has been shocking. We are on the brink of losing the advantage that Ontario enjoys of having enormous natural forest resources, and yet the government is doing less than nothing. It boggles the mind that in 1977, after the Bramalea charter promised to plant two trees for every tree cut, and after all the warnings from the forestry profession and from this party, and from the Ministry of Natural Resources itself, the ministry is regenerating fewer acres and planting fewer trees than it was regenerating and planting back in 1975.

Mr. Renwick: Shame.

Mr. Cassidy: We are still laying to waste in perpetuity at least one-third of the acreage of forest that is cut every year in Ontario, and our children and our children's children cannot afford that kind of waste. The regeneration that is carried out on the rest is still shockingly inadequate and future generations can't afford that either. What's more, there was not one word in either the Throne Speech or in the budget that even promised any improvement.

In the last election campaign, we stressed how the failure to regenerate our forests and Crown lands was jeopardizing jobs in the forest industry. The Ministry of Natural Resources estimates that there are now about 70,000 jobs in the forestry industry and related industries. But at the current rate of regeneration, our forest will give us a sustained yield that is so much less than the current rate of harvest that we stand to lose 12,000 jobs from that total rather than gain any jobs. And of course it's in the north—already hard-pressed—that the bulk of this impact will be felt.

But if the regeneration program were to be expanded to the level which was actually recommended by the ministry, the total employment in the forest industry would double to an estimated 140,000 in 40 years from now. That is a difference of 83,000. That is the cost to Ontario in long-term jobs of this government's failure to pursue an adequate policy of regeneration.

This year's budget allocates only 6.9 per cent more spending to the Ministry of Natural Resources. There is obviously no new money there for forest management, but without new management the job simply can't be done. As New Democrats, we believe that our vast forest resources under proper administration are capable of creating employment for hundreds of thousands of new workers. We would be willing to see our forests placed under control of an Ontario forest resources commission which would operate under long-term policies of conservation, reforestation and soil control. One of its first tasks would be to review all existing contracts and timber licences and cancel those which have disposed of great areas of forest resources without proper consideration. That's a good policy, Mr. Speaker.

Mr. Hodgson: It sounds good.

Mr. Cassidy: It does sound good, as a matter of fact. If members opposite think that it's a dogmatic socialist position I want the House to know that I have drawn those very words from the 22-point program of the Hon. George Drew in 1943; and that was yet another program made in the heat of an election campaign that this government has broken from.

Mr. Martel: You blew it again, Bill.

Mr. Swart: Darcy's views are older than George Drew.

Mr. Deans: What a record of failure.

Mr. Cassidy: To the right of Genghis Khan and the Hon. George Drew.

Mr. Warner: What a record of perpetual failure.

Mr. Cassidy: Mr. Speaker, my colleagues will be dealing at greater length later in this debate about the questions of agriculture, energy and the continued failure of this government to make any real commitment to the balanced development of Ontario's economy and in particular to the development of eastern and northern Ontario.

Perhaps I could just say a few words to the member for York North (Mr. Hodgson) about the failure to even mention agriculture in this budget, because that is yet another example of the government's failure to provide leadership and direction in a vital area of our economy.

It shocks us in the New Democratic Party—what's that?

Mr. Eaton: Where is Gordon Hill to present your policy for you?

Mr. Cassidy: Gordon Hill? He's coming here, don't you worry. He is a perceptive fellow. He supported me in my leadership campaign.

It shocks us in the New Democratic Party that a government which claims to be concerned about rural Ontario offers no concrete response at all to the economic problems now besetting our province. I think the member for Middlesex (Mr. Eaton) should explain to his farm voters why they have to pay an extra \$144 a year in OHIP premiums with nobody to bail them out.

Mr. Martel: He can't even get help from the bean board.

Mr. Cassidy: Government figures show that farm costs have risen by 49 per cent since 1973 while the index of farm prices has fallen by two per cent. The consequence is that net farm income is plummeting. It fell by 20 per cent in 1976, by 18 per cent in 1977 and apparently it is expected to fall a further 11 per cent this year. Farming is as vital to Ontario's economy as forestry or mining but under the Conservatives the economic future of agriculture is under siege.

Now, more than ever, the need for a real farm income stabilization plan is undeniable, but let me record that it was the Conservative government of the Treasurer and the member for Middlesex which rejected the real farm stabilization plan which was put forward by the Ontario Federation of Agriculture and that's one of the reasons that Gordon Hill is with us and not with you.

Mr. Eaton: The farmers of Middlesex showed what they thought of his plan too.

Mr. Cassidy: Energy is also fundamental to Ontario's economic strategy, but here too the

Treasurer has imposed his blinkered ideology as firmly as in the area of Ontario's finances.

I have the most prosperous farm land of all Canada in my riding as a matter of fact, so I claim every credit to speak on behalf of the farm vote.

Mr. Hodgson: The one over on the island?

Mr. Wildman: Would you please quit maligning Algoma over there?

Mr. Cassidy: I would also say for the record that my roots in rural Ontario go back to a century farm in the great riding of Grey, I think it is, or Bruce, in Chesley, Ontario where my mother's family comes from and where my spiritual home still lies.

Mr. Hodgson: Why didn't they let him stay on the farm?

Mr. Riddell: Your family sure weren't of the party affiliation that you are; they were good Liberals.

Mr. Roy: They consider you a prodigal son.

Mr. Martel: He saw the light.

Mr. Cassidy: I would say, for the member for Huron-Middlesex (Mr. Riddell), that the way my family has developed we combine the best wisdom of both urban and rural Ontario.

Mr. Warner: Right on.

Mr. Lewis: That's just the beginning.

[4:30]

Mr. Cassidy: In our view, it is central to Ontario's industrial strategy that we do everything possible to maintain the supply of relatively cheap electrical energy which Ontario has produced in the past, thanks to our abundant hydro-electric resources and to Ontario's far-sighted creation 70 years ago of a publicly-owned power corporation dedicated to the principle of power at cost.

Mr. Martel: The Treasurer should sell that.

Mr. Cassidy: That principle has been totally repudiated by the government's decision to give billions of dollars of windfall profits to Denison Mines and Preston Mines. It is the Treasurer himself who is the man who started that particular decision on the part of the government. Those uranium assets should not have been leased to those two companies and should have been brought back into public ownership.

The decision to give those windfall profits to Denison and to Preston will add billions of dollars to the production costs of Ontario industry and thereby undermine Ontario's future competitive position in a very tough industrial world for the rest of this century and on into the next, that is, for the lifetime of the young men and women who cannot today find jobs.

We will be handicapped in our competitiveness because of the decisions of this government of the Treasurer and the Premier.

As for the future of eastern and northern Ontario, it is significant that this year's budget contains not even one word about regional development. The tide of Tory concern for these parts of the province has come to such a complete halt that we no longer even get the perfunctory promises and paper planning which the government offered in the past.

Mr. Wildman: They even blocked the member for Algoma-Manitoulin's bill.

Mr. Cassidy: That's right, and it was a pretty lousy bill at that. It was a halting first step in the right direction.

The economic strategy which we propose for Ontario must concern itself with specific industries, but it must also take a wider view. I am disturbed and we're all disturbed at the facile solution proposed by people like the Premier. We are also disturbed by the failure of government ministers to understand the fundamental problems in our economy, such as our weakness in filling home market demands, our failure to encourage domestic manufacturing, why our research and development are so weak, how our manpower policy actually discriminates against Canadians, how our distorted economic structure contributes to low productivity in this province and why small business doesn't get a fair deal.

Perhaps it's too much for Conservatives to understand, but one of the fundamental reasons for the weakness of our economy is the distortions created because we have such a high degree of foreign ownership. Let me go back to some of the points I raised in my budget reply last year.

One of the fundamentals in our economic strategy is to give Ontario a strong home market. This province has become a happy dumping ground for imports which are putting our economy in grave peril.

Mr. Swart: We need to dump the Treasurer.

Mr. Cassidy: Here in Canada's industrial heartland we import \$5 billion more in manufactures than we export and we consume close to \$20 billion worth of manufactured imports overall. Government ministers keep on saying we have to export or die, regardless of the export restraints that are laid on so many of our foreign-owned corporations. But the biggest and most accessible foreign market for Ontario manufacturers is that \$20-billion market right here in this province. Unless we have a strong domestic market, our efforts to break into world trade are

doomed to fail. In our opinion therefore, the first priority of our economic strategy must be: identify and develop Canadian markets for Ontario-produced goods to help build the industrial capacity to serve our own needs.

Last year, and again in my reply to the Throne Speech last month, I proposed that Ontario adopt a real buy-Canadian policy as one essential element in our overall economic strategy. We believe that Ontario must be prepared to take the lead with a buy-Canadian program that goes further than spending a few dollars on public relations. In my reply to the Throne Speech, I suggested that Ontario move immediately with a buy-Canadian policy covering the substantial purchases, the billion dollars of purchases by the provincial government, by local governments, and by other agencies which use provincial tax dollars.

That's one way of creating jobs in Canada and relieving our current unemployment. At the consumer level, Ontario must ensure that consumers are informed about the Canadian content of all goods, both in the store and when they are advertised or listed in catalogues. We don't have to wait for the federal government to launch this program now.

Ontario should also work closer with retailers to ensure that they seek to offer Canadian products, and not only imports, and to assist them in developing Canadian sources for products that are now only available from abroad. One of the frustrations for consumers who want their dollars to help create jobs in this country is that often they cannot find Canadian goods, or they cannot tell the goods that are made in this country when they go to the rack or when they go to the store.

The buy-Canadian concept is a vital element in our policy for building small business in Canada. Too often the contracts and sub-contracts which should be directed towards Canadian industry go to foreign sources instead. The consequence is that Canadian companies are denied the demand which would allow them to grow to the point where they could replace the foreign branch-plant firms. In the private sector, as well as in the public sector, Ontario should be identifying product needs that are filled in a fragmented fashion from abroad but which could lead to the growth of Canadian industry if they were grouped together.

Ontario needs many policies to promote small or medium-sized business, which is now treated as an orphan in our economy by this Conservative government. This means better financing, better management training and counselling, close co-operation with government in winning new markets at home and

abroad, and guaranteeing small business the right to compete for both government and private contracts from which they are often excluded. Both the province and agencies that use Ontario tax dollars should direct a substantial share of purchasing to small and medium-sized business.

We have all heard Conservatives say how concerned they are for small business. We've all heard the Treasurer talk on Canada's need to be more competitive abroad. Why then is the Davis government opposing the changes in the federal Competition Act which would promote competition at home and make it easier for small business to develop? Surely it is obvious that the interests of big business weigh more heavily with this government than any real dedication to the principles of free enterprise.

Our economy is weak in research and product development, and this is now acknowledged even by the Treasurer. Just the other day, the Treasurer said that the deficiency in Ontario's level of research and development is "intolerable." According to his figures, Canada spends 1.1 per cent of its GNP on research, compared with close to 2.5 per cent in the United States and West Germany. General Motors, IBM and Ford each spend more on research in the United States in a single year than all of Canada's industries combined.

Since he is a Conservative, the only reason the Treasurer could see for our low level of research was that research and development isn't profitable enough. In fact, the problem is a symptom of our branch-plant economy. When branch plants are set up in Canada, they serve the Canadian market and import technology from the parent company. And that kind of colonial attitude extends well beyond the area of pure research.

On the other side of Oakville, for example, Gulf Oil Canada is expanding its Clarkson refinery at a cost of \$180 million. But the company is importing 85 per cent of its high-technology stainless steel requirements and didn't even bother to give Canadian firms in Toronto a chance to compete for the orders. The new refinery is being designed, not here in Canada but in Britain, and 44 of the 75 supervisory jobs in the projects went to Americans, who were paid an expatriate allowance for the hardship of leaving New York City and coming to Toronto.

Mr. McClellan: That is wonderful.

Mr. Cassidy: With attitudes like that, we simply don't get the experience and spinoffs from major investments which could lead to the export of Canadian knowhow. This gov-

ernment doesn't help either. Even Ontario Hydro called in Lummus Corporation of the United States to design the heavy water plant rather than seeking to develop the expertise in a completely Canadian company.

Just last year, the Toronto Transit Commission came to Queen's Park seeking legislation so it could sell its transit expertise around the world. The cabinet said no, in the Treasurer's words, "because it's putting a public agency into the private sector." Horrors of horrors! The TTC is one of the finest transit operations in the world but, because they are in the public sector, the Tories won't let TTC experts win markets for Canadian expertise and for Canadian products abroad.

When we turn to the private sector, on the other hand, the generosity of this government knows no bounds, particularly when it's not their money they're spending. Consider the \$100 million in federal tax money that the government has so generously offered to spur research and development. In typical Conservative fashion, their solution to the problem that Canadian companies aren't using enough of their own money for research and development is to give them some of our money to get the research done with. This incentive would be available to all companies in Canada and the Treasurer made a very objectionable point of insisting that that would include branch plants. The public will pay all the costs for this research while all the benefits will flow to the private sector.

The chief beneficiaries will be the very foreign branch plants which have been responsible for so much of Canada's weakness in research and development. If free research money suddenly becomes available, they are very likely to transfer some of their research up from the US or abroad for two or three years until this incentive runs out. There is no guarantee that the results will be allowed to stay in Canada and every incentive that the results will simply be taken back to the parent company. Canadian companies like Stelco and Northern Telecom, on the other hand, would be penalized because for years they have been supporting substantial research programs which the latecomers will get for free. We don't see how that's fair. We think it's wrong.

If Ontario is to get a fair share of research activities from the industry within our borders, then we believe that research and innovation must become an obligation and not an option for companies located in this province. By continuing to make research expenditures deductible, business and the public will share the cost of research on a roughly equal basis—and we say that's fair. We think that com-

panies should be required to invest a certain proportion of revenue in research and development and the companies that don't carry out this level for research on their own should pay a levy to help finance research for their particular industry.

The difference between our approach and the government's is enormous. In the automobile industry alone, which now carries out almost no research in Canada, a fair-share approach such as we would propose would give Ontario twice the research activity that the Treasurer hopes to achieve for all Ontario industry. In other words, our approach in one industry, automobiles, would give twice the research and development in Canada, with all benefits that would accrue, that would come from all industries under the government's approach.

Even this government has begun to recognize that Ontario has been grossly ineffective in training of skilled manpower that industry needs. We must make a real commitment to training skilled people in this province rather than bringing them in from abroad. There is a very close relationship between the availability of skilled manpower and our economic strategy. We can't train skilled manpower unless we know what manpower will be needed and that means knowing what our economic strategy is.

On the other hand, we cannot have an efficient growing industrial base without skilled manpower. The problem of training and apprenticeships are easy to outline. Industry has backed away from training since the creation of technical vocational schools and the community colleges some 15 years ago. Small companies have backed away because often the workers they train are lured away by a large firm. Large firms have found it cheaper to hire skilled tradesmen from small firms or foreign companies than to train their own.

This government claims that its new labour market information program is the answer. In fact that program was only given cabinet approval in the fall and the funding to get it going has not yet been put together. If it ever gets started, the labour market information program may identify areas of short supply for skilled manpower but we will still be at the beginning in terms of providing the skills that we need and we know that we have to go further.

I want to propose that industry should share the responsibility for training rather than simply expect government to train or to import the skilled workers that it needs. This kind of partnership with industry is the norm in countries like West Germany and Britain. Firms that do not themselves provide

apprenticeship or training places are expected to contribute to the cost of industrial training carried out by government. We should move towards this kind of responsibility in Ontario but New Democrats understand that this kind of change cannot be achieved overnight. That's why we are proposing that one of the major vehicles for job creation for young people this year should be provincial assistance towards the creation of at least 10,000 training positions and apprenticeships within Ontario industries. In other words, we should make a major start in training skilled man and woman power in this province and get 10,000 young people back to work at the same time.

We believe that this kind of incentive should be continued but we believe that within five years, industry should expect to carry a major part of the responsibility for training skilled manpower in conjunction with government and Ontario's technical schools and community colleges. We intend in the New Democratic Party to talk a lot about the area of training and apprenticeships, because it is absolutely vital to our future; and the government's failures in this area have been scandalous.

[4:45]

Mr. Martel: Monumental.

Mr. Cassidy: Over the coming months, we New Democrats also intend to talk a fair amount about productivity. But we want to focus on the structure of our economy and the way it affects the use of capital in this province, and not just follow the Tory fashion of trying to make workers shoulder the blame.

If I can repeat some material I tabled last year, our productivity in this province is equal to that of the United States, if one looks at the labour force. If one looks at the productivity of capital, on the other hand—and the Minister of Labour (B. Stephenson) admitted this in a speech just the other day—our capital, and therefore our management in this province, is 46 per cent less efficient than it is in the United States. That says something both about our management on the one hand and about the consequences of having such a degree of foreign ownership here in this province.

These are the major elements in the economic strategy which we believe Ontario needs and to which my colleague the member for Nickel Belt (Mr. Laughren)—to whom I pay tribute, by the way, on his assumption of the role of Treasury critic effective in about 10 minutes—and all of my colleagues in the New Democratic Party will be paying attention over the coming months.

This province needs leadership and direction and not a government which abdicates responsibility. This province needs a government which is committed to maintaining the quality of government and social services while we get on with the task of building our economy, and we do not see that commitment coming from this government. The Treasurer keeps blaming the public sector for the weaknesses of the Ontario economy, whereas the real situation is just the opposite: The weakness in the economy, for which government bears a great part of the blame, is responsible for the weakness we are now experiencing in the public sector.

We cannot agree with the Treasurer that if social needs are sacrificed the economy will improve. We cannot agree with the Treasurer's view that action to stimulate the economy is justified only if it benefits Ontario's balance sheet. That is a heartless attitude, and in fact it ill fits the Conservative government and its reputation across the province of Ontario.

We say that the job before Ontario today is to balance our economy, and the Treasurer is not capable of doing that job. That's a view that is shared by some of the most conservative experts, if you exclude the Treasurer. This winter, the C. D. Howe Research Institute has warned sharply that "the unremitting pursuit of balanced budgets was one of the serious policy errors of the 1930s—one that should not be repeated in the 1970s."

Mr. Martel: That shows you how far out of date you are, though, Darcy.

Mr. Cassidy: The Globe and Mail's business columnist, Ronald Anderson, puts it even more simply: "There is no virtue in a balanced budget as such. . ."

Mr. Laughren: Herbert Hoover was more progressive

Mr. Cassidy: As a matter of fact, that's true. Herbert Hoover was underestimated for his efforts to rebuild the US economy back in the 1920s. This Treasurer, I would say, has been sadly overestimated in terms of his impact on the province of Ontario.

Mr. Martel: He has destroyed it. The Chamber of Commerce said he has.

Mr. Swart: He's following the special program review.

Mr. Gregory: It's a good job nobody is listening to this stuff.

Mr. Cassidy: Boy, the right-wing rhetoric that has flowed from this Treasurer over the years would fill volumes, and it has. He is the most prolific speech-deliverer as well.

Mr. Martel: They wrote the report, Profile in Failure.

Mr. Cassidy: The business columnist of the Globe and Mail, Ronald Anderson, said: "There is no virtue in a balanced budget as such. A surplus, balance or deficit is appropriate only in relation to the economic situation." I would point out that we now face our worst economic crisis in 40 years and we now have the highest level of unemployment that we have had in this province since the Great Depression.

The Treasurer is creating enormous hardships for the unemployed and is doing long-term harm to our economy by making the balanced budget his only priority.

Mr. Martel: His *bête noire*.

Mr. Cassidy: An improved economy may lead us towards a balanced budget, but balancing the budget alone will never improve our economy.

I want to read into the record some words of the Premier before the task force on national unity. "Our first priority", he said, "without question must be to deal with the economic issues that confront us. The economy and national unity are inseparably linked, in the sense that people will have confidence in their country and political institutions only if these institutions can deal successfully with the bread-and-butter issues that face people in their daily lives."

For us in the New Democratic Party, our first priority is to deal with the economic issues that confront us. It is the failure of the Conservative government in its 1978 budget that it does not live up to those sentiments expressed by the Premier. It is a failure in which every member of the cabinet and every Conservative MPP must share, even the Attorney General (Mr. McMurtry). That's what's so outrageous about this budget.

It is outrageous that the Conservative government is doing nothing about Ontario's 326,000 unemployed. It is outrageous that the Conservative government is providing no leadership and direction for our economy. It is outrageous that the Conservative government has chosen, through its enormous increase in health premiums, to tax most those who can afford it least.

Those are the reasons we have chosen to table not one but two motions today. We understand that our general amendment on the budget will not be voted upon until December. The health premiums are too important to be left until that time. For that matter, the jobs that this province needs are too important as well. But we can and will and are focusing on the health premiums

with the no-confidence motion which I read to this House a few minutes ago and which I have the pleasure of reading again.

This will be the motion tabled this afternoon. I will move, seconded by the member for Nickel Belt, for a no-confidence debate early in April or late in March, as follows: That this House condemns the government's outrageous decision to raise Ontario health insurance premiums, to the highest level in Canada; deplores the regressive impact of this arbitrary tax increase on wage earners in general, on farms and small business and in particular on people of modest incomes; and condemns the government's affront to the fundamental parliamentary principle of no taxation without legislation; and that for all these reasons this House no longer has any confidence in the government.

Interjections.

Mr. Cassidy: I have not quite ended. I have two motions. As I have said and perhaps made fairly clear, we cannot support, in general or in specific terms, in principle the budgetary policy of this government; therefore, I wish to move an amendment to the budget, which also has the effect of no confidence but which will also, unfortunately, not be debated and voted upon until Christmas. New Democrats are prepared to act. We think it is about time this motion was passed and that this government simply stood down.

Mr. Speaker: Mr. Cassidy moves that this House deplores the continued failure of the government to undertake a long-term strategy for building the strength of Ontario's industrial economy; rejects the government's proposals for yet another handout to the mining industry that would export jobs from the north through the blanket exemption on foreign processing; opposes the government's irresponsible manipulation of its commitment to the funding of municipal government, which will add still further to the regressive burden of property tax; condemns the government's failure to finance health insurance costs in Ontario on the basis of ability to pay; and calls for immediate action to create jobs in order to meet the needs of Ontario's 326,000 unemployed.

An hon. member: Should we vote right now?

Mr. Lewis: You will be decimated if you call at this point, and with any help from the Liberals you shall fall. Come on, pull the plug and let's get this thing on the road.

Mr. Warner: Time to change managers over there.

On motion by Mr. Gregory, the debate was adjourned.

FAMILY LAW REFORM ACT
(continued)

Resumption of the adjourned debate in committee of the whole House on Bill 59, An Act to reform the Law respecting Property Rights and Support Obligations between Married Persons and in other Family Relationships.

On section 3:

Mr. Chairman: Mr. Swart moves that sub-clause (i) of clause (b) of section 3 be deleted and the following substituted therefor: "money held by one or both spouses in any account with a chartered bank, savings office, credit union or trust company, if such money was acquired during marriage or as a result of appreciation during marriage of money held prior to marriage."

Mr. Swart: Mr. Chairman, you and the other members of the House will recognize that this is a fall-back resolution from the original one which was submitted by my colleague from Windsor-Sandwich (Mr. Bounsell) and defeated by a majority of votes in this House. We feel, of course, that it is regrettable that that amendment was defeated. We would like to have seen the principle established in the family assets section of a 50-50 split of all assets acquired by the spouses during marriage.

However, we were not successful in that and we are proposing this amendment and two subsequent ones which we think will make the family assets section, as it exists in clause (b)(i) now, much improved. These three amendments—the one we have before us and the other two—will in fact provide for the principle of the equal division of liquid assets held by either or both spouses during marriage and acquired during marriage. This amendment, of course, deals with the matter of bank accounts, or money held in a savings office, credit union or a trust company.

With your indulgence, Mr. Chairman, because they are all related, I would point out that the second amendment which we will be proposing after this one deals with the matter of the equal division of shares in a corporation and bonds owned by one or both spouses for investment purposes during marriage, and the accrued appreciation thereon. The third amendment which we will put deals with the matter of the rights in a pension or a retirement savings plan acquired during marriage.

Of course I hasten to point out again that this is the principle which we are establish-

ing that almost all of the sections from 4 to 13 provide for qualification of this equal division if certain circumstances exist which justify something other than an equal division of these assets.

[5:00]

There are two very clear points surrounding this amendment and the other two which I want to point out. This amendment and the two following exclude commercial assets, not that we want to exclude them, but we hope that we can get the support of the House now if commercial assets are excluded. I recall that the member for St. George (Mrs. Campbell) and the member for Carleton-Grenville (Mr. Sterling) and other members of this House gave as their main reason for the non-support of our previous amendment the fact that it would include commercial assets and therefore it could destroy businesses and there would be a very real difficulty in the division of businesses. These amendments are specifically designed to exclude those commercial assets.

The second clear point surrounding these amendments that I want to make is that the definition under the present section 3(b) of the bill and the other subsections excludes many genuine family assets. I think the term "family assets" which is used in this bill, and certainly the definition that has been given to us by the Attorney General (Mr. McMurtry) and many others when speaking around this province and giving information on the bill, has been that family assets per se, whatever are family assets, as a matter of principle should be divided equally. This definition clearly excludes them.

In support of what I am saying I would just read part of 4(1) which says that "each spouse is entitled to have family assets divided in equal shares notwithstanding the ownership of the assets by the spouses as determinable for other purposes and notwithstanding any order under section 7." I suggest the clear intent is that all assets considered family assets, apart from commercial assets, should be included in this division and in fact they are not.

Many of the family assets are removed by an unrealistic definition. By these amendments we simply want to include what we think was the intent of the Attorney General and the government to include all family assets but exclude commercial assets. I would say that this definition under 3(b) is out of touch with today's realities if the intent certainly was to divide family assets equally.

I mentioned the other day, and I repeat, that only approximately one-half of the couples in this province now own a home and

yet great emphasis is given to the matrimonial home, as it should be, where they have one. But what about the other 50 per cent of the population who do not have one? Clause (b)(i) with which we are dealing right now demonstrates to a further degree how the government in fact is out of touch with today's realities. That section as it is now in the bill says that "money in an account with a chartered bank, savings office, credit union or trust company where the account is ordinarily used for shelter or transportation or for household, educational, recreational, social or aesthetic purposes" shall be considered as family assets.

I think it's apparent to most people, or should be apparent, that most families now have more than one bank account. Most families have a chequing account—they don't keep very much money in it; it is used solely for the purposes of family expenses and they just keep enough in it to pay those expenses as they come due—but their savings, if any, are kept in some other account or some other form. That is substantially different to what the situation was perhaps 40 or 50 years ago. Most families then had one account which was a chequing account and a savings account and everything combined. That is not the case today. There's a clear distinction between the current account for operating funds and family savings.

Also something that has taken place or has been amplified greatly in recent times is that the family savings are put in the name of one or the other members of the family for reasons that have nothing whatsoever to do with it being or not being a family asset. Frequently they're put in a certain account because of income tax purposes. One member of the family may not be paying income tax and therefore there would be an exemption on the small amount of interest that may accrue; or it may be that one spouse is making much less than the other, and therefore they put it in the name of that spouse so they don't have to pay as much income tax on the interest that accrues. So it has nothing to do with whether they are family assets or not, it has solely to do with other factors.

So I'm saying with regard to our amendment that the government, in (b)(i), is excluding, either deliberately or because they're out of touch with the situation that exists today, genuine family assets which are held in the name of one or the other of the spouses for family purposes. They are automatically excluded from the division under the 50 per cent. If one of the spouses wants to have access to them then they are going to have to go to court to get them. That should not

be the case, and therefore we are moving the amendment which I have put before you. It provides that "the money held by one or both spouses in any account with a chartered bank, savings office, credit union or trust company, if such money was acquired during marriage or as a result of appreciation during marriage of money held prior to marriage"—we're moving that to include family assets which rightfully should be there.

It is my hope and the hope of our party that members belonging to other caucuses in this House will see the merit of this amendment and the two to follow and will support our move to include these assets. They rightly should be included as family assets and should rightly have equal division in principle between the spouses in marriage.

Mr. Roy: Mr. Chairman, this amendment by the member for Welland-Thorold was an amendment that was proposed before the justice committee, and at that time we fully debated it. I thought, frankly, that we convinced the member at the time that his amendment was complex and fraught with all sorts of complications, legal and practical—

Mr. Swart: Like what?

Mr. Roy: In fact, I thought we had convinced him at that time how irresponsible it was.

Mr. Bounsaal: That was all in your mind.

Mr. Roy: I am surprised that we see it again. We in this caucus, having accepted some time ago to act responsibly, agreed that the better approach in these matters is to proceed by way of the amendment that is going to be suggested by my colleague, the member for St. George. So we feel that we cannot support this amendment.

Ms. Bryden: I rise to support this amendment, although only as a fall-back amendment from the one that suggested that all assets should be shared. It seems to me that it is at least arguable that liquid assets, which include bank accounts, stocks, bonds and pension rights, should very definitely be shared.

The spouse who stays at home enables the other spouse in many cases, to acquire this kind of asset through his earnings, through his career and job opportunities. If we are going to regard marriage as a partnership of equals, this kind of assets which come into the marriage should be shared equally.

It seems to me that the members of the Liberal Party in opposing the previous amendment which provided that all assets should be brought in seem to be mainly hung up on the question of commercial assets. They saw all sorts of difficulties in

dividing commercial assets on marriage breakup, but in this amendment we are giving them the opportunity to consider only liquid assets. The commercial difficulties are not here.

There is still the opportunity for a marriage contract, which could overcome any difficulties that there are associated with this kind of asset. There is still the opportunity for judicial discretion. But I submit that we should start with a clear statement that these assets are shareable on a 50-50 basis and then leave it up to the judges to decide if an application is made to them that there should be some variation from that principle. Therefore I cannot see how the member for St. George's amendment that is coming up on a later section will solve the situation of having a clearcut statement in the legislation that these assets are shareable, so giving people something to start from and perhaps in many cases making it unnecessary for them to go to litigation.

It seemed to me that the government's objection to our previous amendment to bring all assets into the equal sharing was also mainly on the difficulty of sharing commercial assets. We think those difficulties in many cases were unreal, but setting that aside, the difficulties connected with these assets, as I have said, can be covered by the other clauses of the Act relating to judicial discretion and marriage contracts.

Therefore, it seems to me that anybody who opposes this amendment and the subsequent ones dealing with the other liquid assets will be opposing the principle of the bill and they will be refusing to recognize that marriage is a partnership of equals.

Mr. Chairman: Is the committee ready for the question on Mr. Swart's amendment?

All those in favour will say "aye."

All those opposed will say "nay."

In my opinion, the nays have it.

Amendment stacked.

Mr. Swart: I believe there is an amendment too from the Attorney General. The order may not matter a great deal but I have two further amendments and if he is—

Mr. Kerrio: Same vote.

Mrs. Campbell: Wait a minute.

[5:15]

Mr. Swart: If he is in agreement, I'll proceed with the other two now and then we can deal with his amendment.

Hon. Mr. McMurtry: Did we have any notice of these further amendments?

Mr. Swart: They were distributed last Thursday.

Mr. Chairman: In order to clear that matter up I would say that the Chair received one amendment from the hon. member last week and just received the three amendments prior to the sitting this afternoon.

Mr. Swart: Mr. Chairman, I am assured they were distributed last Thursday. They are broken into three sections. The members will recognize that they are similar to the three sections which were previously incorporated into one. But they were divided and distributed to the other parties last Thursday.

Hon. Mr. McMurtry: We just don't seem to have them, Mr. Chairman.

Mrs. Campbell: I don't have them either.

Mr. Chairman: Would the hon. minister wish to place his amendment and, probably, in that time the hon. member for Welland-Thorold could supply copies of the amendment to the hon. minister and to the official opposition.

Mr. Chairman: Mr. McMurtry moves that subclause (ii) of clause (b) of section 3 of the bill be amended by inserting after "corporation" in the first line the word "partnership" and by inserting after "the," where it occurs the first time in the fourth line, the words "partnership or."

Hon. Mr. McMurtry: The purpose of this amendment is to prevent the avoidance of sharing family assets by the use of a partnership. This seemed to be an omission in the Act as placed before us, and in our view this is something that should be cleared up to avoid that possibility.

Mrs. Campbell: Mr. Chairman, we believe this is an improvement in the provisions of the bill and have no hesitation in supporting it.

Mr. Swart: We too support this amendment. It is a small improvement, but it does make some improvement to the bill.

Motion agreed to.

Mr. Swart: I'm having further copies made of the two further amendments, Mr. Chairman, and perhaps with your permission I can proceed. You have a copy of the second amendment and it will be delivered in a moment to the two other parties.

Mr. Chairman: Mr. Swart moves that a new subclause (ii), as follows, be added to clause (b) of section 3 and the present subclause (ii) and subsequent subclauses be renumbered accordingly:

(ii) shares in a corporation and bonds owned by one or both spouses for investment purposes during marriage and the accrued

appreciation during marriage of shares and bonds acquired by one or both spouses for investment purposes prior to the marriage.

Mr. Swart: We think it is important to have this included as a matter of the principle of the 50-50 split and not to leave it to some subsequent section where one spouse has to make application to the court to make it possible to have a 50-50 split. We think it's much better to work it the other way round, to state the principle here and then if there are changes to be made to the equal division they can be made by the court.

I would point out that this amendment is deliberately worded to provide that it only applies to bonds and shares which are held for investment purposes. It does not include those shares which would be considered as the ownership of a small business or a larger business and where the business would be disrupted. We feel that this principle is sound, as we felt it was in the previous amendment which we put.

I would point out to the member for Ottawa East that he had no reason to believe that I or members of this party were going to accept the proposals that were put forward in the committee by him. The clauses should not be in the bill. In fact, we made it perfectly clear—and it was unanimous from every member in our party who was there, that it was fundamental to us that there be the equal sharing of assets set as a principle of the bill. There was no compromise by any member at any point in that committee, nor is there now.

Mr. Roy: I would just say that possibly I was being overly optimistic in thinking I could ever convince the members of that party—

Mr. Swart: Perhaps you weren't there.

Mr. Renwick: On something so fair, yes.

Mr. Roy: —how small businesses work in this province. I guess it might have been overly optimistic on my part to think I could get that across to them or to that particular member. Possibly I was in error in thinking that. All I would say is that this amendment as proposed is not a workable amendment in our opinion. We think we solved the problem, or that we attacked the problem or that we'd take care of that problem in a more equitable and more flexible fashion by the amendment that is to be proposed by my colleague and in subsequent sections of the bill.

Some of the matters referred to by the member for Welland-Thorold, I'm suggesting to him, are not workable. He said it's not going to apply to shares in a small business

because he has stated that it's only owned for investment purposes. How do we determine that?

Mr. Renwick: Very easily.

Mr. Roy: Most people who have a small corporation of some kind have it for investment purposes, I would think. To think that he can stand here and say it won't affect small business because it's only for investment purposes, in some way is not understanding how the economics of small business work. We on this side have not been convinced because we think it's not a workable amendment.

Mr. Chairman: Shall Mr. Swart's amendment carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion, the nays have it.

Amendment stacked.

Mr. Renwick: You are also having trouble hearing, Mr. Chairman.

Mr. Chairman: Mr. Swart moves that a new subclause (iii) as follows be added to clause (b) of section 3 and that the present subclause (iii) and subsequent clauses be renumbered accordingly:

(iii) rights in a pension or retirement savings plan acquired during marriage by one or both spouses and the accrued appreciation during marriage of rights in a pension or retirement savings plan acquired by one or both spouses prior to marriage.

Mr. Lawlor: You can't object to this one.

Mr. Swart: Mr. Chairman, surely this has to be the final determination of whether there is any desire whatsoever on the part of this House to divide family assets on an equitable basis. Apart from the family home, which doesn't exist in 50 per cent of the cases in this province, there is no asset which is more of a family asset than pensions and retirement saving plans.

I am conscious from my own experience in many instances that a great deal of time and concern and consideration is given by a family, by a man and wife, over a great many years to the degree or percentage of their income that they will pay into a pension plan so that when they come to retirement age, they will have at least a minimum adequate income. Almost everything else is sacrificed to providing that pension plan for their retirement years. The government, by not including it in the family assets section, and the official opposition, by what appears—although I would hope not—to be their voting against the inclusion of this plan, are cer-

tainly excluding the number two or perhaps even number one family assets in most families.

It must be a real injustice for a couple, both of whom have saved and who have invested in the retirement pension, to find when there is a breakup in the family, whether it's at the age of 40, 50, 60 or 64, that only one member of that family has the rights and the total rights to that pension plan. Surely it's not good enough to say that someplace later on in this bill there will be an amendment which will give the courts the right to vary that, and perhaps, just perhaps, will give the other spouse some rights, maybe minimum rights, to that pension.

Again I state that to me we are establishing here a very serious principle in the division of this very important family asset, a family asset which is considered as such and exists, I suppose, in the case of 70 or 80 per cent of the marriages in this province. Surely this House is not prepared to say that we are going to exclude that from this bill.

I urge the Liberal Party members who are here, and even the government, to accept this very last vestige of some equality in the family assets section in this plan. It becomes basically meaningless with the defeats on the other amendment, and if this is turned down, to many families this will have no meaning whatsoever.

Mr. Roy: Briefly, Mr. Chairman, we quite agree that the pension is an important asset, and in many cases I would think that, after the matrimonial home and the furniture and the car and so on, it may well be the most important asset. Where we disagree basically is in the method or the practical approach in the sharing of this particular asset. For the member for Welland-Thorold to suggest that by voting down his amendment we are saying that one of the spouses is not entitled to a pension plan in which the other spouse has contributed, is just not so.

[5:30]

There is a constant attempt and failure on the part of that member to realize some of the practical difficulties in the sense that not every pension plan works the same. He's trying to fit everybody into the same mould and saying that it's an easy division, that there will be no problem in the division of the pension plan; it's 50-50. When we look at a pension plan, whether it is government-funded or a private pension plan, and we consider when it is going to vest and that type of thing, these are all difficulties that we envisage. That is why we have faith in the courts, and we are prepared to lay down

principles in later sections as to what the court can look at in the sharing of this particular asset.

The member is wrong to suggest that, because we are voting down this particular amendment, we don't feel that one of the spouses is entitled to look at the pension plan. There are going to be places, not only in the subsequent sections of this Act in relation to the division of an asset which is not a family asset, where the court will be able to look at the asset and whether it is a money contribution or whether it is a contribution by virtue of the fact that one of the spouses has accepted a responsibility—let's say in the household, which is a joint responsibility. We say that is in the Act and it is going to be something we hope the courts will look at as well in relation even to support.

We are not excluding it. What we are saying, basically—and I repeat this for my colleagues—is that those of us who have dealt with marriage law, family law and so on realize that because there are very many assets in the cases of very many couples, it is difficult to fit everybody into the same mould. We want to retain that flexibility. We feel that the way to proceed with it is the practical approach that we are following by setting down the guidelines to the courts, so that the courts can look at a factual situation—couple A and B—and look at that particular pension plan to see how best the division can be made.

We prefer that approach, and we are optimistic. In fact, by setting the guidelines for the court, they cannot be disregarded. The fact that we are opposing this amendment is not because we don't feel it is an important asset to be shared, but we would rather retain that flexibility so that no undue hardship is caused on one spouse by having something as inflexible as is proposed here this afternoon.

Mr. Bounsell: The only way in this bill that we draw to the court's attention at all that they are to consider an important item as the first consideration in a split at the time of a breakup is to put it in the assets section, because the rest of the section allows that to be varied anyway, as well as consideration of all other things. If one does not highlight it as one of those items which in the first instance is simply assumed to be shared, then that will not occur to most judges, and any counsellors before the courts arguing for the inclusion of that as a basic right in the initial split are going to have a most difficult case to so do.

I find it very difficult to understand that the other members of this House will not accept this as a reasonable inclusion in the family assets. Canada Pension Plan has already decided that for all of the benefits paid by one spouse, or either spouse, into Canada Pension, upon the reaching of retirement age the Canada Pension benefits will be paid out according to the number of years those spouses have lived together, one benefiting from the Canada Pension Plan contribution of the other. The tables are worked out; there are no difficulties. We are simply taking that principle and extending it to the pension plans that one or both have also acquired while they have been living together. Nothing could be more reasonable than that.

The federal government has at least recognized the equity and equality in that situation and it has the tables with which to make the calculation of what those monthly payments would be to the respective spouses. This is exactly what this amendment would do with all pension plans.

As you well know, Mr. Chairman, in the months of January and February across this country many couples, bearing in mind that they do have a tax deduction for the year 1977—the previous year—on their taxes by putting moneys into retirement savings plans, in fact scrimp and save over the entirety of those two months so that they can throw as much money as they can into a retirement savings plan. That retirement savings plan is in the name of one of the spouses and under the current situation that retirement savings plan's earnings will remain a benefit of that one spouse only.

Clearly what has happened is that household money has gone into that retirement savings plan investment with no way, when those benefits are paid out, for the other person to have any rightful share in it if a divorce or separation occurs in the interim. This amendment clears that situation up in the same way as the government of Canada, through its Canada Pension Plan, has decided those benefits should be shared. It's a most reasonable amendment to add to the family assets split in this bill.

One wonders why the Attorney General and his staff fight so hard to keep this out and are not more receptive to it. I don't think it can be because the arithmetic is very hard. If one is convinced that it is, one simply needs to get from the federal government—with which you must speak from time to time—the tables already prepared. They will simply put their fingers down the

column and draw out the amounts to be paid to the two spouses.

There are really no difficulties involved in this at all in the financial distribution or split between the two spouses when the time for drawing it comes if there has been a divorce or separation or a nullity occur prior to that time. It's a most reasonable amendment, Mr. Chairman. I would hope the other members of this House would see that clearly and support this amendment.

Mrs. Campbell: I must say I am confused by some of the statements which have been made by those supporting this amendment. I take it that what is being suggested is that by putting this amendment into this bill we will unilaterally alter all of the private pension plans and bring them into some kind of accord with the Canadian Pension Plan.

Mr. Bounsall: Payments of.

Mrs. Campbell: This is really not what we're talking about. We have to be concerned about the time of vesting and the way in which, in an individual plan, the persons drawing can in fact prevail upon a trustee in one way or another to accord this division at the time of the divorce, even though of course the plan doesn't vest until such time as the retirement takes place.

I find great difficulty in following the logic of this particular proposal. It is great, and I am very happy that the Canada Pension Plan does recognize this principle, but unless I am wrong—and I am certainly subject to correction—I cannot see how inserting this particular clause in this bill will in fact vary the private pension plans which are of many kinds and have many provisions. So on that basis, I can't support this because I really don't think it has any meaning in the way in which the mover suggests it has.

Mr. Swart: Pursuant to what has been said by the members for St. George and Ottawa East and my colleagues, I think there is something more that I should say on this proposed amendment which I have introduced.

It seems to me what we are talking about here is rights in a pension or retirement savings plan. Those rights can be assigned to one or the other or both spouses. Because of the objection that was raised—it wasn't by the member for St. George but it may have been by the member for Ottawa East—against inclusion of pensions in the family assets, I had some discussion with the legislative counsel on this. I said, "Is there any way that we can make this perhaps more palatable, or the application of it more reasonable?"

So I have an amendment, if this should pass, which I will move to section 6 of the bill. Section 6 of the bill states that in an application under section 5—that is for an unequal division of the assets or change in the assets—the court may order various things, including the partition of the sale and property and the payment made on proceeds of sale to one or both spouses, and so on.

I have a further clause to move, clause (g), which will state that specified property be held by either or both spouses to the date of maturity of the property and the division of such property occur upon maturity.

I suggest that with the other clauses which are in the section, and the provision of this clause—at least according to the legislative counsel; I am not a lawyer—that the inclusion of family assets as a principle of equal division would be entirely workable. They would be as much workable as any of the other family assets which are already included in there.

Finally, I am sure the member for Ottawa East really knows the difference between the proposed amendment which would give the right upon application to have an equal division—or to have some of it where the court may be—and to have it stated as a principle in the family asset section.

It was the lawyers on the committee who pointed out to the rest of us that the principles are important, including the preamble, because that is where the court will look to get their direction if they are in doubt. Therefore, I suggest that establishing this principle, that it is considered a family asset, can still be considered by the courts, if one or the other objects and says it will be destroyed or there will be a problem. That can be handled by the courts. But the principle of it being a family asset is a principle which I suggest cannot be denied and we should work from that base and no other.

Hon. Mr. McMurtry: Just very briefly, I should point out to my learned friend that section 24 of the Pension Benefits Act of this province specifically prevents assignment of pension moneys.

Mr. Bounsall: That can be changed.

Mr. Roy: Sure, that's no problem; no.

Mr. Deputy Chairman: Shall Mr. Swart's amendment carry?

All those in favour will please say "aye." All those opposed will please say "nay."

In my opinion, the nays have it.

Amendment stacked.

Ms. Bryden: I have an amendment to sub-

section 1 of section 4 which I have filed but which I will send over to the Chair.

Mr. Deputy Chairman: Ms. Bryden moves that subsection 1 of section 4 of the bill be amended by inserting after "cohabitation" in the fourth line "or when one of the spouses has died."

I would ask the hon. member without making any ruling to indicate, in speaking to the motion, how this differs from the amendment to section 1 which was voted down, the clause which discussed widows and widowers? If it is identical then it would be out of order having already voted on the matter.

Ms. Bryden: In my opinion, this amendment differs from the earlier one, which was simply a change in definition, because this is a change in the substantive clause in the bill which sets forth the 50-50 sharing of assets on marriage breakdowns. What this amendment does is to extend that principle of the 50-50 sharing of assets; and this important key clause which sets that up, extends that to marriages which are ended on death and, as a result, removes a serious discrimination between classes of spouses.

It was suggested that Bill 60, the Succession Law Reform Act would eliminate any discrimination of this sort—or it was suggested that if it did not eliminate it, it could be amended to eliminate the discrimination. However, we did not get any commitment from the Attorney General that Bill 60 would be amended. I am not convinced that Bill 60 does eliminate the discrimination.

The discrimination arises between spouses whose marriage ends on breakup and spouses whose marriage ends as a result of the death of one of them. This kind of discrimination between classes of citizens in the province is intolerable to me. That is why we must amend the bill to eliminate that discrimination. I submit that Bill 60 is not the avenue for removing that discrimination. The reason is that Bill 60 provides for relief to one spouse who has been treated in what you might call an unfair way as a result of a will but it is based solely on need and the ability of the testator or the estate to meet that need.

Hon. Mr. McMurtry: I hesitate to interrupt, Mr. Chairman, but I thought you made a—

Mr. Deputy Chairman: On what basis are you interrupting?

Hon. Mr. McMurtry: —tentative ruling that this was out of order. I think everything that has been said makes it quite clear that it's just simply a repetition.

Mr. Deputy Chairman: I didn't make a ruling. I asked the member to justify why this was somewhat different. Are you rising on a point of order, Mr. Attorney General?

Hon. Mr. McMurtry: Yes.

Mr. Deputy Chairman: And your point of order is?

Hon. Mr. McMurtry: My point of order is that the principle of this amendment was dealt with on the proposed amendment to section 1.

Mr. Deputy Chairman: Do you wish to speak to the point of order?

Ms. Bryden: Mr. Chairman, I don't think the principle was dealt with in section 1. It was simply a change of definition, whereas this is an extension of section 4 and equal sharing to the breakup of marriage on the death of one partner. I think that is a very important principle, and I think we should deal with it as a separate principle.

Mr. Deputy Chairman: It would seem to me that had the amendment to section 1 carried, this amendment would have been unnecessary because "spouse" would have covered a spouse in this section. It seems to me that the will of the House is that the definition of spouse for the division of property should not apply when one spouse has died. I think the House already has made that decision and therefore it seems to me that this motion is not now in order.

Mr. Renwick: Mr. Chairman, did you so rule just then?

Mr. Deputy Chairman: I am prepared to make a ruling, but if you wish to speak to the point of order, I will allow you to do so before making the ruling.

Mr. Renwick: I'd just like to support what my colleague, the member for Beaches-Woodbine, has said. I think we've had occasion when this has happened. Because of the procedure of the House which provides for the drafting of bills with a definition clause at the beginning of the bill, it has often been the case that the motion is made with respect to the definition which, of course, doesn't deal with the substantive matter. It's simply an explanation of what the term should include and therefore is a matter which has to be explained to the committee. It has been defeated. We understand that.

I think it would be true that if there were subsequent substantive provisions of the bill and we were to introduce amendments, I might find it somewhat difficult to agree that your ruling wouldn't be correct. But on the first substantive section of the bill, I would submit that we should be allowed to make

our argument on the clear understanding that if the substantive argument held, then the more or less procedural question of amending the definition could be reverted to by unanimous consent of the House.

Otherwise, I think it might be wise for us to make provision as to when this kind of amendment should be brought. It may well be that we should say: "Let's agree as a House that we'll argue a case on the substantive clause and that the House will consent, if passed, to revert to amend the definition section."

I hope that's been helpful, Mr. Chairman.

Mr. Deputy Chairman: Does the member for Ottawa East wish to speak on the point of order?

Mr. Roy: Just briefly. It would seem somewhat contradictory that this House, having voted not to accept the earlier amendment, would revert after accepting this amendment, to amend something we've already refused. It just doesn't make sense.

It would seem to me that the argument brought forward is simply just being repetitious of the original amendment, because the argument was made at that time and has been rejected by the House. It just doesn't make sense at this time to be saying we're going to be looking at the amendment we have before us because we'd not only have to go back to amend, but we'd have to follow all through with what is meant by spouse. I don't want to take more time on a procedural matter, but it just doesn't make sense that we're proceeding in that fashion. It should be ruled out of order.

Hon. Mr. McMurtry: I'd just like to say the earlier debate was conducted on the basis of the operative sections and the effect that the amendment to section 1(f) would have had on them. I think this is just a ruse to reopen the matter.

Mr. Renwick: Did I hear the Attorney General refer to our comments as a ruse to reopen the matter?

Mr. Roy: Ruse.

Mr. Renwick: I think that's unparliamentary.

Mr. Deputy Chairman: The member for Welland-Thorold on the point of order, only, and this will be the last speaker on the point of order.

Mr. Roy: He could have said further posturing.

Mr. Deputy Chairman: Order, please.

Mr. Swart: I want to deal with this point of order in just a little different manner. You

raised it at the time that the member for Beaches-Woodbine (Ms. Bryden) started to speak, Mr. Chairman. She gave her explanation and you permitted her to continue for quite a period of time. It seemed to me, and I think most of us here felt, that you had made a decision at that time. It's the same point of order. It seems to me once you have permitted part of the debate to take place for the length it did that you can't make a second ruling on the same point of order.

Mr. Deputy Chairman: When the member raised the motion, I did not make a ruling. I simply asked the member in her remarks to justify why this would be different to the matter on section 1. Before she had got far enough into her remarks for me to make a ruling, the Attorney General rose and asked me to rule on the point of order.

As far as the point of order is concerned, it would seem to me that in the debate on section 1, on the subsection, that we dealt not only with the definition but this House dealt with the substantive matter of whether or not a deceased spouse should be included, not just for the definition section but for the sections further on.

Therefore, it seems to me that this is repetitious and is, in effect, discussing the same matter that this House has already decided. I would therefore have to rule that this motion is out of order.

The member for Beaches-Woodbine wishes to move an amendment to subsection 3 which is different enough that I would say that one is in order.

Ms. Bryden: Mr. Chairman, the amendment to subsection 3 really depends on the amendment to subsection 1.

Mr. Deputy Chairman: Ms. Bryden moves

that subsection 3 of section 4 be deleted and the following substituted therefor:

"The rights under subsection 1 are personal as between the spouses, but any application commenced under subsection 2 before or after the death of a spouse may be made or continued by or against the estate of the deceased spouse, and for the purposes of such an application a reference to spouse in this part shall be deemed to be a reference to the estate of the spouse as the case requires."

This refers to actions commenced before as well as after the death of the spouse, does it?

Ms. Bryden: That is correct, Mr. Chairman, and therefore it is different from the preceding one.

Mr. Deputy Chairman: Yes, I will allow you to continue.

Ms. Bryden: It provides that an action commenced after the death of a spouse may be made or continued against the estate of the deceased spouse, and therefore it would enable spouses to obtain from the estate some of the assets to which we think they should be entitled.

I think this amendment would be an improvement to the section providing for equal division of the family assets and it is a necessary amendment to bring that situation into the bill.

Mr. Deputy Chairman: Any further speakers to this motion?

All those in favour please say "aye."

Those opposed please say "nay."

In my opinion the nays have it.

Amendment stacked.

The House recessed at 6 p.m.

APPENDIX

(See page 677)

12. Ms. Bryden—Inquiry of the ministry: Will the Minister of the Environment report the quantity and nature of the industrial waste materials deposited in the Beare Road landfill site in Metropolitan Toronto in each of the six months ending February 28, 1978 showing: (a) name of company from which

materials originated; (b) broad categories of material dumped by each company; (c) quantity of each category of material dumped by each company? (Tabled February 28, 1978)

Answer by the Minister of the Environment (Mr. McCague) tabled as sessional paper 38.

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Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, MARCH 14, 1978

The House resumed at 8 p.m.

FAMILY LAW REFORM ACT (continued)

On section 4:

Mrs. Campbell: Mr. Chairman, I have presented an amendment, a rather lengthy one, as of last week. I have given notice to the member for Riverdale (Mr. Renwick) and, of course, to the Attorney General (Mr. McMurtry) and others of one slight amendment. I don't know whether you wish me to move the whole amendment at this time. If you do, I shall.

Mr. Chairman: It is the proper procedure. Mrs. Campbell moves that subsections 5 and 6 of section 4 be deleted and the following be substituted therefor:

"(5) The purpose of this section is to recognize that child care, household management and financial provisions are the joint responsibilities of the spouses and that inherent in the marital relationship there is joint contribution whether financial or otherwise by the spouses to the assumption of these responsibilities entitling each spouse to an equal division of the family assets subject to the equitable consideration set out in subsections 4 and 6.

"(6) The court shall make a division of any property that is not a family asset where (a) a spouse has unreasonably impoverished the family assets, or (b) the result of a division of the family assets would be inequitable in all the circumstances having regard to (1) the considerations set out in clauses (a) to (f) of subsection 4, or (2) the effect of the assumption by one spouse of any of the responsibilities set out in subsection 5 on the ability of the other spouse to acquire, manage, maintain, operate or improve property that is not a family asset."

Ms. Bryden: On a point of order, Mr. Chairman, should these two sections not be dealt with by separate motions? That's the practice we've been following in the past, I think, of dividing amendments and dealing with one subsection at a time.

Mrs. Campbell: Mr. Chairman, I would like to accommodate my friend but I believe the matter has to be dealt with as part of

one scheme under this Act. For that reason, my proposal is that it be dealt with in whole.

Mr. Chairman: It would appear to me that the previous sections were companion sections and therefore they should be handled together. Is the committee agreeable?

Agreed.

Mrs. Campbell: Mr. Chairman, throughout the deliberations on this bill to date we have talked about the equality of the marriage and of the partners in the marriage, but this time, for the first time, I believe, we now spell out the fact that child care, household management and the financial provisions are joint responsibilities and that, in fact, child care and household management both have an economic and financial aspect to them.

I am of the opinion that by spelling it out in this form and by, in effect, directing the court, we are overcoming some of the problems which we could not overcome, at least from my point of view, in other suggestions which were made.

As I have said throughout, it is my firm belief that marriage is an economic partnership of two equal partners. I have never disputed that. I have had difficulties with some of the other amendments by reason of what I could foresee, perhaps wrongly or perhaps rightly, as certainly possible disruptions of our economy and, of course, the whole question of the tax problems which could arise, as I understand it, if we were to spell out in any precise terms the commercial assets or any of the points raised by the members of the third party.

However, it is important that we recognize in the substantive part of this Act what we have spelled out in the preamble. I have done that, it seems to me, in this section. Then we have proceeded to indicate, within the terms of reference of the new subsection 5 as proposed, the sorts of things which must be taken into consideration by the court in effecting a division of the property. I have used the word "shall" instead of "may" because it does seem to me that it limits the discretion of the court in a way which may in some measure go to meet the objections

of those who are deeply concerned at too wide a discretion in the courts themselves.

It seems to me that in this particular amendment all of those things which were suggested in the earlier amendment proposed can be looked at and should be looked at by the court. But in the event, for example, of pensions, we would have to recognize that the court indeed would have to take into consideration the laws pertaining to pensions and the actual pension scheme which would come before the court at any given period of time, because it is my view, rightly or wrongly, that this legislation cannot alter a pension plan already in effect and only the pension plan itself could be altered by the normal procedures.

I feel this particular amendment does give direction to the courts in specific circumstances. I recognize it still means that possibly the female of the marriage may have to be a suppliant, but I would also recognize that the male could very well be in the same position under this amendment and this type of approach. To me, by indicating as we do in such specific terms, we have taken this legislation into a new dimension. I would urge the members of this House to support the amendment so that we can have the necessary degree of flexibility built into this amendment and into the Act to overcome some of those objections raised by others in the process of discussion of this bill.

Ms. Gigantes: I rise in support of this amendment. As far as I am personally concerned, and I believe the other members of my caucus, there is absolutely no reason to object this amendment. At the personal request of the mover, I looked over the amendment again a few days ago to see if perhaps it could meet some of the requirements we felt were necessary when we proposed earlier amendments to the assets section of this bill. I did that because I respected that personal request. I feel still, and so do the other members of my caucus, that this amendment does not meet those well-expressed concerns of our caucus on the question of equitable division of property. This amendment, in our view and in my personal view, adds nothing to the bill, but because it adds nothing, one cannot object to it. Therefore we will support it.

Hon. Mr. McMurtry: I want to indicate that I support this amendment but not on the basis that it adds nothing. I think the member for St. George and I, notwithstanding the fact that we don't always agree on everything, do share the same view as to what this Act is intended to accomplish.

I am grateful to her for moving an amendment which I think strengthens the Act and strengthens the concept of partnership and joint responsibility. I want to make it clear, therefore, so far as the government side of the House is concerned, that it is an amendment that should be supported. It does add something to the legislation.

[8:15]

Mr. Nixon: I want to speak briefly to this amendment as well. I have listened to a great deal of debate on the bill, particularly on the former amendment which was designed to divide the property that would come under the judgement in a marriage breakup down the middle.

I feel that the amendment put forward by my colleague from St. George effectively makes it clear to a judge who has to make a decision in these cases—and there are many more of them now, I suppose, than there used to be—that he has the responsibility to undertake a fair and equitable division of all of the property that is included in the ambit of the bill.

I haven't spoken on the bill on second reading or up until this time, but I am sure you would be interested to know, Mr. Chairman, that there has been some debate around our home about it. My wife being an active member of various organizations in the community, I suppose she has been a channel to me of views from the local women's institute and so on, and probably a very effective advocate for the concept of the amendment put forward by the member for St. George.

I personally believe it does add substantially to the bill. While other may feel it goes without saying that the responsibilities for family care and responsibility are equally shared, I believe it is an important addition that the amendment spells it out specifically and certainly gives it to the responsibility of judges when property must be divided.

Being a farmer myself, I am aware that the impetus for this legislation in the first instance probably came from the famous or infamous Murdoch case. During my years as leader of the party, this was debated quite vehemently in many forums. I felt at the time the position of our party was to express the joint responsibility for family responsibility, and certainly the responsibility for a judge who has to divide these matters in some equitable way, that he must consider the whole list of property and assets.

Frankly, I have been offended at some of the unfair attacks that have been levelled, not so much against the members of the

Liberal Party but specifically against the member for St. George, who has worked—and I hesitate to say so, but certainly it is true—for many years in leading the community in a fair and equitable approach to this difficult subject. In my opinion, she has been in the vanguard of public opinion and is now taking an eminently sensible, moderate and supportable stand.

The fact that some other members have said that this amendment adds nothing to the bill perhaps simply adds to the offensive connotations that have been directed to her and to us, her colleagues, in the debate in the past. I believe it is an important amendment, and I am glad that all members of the House have now indicated they are going to support it. I think it adds tremendously to the concept of this bill, and certainly in my view it is a landmark for which she and, through her, we should be congratulated.

Mr. Renwick: I admire the member for Brant-Oxford-Norfolk for his valiant attempt to repair the damage done to his caucus by the failure to support the amendment which was before the House the other evening.

Mr. Nixon: We never make a mistake in opposing your amendments.

Mr. Renwick: I did want to ask whether the member for St. George and the Attorney General and their legal advisers would look at the disjunctive nature of items 1 and 2, which modify subsection 6(b), to see whether between now and the final printing of the bill it is the intention of the member for St. George to make that disjunctive; in other words whether or not the court or a judge must consider either item 1 or item 2 but not both. I can quite well see that there would be situations where a judge should take into consideration not only items (a) to (f) of subsection 4, but should also take into account the purpose and intent set out in item (ii), which also modifies subclause (b) of subsection 6 of section 4.

Mr. Roy: Mr. Chairman, I rise and enthusiastically support the amendment brought forward by my colleague from St. George and I wish to say—

Mr. Bounsall: Now we know it's suspect.

Ms. Gigantes: That should worry you, Margaret.

Mr. Roy: I notice, Mr. Chairman, that the members to my left—

Ms. Gigantes: We're proud to be on your left.

Mr. Roy:—especially those in the second row, some of whom have tried to make some contribution to the justice committee—

are somewhat, I suppose I could say frustrated in the sense that they've put forward, I suppose they've put forward—

Mr. Bounsall: Proper amendments.

Mr. Roy:—as I can recall over the last two years, even in the justice committee, as long as somebody came in with a piece of paper and put something forward they would present it, whether it was—

Mr. Bounsall: Never, Albert.

Mr. Roy:—on behalf of the women's groups in this province or whether it was on behalf of the frustrated husbands who were hanging around the committee at the time we were discussing this.

Mr. Swart: How did you know what went on in the committee, Albert?

Mr. Roy: So that every sort of conceivable amendment has been brought forward; and of course—

Mr. Chairman: Order, please. Is this in reference to the amendment before the committee?

Mr. Roy: Yes it is, Mr. Chairman; I'm right on.

So it is, I suppose, with some frustration that they find that once a reasonable amendment is put forward that it is accepted. It's accepted by the members opposite, and the Attorney General in his wisdom has seen the objectivity and the in-depth—

Mr. Bounsall: It doesn't do any harm.

Mr. Roy:—in-depth logic of this particular amendment and has accepted it. I suppose all of their amendments having been rejected they are somewhat frustrated.

Ms. Gigantes: We don't like meaningless fights, that's all.

Mr. Roy: Let me say this, that the members to my left who have postured for a period of time, over quite a period of time over this legislation—

Mr. Bounsall: Who's posturing now?

Mr. Roy:—one has to keep in mind that the legislation itself generally, the way it was drafted, the way some of the amendments have been made to the legislation, was intended to apply to the majority of people in this province. I would hazard to guess that for 80 to 90 per cent of the people in this province, the only assets they would have would be those mentioned in the family assets as defined under the present legislation. I think that has to be kept in mind.

The second thing that has to be kept in mind in relation to the amendment is the fact that many of the amendments—and I can't help but think this as I hear them

yapping to my left, and I'll give them the benefit of the doubt for this—that they didn't understand the full import of the amendments that they were bringing forward. Because if they did, all I can conclude is that in fact the amendments were or their attitude was highly irresponsible.

Mr. Lawlor: Mr. Chairman, he is completely out of order. Everybody has agreed to it for heaven's sake. What is this for?

Mr. Roy: I know my colleagues don't like to hear what I'm saying, but it was in fact irresponsible.

Mr. Lawlor: You go on at too great a length.

Mr. Roy: In their attempt to be too rigid what in fact would have happened would have been one of two things.

Mr. Bounsall: It isn't fairness that you want here.

Mr. Roy: It would have caused far more litigation; and secondly they would have driven everybody into lawyers' offices getting involved into marriage contracts.

Mr. Lawlor: Which of the seven deadly sins is that?

Mr. Roy: This is where more flexibility and the logic of the amendment by the member for St. George has application, in that it's finally, as one who's been in practice, who's had a family law practice—

Ms. Gigantes: Not on Legal Aid.

Mr. Roy:—and who's seen the problems happening out here; and as I say, I don't think, apart from reading about it, that members to my left, the most vocal ones, really know what happens in fact in a difficult time when there is marriage breakdown.

Mr. Bounsall: We've done more in our constituency work than you've done in your legal office.

Mr. Roy: I can say to you that the greatest concern, basically, as I have seen it in the real world out there was the lack of recognition for the contribution by a housewife who had been a good mother, who had been a good wife.

Ms. Gigantes: What about a widow? What about the support of widows in law?

Mr. Roy: And at the time of separation there was not recognition of this. And so with the wisdom she has put forward on many other issues, the member for St. George has brought forward an amendment which will finally give recognition to that contribution, which will tell the court that this is something for the court to look at in the contribution toward a particular asset.

To me, the amendment is not only sensible, it is practical. And it is not irresponsible as many of the amendments put forward by the members to my left.

Mr. Lawlor: We all agree with it.

Mr. Roy: And they will be bringing forward more irresponsible amendments, as I have seen from the list of their proposed amendments.

Mr. Lawlor: Who are you arguing with?

Mr. Bounsall: I wouldn't like you to be Attorney General.

Mr. Roy: And so it is to the great credit of the member for St. George, who has weathered some of the abuse of the members to my left, that we have taken a responsible approach.

Mr. Foulds: You shouldn't talk about Murray Gaunt that way.

Mr. Roy: What is of interest to us is to represent the people of this province, that is our major interest. Our interest is to be responsible and not just to posture every time we feel something might look politically good or because we might impress someone here in the galleries. We take a responsible approach. The member for St. George with this amendment—

Mr. Bounsall: It does nothing.

Mr. Roy:—has finally put into legislation, has made it clear to the court and to the judge, what should be recognized and what he should look at under section 4, when the division is made of certain assets.

So I say, to the great credit of the member for Brant-Oxford-Norfolk who stated it earlier, that we in this party are not so much interested in posturing but are interested in having workable legislation; we are interested in having legislation which will be to the great benefit of the people of this province.

Mr. McClellan: These things are relevant, aren't they?

Mr. Chairman: The hon. member for Beaches-Woodbine.

Ms. Bryden: Thank you Mr. Chairman. No one, I guess, can be against spousehood, or a statement explicitly recognizing the equal responsibility of spouses for child care and household management.

But that recognition is negated if we reject a legislated equal division of all the assets which come into a marriage after the marriage. It becomes rather like the preamble, which is a window-dressing statement of objectives not implemented by the legislation.

I am disappointed that this is the only contribution the Liberal Party has brought forward in an attempt to improve the bill.

Mr. B. Newman: She admits the contribution.

Mr. Roy: What contribution have you made?

Ms. Bryden: I will be coming to that in a minute.

An hon. member: That's what we're afraid of.

Mr. Bounsall: We shall know what they are up to.

Ms. Bryden: I think that this bill, while it is an improvement over many of our archaic laws, still needs a great many improvements.

This amendment, in my opinion, adds nothing to the bill that is not already there, explicitly or implicitly. For instance, the concept of recognizing the extra contribution of the spouse who undertakes the child care and household duties is covered in my amendment, which I moved in the justice committee and which was passed by the justice committee and which is part of the bill now in section 19(5)(o).

Section 8 also recognizes the contribution of the spouse beyond a contribution of money, beyond a contribution of work, but simply recognizes a contribution when the contributions "are those of a reasonable spouse of that sex." In other words, contributions of the spouse who traditionally stays in the home are recognized in section 8.

[8:30]

This amendment adds nothing to the bill because it doesn't change the definition of family assets. It applies therefore only to that little corner of the marital sandpile where the family home and the TV set are located. It doesn't obviate the necessity of going to court.

I fail to understand how the member for Ottawa East can say this will decrease litigation if every situation where the one spouse wishing to share in any assets beyond that narrow little definition of family assets has to go to court. It still leaves the sharing of any assets beyond the family assets entirely up to judges. And we know from past experience that judges are not always in the 20th century in recognizing the contributions of the spouses, in making up for the fact that the spouse who stayed in the home has forgone career opportunities and does not come out into the labour market on an equal basis with the other spouse if there is a marriage breakup.

We also know that in most cases this legislation will work against women, who have been traditionally the ones who stayed in the home, who are disadvantaged, who come out into a labour market where female wages are about 60 per cent of male wages. Therefore we need to recognize by legislation that they are entitled to 50 per cent of the assets which came in during the marriage if we are to recognize that marriage is a partnership.

So while this amendment does no harm I can see that in my opinion it does no good. It doesn't change the legislation at all. It doesn't change Bill 59 to be a recognition that marriage is a partnership of equals.

Mrs. Campbell: I am grateful to my friend from Riverdale; he is quite correct in his comment about clause 6(b). Following the end of the first (i); the consideration set out in clauses (a) to (f) of subsection 4 presently reads "or"; I would move that it be amended to read "and."

Mr. Chairman: Is the committee agreed to change section 6(b)(i) by changing the word "or" to the word "and"?

Agreed.

Ms. Gigantes: I would like just to touch on that, Mr. Chairman. It seems that not only is the member for Riverdale always right on matters of law, but he's always right on English too.

Mr. Roy: There you go.

Mr. Renwick: Every matter of substance though.

Mr. Sweeney: I want to stand, Mr. Chairman, in support of this amendment.

Ms. Gigantes: You mean to change "or" to "and"?

Mr. Sweeney: We are still speaking on the amendment, I understand; is that correct?

Mr. Chairman: Correct.

Mr. Sweeney: I want to stand in support of it—

Ms. Gigantes: It should be a subamendment though.

Mr. Sweeney: —and just make three short observations. The first one is to point out that in fact the changes which my colleague from St. George has introduced are in fact important, substantial and necessary.

Ms. Gigantes: Point of order, Mr. Chairman. Did we pass the subamendment?

Mr. Chairman: The suggestion to change the word "or" to "and" was agreed by the committee.

Ms. Gigantes: You mean before I rose and you recognized me?

Mr. Chairman: Yes.

Mr. Roy: You are completely out of order.

An hon. member: You want to amend it to "but"?

Ms. Gigantes: Mr. Chairman, that doesn't seem correct to me.

Mr. Roy: You weren't in your seat.

Mr. Conway: It was so much easier in CBC Ottawa.

Mr. Chairman: Order.

Mr. Foulds: Mr. Chairman, on a point of order.

Mr. Sweeney: Mr. Chairman, I rise in support of this amendment.

Mr. Chairman: Your point of order?

Mr. Foulds: Does not the passing of a subamendment in fact therefore pass the amendment? And does the vote not need to be taken immediately?

Mr. Chairman: This was not placed as a subamendment. It was drawn to the attention of the member for St. George by the member for Riverdale and I asked the committee if they would agree to change the word and the committee agreed.

Mr. Bradley: Let's get together over there.

Mr. Foulds: Mr. Chairman, with all great and due respect, any change in the clause is an amendment or a subamendment, and I would suggest to you that when you asked the committee if they agreed with this change, you were putting a subamendment.

Mr. Roy: Oh boy.

Mr. Chairman: I have to tell the member for Port Arthur that I asked the committee only to change the word. The committee agreed and there was no objection at that time.

Mr. Foulds: Yes, right.

Mr. Chairman: I'll recognize the member for Kitchener-Wilmot.

Mr. Sweeney: Thank you, Mr. Chairman. I'm at a loss to understand—

Mr. Roy: These matters of great substance.

Mr. Sweeney: —why there's some attempt made to prevent this. Mr. Chairman, may I repeat, I stand in support of the amendment put by my colleague from St. George and I suggest that, in contrast to what has been said, this amendment is a substantial one and a necessary one.

The first point I would make is that it has been brought to the attention of this House in the past that when a judge renders

a decision he does so on the basis of the law as it is written, not on the basis of the law as it is intended by members of this House. As a matter of fact, recently a decision by the government was overturned by the Supreme Court of Canada and the judge made it very clear that it was not his job to try to know what was in the minds of the legislators when they pass legislation. It is his job to deal with the legislation as it is written, and by making this amendment we are clearly saying to any judge who looks at this piece of legislation in future—

Mr. Lawlor: What about the golden rule? What about all these wretched rules?

Mr. Sweeney: —what we mean when we say an equal partnership in every sense of the word, a partnership in which the housewife in particular—and I think that's who we're talking about in most cases—clearly, by the job she does in her home, by the job she does with her children, makes it possible for her partner, for her husband, to go out into the business world to acquire other assets, and that those assets would be taken into consideration if and when it is necessary to make a judgement. I think it's important that we make that particular observation, and it's important that it be listed very carefully for any judge who may so rule in the future.

I would also point out that I think it is more important to do it this way than to deal with a mechanical—a mechanistic, if you will—so-called 50-50 split, because if there's one thing that any successful-marriage couple will indicate very clearly it's that marriage is not a 50-50 split. And it's not "50-50 or fight"; it would be "50-50 and fight"—

Mr. Foulds: Only in your case, John.

Mr. Sweeney: —because anyone who starts out in a marriage or anyone who tries to continue a marriage on the basis that everything is split down the middle and that half is yours and that half is mine, won't have a marriage that lasts very long.

Mr. Bounsall: Read the bill.

Mr. Sweeney: Any successful married couple knows that a marriage always entails that each partner at all times wants to give more than he or she expects to get. That's what this clearly points out—the equal partnership in the best sense of the word. It's that kind of partnership in that best sense of the word that my colleague from St. George has presented here and that we should support.

Mr. Swart: Mr. Chairman, very briefly, I've heard the word "substantial" used many times over on that side of the House with

regard to the amendment which they have put forward. Of course, we all recognize that the issue of a wife's contribution to the home is very substantial, but that's not really what this amendment is talking about. When you boil the whole thing down all it really does is change the words that are in there. It says that "the purpose of this section is to recognize that inherent in the marital relationship there is mutual contribution by the spouses, whether financial or otherwise, to the family welfare." They say: "The purpose of this section is to recognize that child care, household management and financial provision are the joint responsibility of the spouses."

It clarifies it slightly, and that is all it does. It doesn't change the principle of this bill whatsoever.

Mr. Haggerty: Quit while you're ahead, Mel.

Mr. Swart: There are two types of assets in this bill. There are the family assets where the principle is that they are to be jointly divided. Then there are all the other assets which belong to the individual spouses; they may be varied by the court. This makes a very slight change in the wording as to how they can be varied. We're going to support the bill, as I have already said. Perhaps "supporting" isn't the right word; we are not going to bother to oppose it, because it is so inconsequential that it means nothing.

Section 4, as amended, agreed to.

Sections 5 to 10, inclusive, agreed to.

On section 11:

Mr. Chairman: Mr. Lawlor moves that section 11 of the bill be deleted and the following substituted therefor.

"11(1) Where property is transferred from one spouse to the other and delivery or registration is effected or where one spouse directs property to be placed or taken in the name of the other spouse, unless there exists proof of a contrary intention, the transfer shall be deemed to be a gift to the donee spouse except that

"(a) where the property is placed or taken in the name of the spouses as joint tenants, unless there is proof of a contrary intention, each spouse shall be deemed on a severance of the joint tenancy to hold a one-half beneficial interest in the property; and

"(b) money on deposit in a chartered bank, savings office, credit union or trust company in the name of both spouses shall be deemed to be in the name of the spouses as joint tenants for the purpose of clause (a).

"(2) The rules of law applying to the presumption of advancement and resulting trust

in questions of ownership of property as between husband and wife are abolished."

I wonder if the other members have received copies of the proposed amendment.

Mr. Lawlor: I sent copies to the Attorney General and, I think, to the member for St. George. The member for Ottawa East probably hasn't got a copy.

Mr. Roy: I had better have one if you want my support.

Mr. Renwick: This is what I call a substantial amendment. We lawyers could argue this one all night.

Mr. Lawlor: No, I don't think we need to go on for very long on it. It's a nice point of law. The best way to approach it is simply by reading into the record part of the Law Reform Commission study documents. On page 376, it says: "The Presumption of Advancement and the Presumption of Resulting Trust: The recommendations in the two preceding sections—they have to do with joint bank accounts and common funds—"will mean that the presumption of advancement and the presumption of resulting trust will no longer apply to most of the significant financial transactions between husband and wife. There remains to be dealt with the situation where one spouse, using his or her own money, purchases property and directs that the title be placed in the name of the other. At common law, as has been indicated elsewhere in this report, the effect given by the law to such a transaction differs, depending upon whether the purchaser is a man or a woman. If it is the husband, he is presumed to make a gift to his wife. If the purchaser is the wife, her husband is presumed to hold the property in trust for her.

[8:45]

"These results have been criticized with increasing frequency in recent years and are often disregarded in Canadian courts. It is obvious that they no longer serve the requirements of married people or of contemporary society. The commission therefore recommends that, subject to the special provisions respecting the matrimonial home, where one spouse, whether husband or wife, acquires property and causes the title to be placed in the name of the other, then, in the absence of evidence of a contrary intention, the transaction should be considered as one of gift. The same principle should apply in direct transfers between husband and wife. These proposals have the merit of making the view of the law coincide with the factual appearance of the transaction, while still leaving the parties free to demon-

strate their true intentions, if those are different. The presumption of resulting trust between husband and wife, and its outdated ambience that married women require some special protection against the unwisdom of their own dispositions, would thereby be done away with."

It comes down to this: When property passes—and this is in a direct context as opposed to the earlier section, section 8, which is precisely the Murdoch situation—and where that doctrine called quantum meruit comes into play; that is, the contribution that has been given should be recognized, in the old law if it wasn't a complete payment, only a partial one, it was ignored. Then an equitable doctrine grew up, saying that to the extent that a contribution was made, then it was accepted; but certain kinds of contributions weren't accepted, namely labour or "the indirect contribution," as it is called.

The section we're dealing with, section 11, is concerned with direct contributions only and only as between husbands and wives. So you go one way or the other: Either what passes between the spouses, irrespective of sex, is a gift or it's a resulting trust. You take one or the other.

What the Attorney General has done, against the explicit setting forth and argumentation of the Law Reform Commission, is just the opposite. He abolishes the presumption of advancement, the gift aspect of it, and places his emphasis upon the resulting trust notion; that is, the very notion that purportedly was supposed to protect the wife against her own ill-advised giving of gifts.

Why he has done that, I'm not sure. It's a change over against what was in the original legislation. To consider it a gift, to place the emphasis or the onus there as applying to both spouses, seems to me a more equitable and sensible disposition of the matter than to abolish the gift concept, as he seeks to do in the legislation.

I would like to hear from the Attorney General further statements and further rationalizations as to why this particular disposition was made and why he places the weight or onus where he places it.

In any event, in this particular context I think both concepts are outmoded. What I have tried to do in the section as I brought it forward is to say, in layman's language—getting away from all this talk about anticipations and advancements and resulting trusts—that a gift is a gift. If there are circumstances—and there can be; I used the word "proof" rather than the word "evidence," because I believe the word "evi-

dence" to be weaker, although it possibly comes to the same thing—if there is a witness present, a bank manager or somebody, or if there is a written document saying in effect that the giving of this ostensible gift was not meant as a gift but that the true intention of the gift was that it would come back to the husband or that he would retain the ownership, which is really what the point is, then so be it. But I think the evidence would have to be substantive and even conclusive, otherwise it remains against. And seeking to pull back on it and set up all the labyrinth of litigation that has happened in these things; because every time the marriage breaks up one spouse or the other—usually the husband does; that is claim he didn't mean to do that at all. The judge will then ask him why he did it. Very often, he gives the excuse that it was to protect his business interests, to protect him against creditors should they attack.

The courts have gone both ways on that. They say: "That is a subversive intent. That has a quasi-fraudulent ring to it, and therefore we won't give cognizance in an equitable situation to your advanced intention to defeat your creditors." They therefore have ignored it and reaffirmed the gift. But in certain circumstances the property has been allowed to come back to him on those rather shaky grounds apart from anything else.

The business about intention is hard to define after the event, his submission to the court that this was what was really in his mind at that particular time.

I used the word "common" earlier, because Laskin, the Chief Justice of Canada, uses it extensively in the Murdoch judgement in his dissenting opinion, which is a superb piece of legal reasoning. He seeks, in the course of his judgement, to abnegate or get away from the resulting trust notions and all that is implied by that. He places his full weight upon what he calls a constructive trust notion. There are elements in the constructive trust that I don't want to import in here, I want to retain intention. Constructive trust operates either with or without intention, whereas I want the intention to be explicitly affirmed.

Secondly, in the particular context in which he speaks, he speaks of common intention constantly. That is probably pushing it too far. If a unilateral intention by either spouse can be conclusively proved to the satisfaction of the court, then the property never did pass as a gift. There is no necessity then to resort to resulting trusts or anticipations or anything else. It's either a gift or it's not a gift. What flows from one is that it remains

his property or her property ab initio, despite the fact that it appeared to be on the surface a gift, because there is adequate external and objective proof that that was not the case, and therefore from its very beginning, a fee simple transfer never took place—or an absolute transfer in the case of personal property.

So it boils down to trying to write a little bit of this legislation, since it has enormous impact upon the man and woman in the street, in terms that they might understand. This is not true about a good deal of legislation. At the same time, we should be saying that these ancient concepts having to do with trusts law are no longer applicable in this. No way is the concept of resulting trust thrown out—it is only in the context as between husband and wife. It may apply in a thousand other situations but not here; and it ought not to apply here, it only muddies the water. I think that's enough to be said about it. I commend it to the Attorney General and would ask him to accept this amendment.

Hon. Mr. McMurtry: I'd like to have the opportunity to respond to the member for Lakeshore, I appreciate what he is trying to accomplish but it's my respectful view, Mr. Chairman, that this is really quite counter-productive and can only cause a great deal of confusion for the following reasons: First of all, the amendment will accomplish nothing insofar as family assets are concerned because of course there is the presumption of division in any event, and I think it's quite evident that it will accomplish nothing in the case of non-family assets because of section 8.

Certainly what the proposed amendment to section 11 might accomplish insofar as presumption of gift is concerned could be back under section 8, because under section 8, obviously if it's a husband making a gift to the wife, he could establish, in the words of section 8, that the "spouse or former spouse has contributed work, money or money's worth in respect of the acquisition, management, maintenance, operation or improvement of the property, other than family assets, in which the other has or had an interest, upon application, the court may by order, direct the payment of an amount in compensation therefor . . ."

So what happens if your amendment to section 11 passes? There's a presumption of gift, but in a situation that you are talking about the husband could simply apply under section 8 and get it back. The purpose of section 8 is to protect, in many cases, the contribution of the wife who, by work or

money or—it's usually work or money's worth—has contributed to the acquisition of a non-family asset, and that section 8 is to protect the wife so it won't be said, "Well, the wife is making a gift of this work or money's worth to the husband."

We are saying section 8 in effect rebuts the presumption of gift and this normally, in the majority of cases, will work to the benefit of the wife. Obviously section 8 has been supported and I think there is general agreement among the members as to what we are attempting to accomplish by section 8, which really rebuts the presumption of gift for the reasons I have just mentioned.

Section 11 creates the presumption of gift, which again is really meaningless in view of section 8. But furthermore, our concern goes beyond that in relation to the problem that it can create for women—and families, I should say—where a husband may wish to place certain property in the wife's name to protect the property from creditors. In our view, section 11, particularly in view of section 8, will accomplish nothing in so far as the wife is concerned. Quite apart from that, it will act as a disincentive to husbands to protect property in such a way, and that, in our view, is a manner in which the woman can be prejudiced by this particular section. Furthermore, before I even was a member of it, this Legislature in 1975 passed the 1975 Family Law Reform Act creating a presumption or adopting the principle of the presumption of resulting trust. That Act has been in force for almost three years in the province, and certainly so far as we can ascertain, it has not caused any problems but indeed has advanced the position of women somewhat considerably. So furthermore, it is our view that this amendment can only create a great deal of confusion, particularly in view of the 1975 Act, but more important than that, it is in conflict with section 8 and—

Ms. Gigantes: How can you say that?

Hon. Mr. McMurtry: Well, it's quite clear if you would bother to read it, but judging by some of the things you have said—
[9.00]

Ms. Gigantes: Are you suggesting I haven't read it?

Hon. Mr. McMurtry:—I really wonder if you have read the legislation.

Mr. Roy: The Attorney General talks as though he hadn't read it.

Mr. Conway: Give it to her.

Hon. Mr. McMurtry: For those reasons, I really don't think it would be in the public interest to accept such an amendment.

Mr. Lawlor: I am afraid my construction is quite different from that of the Attorney General on this particular head on two counts. First of all, with respect to section 8, if it is read carefully, it is the Murdoch section. That has to do with indirect contributions, as I said earlier. Basically, the very word "contribution" is an indication of that. It has to be read as a whole. It is with respect to the acquisition, management, maintenance, operation or improvement of property, none of which matters has been given cognizance in previous law, except for an amendment which was made about 1975. But that was directed on to that particular problem. Where someone makes a contribution which cannot be measured in money or money's worth, some kind of assessment has to be made of that particular situation.

There is money and money's worth, that which can be turned into those things. It is with respect to these various dimensions of dealing with property, whereas section 11 has to do with the direct contribution, as has been indicated by the Law Reform Commission, where someone either hands over money to a vendor and directs that the property be taken in someone else's name—here specifically in the name of the spouse—and designates in the process of doing this that that shall be the very person who will be the donee of the gift.

The Attorney General hasn't, when he was on his feet, explained why he has reversed the onus; why he has abdicated the concept of gift and gone for the concept of resulting trust. Surely the resulting trust fund idea is the more inequitable and the more iniquitous. In every situation where this happens, the claim that a resulting trust took place will surely arise. You are inviting litigation. Who is it that is mostly giving these gifts? It's the male spouse and he is going to say that and you are reaffirming that in giving legislative sanction to a position of denying what ostensibly was a gift and almost in every instance lending credence to the concept of a resulting trust.

In this particular context, I won't repeat my previous arguments with regard to one concept or the other. These presumptions are ill-advised in this particular context. In the relationship that we are seeking to recognize and give a kind of new legal orientation to in the process of this legislation, to resort back and to place emphasis upon a somewhat hoary conception of the law which breeds all kinds of nice evils in terms of these presumptions seems to me to be a backward step. Therefore, I would ask you to consider your position.

Mr. Roy: I can recall back in 1975 when the legislation was passed to change the old presumptions as we knew them under the common law, we at that time had supported the change in presumption. The problem with that legislation had been that it was not clear when it came into effect. There has been court interpretation on this that it was not retroactive. That was one of the problems that was encountered with that piece of legislation. With this Act, it is going to make it very clear about the retroactivity of that presumption.

The reason we had supported the change in the presumption was that the old presumption as we knew it under the common law was not a fair presumption; and secondly, it was in fact not a presumption that was reflecting what the parties intended. I say to my colleague from Lakeshore that in most cases when in fact this transfer takes place, the intention of the parties is not that it be a gift, but it's for another reason, whether it be for reasons of income tax or whether it be for reasons of creditors—wanting to protect his spouse and children from creditors. So the presumption as established in section 11, the present presumption, which just repeats what we were talking about back in 1975, to me is a presumption which reflects what the parties had intended.

My colleague from Lakeshore says in most cases this is going to be a situation where the husband is the one who is going to be making the transfer to the wife, and I agree with him that that's going to be the case. I would hope we would encourage husbands to continue doing this—putting property in their wives' names.

Mr. Renwick: Particularly for the purpose of defrauding their creditors.

Mr. Roy: But if we change the presumption around, we're going to be discouraging this. I would hope, I would trust that the members to my left who are the so-called—

Mr. Foulds: The member for St. George is giving you a fishy look—and to your right.

Mr. Roy:—protectors of the rights of the weaker spouses—

Mr. Lewis: What do you mean "so-called"?

Mr. Foulds: Stop talking about Murray Gaunt that way.

Mr. Roy:—would in fact, by suggesting that type of presumption—

Mr. Lewis: What do you mean "weaker spouse"? What is this?

Mr. Roy:—would in fact be discouraging the husband from putting property in his

wife's name to protect either against creditors or for income tax purposes.

Mr. Lewis: What are you trotting your pathology out all over the House for?

Mr. Roy: Mr. Chairman, I want to say to you that—

Mr. Lewis: Don't put that interjection in Hansard.

An hon. member: Put it in.

Mr. Roy: —I think my colleague to the left, from Lakeshore, is in fact misguided if he thinks that by changing the presumption to gift, which is not what the parties intended—well, most husbands, as he says, are not going to make the transfer—in fact, you're going to be inviting situations where the spouse is going to end up in many instances, for credit or other reasons, part owner with somebody else, with another third party.

We've just had a lot of advertisements in the papers about local registered retirement savings plans. One of the schemes is to put the plan under your wife's name, so that when it starts paying out you're going to have a lower rate of taxes. To accept the argument of the member for Lakeshore, it would be deemed that having put it into your wife's name, a gift is made, when in fact that was not the intention. The intention was to put it in her name to get a lower rate of taxes when the payments start coming out.

I should think we should continue encouraging husbands to do this.

Mr. Lewis: Absolutely.

Mr. Roy: The same thing applies to other types of property.

Ms. Gigantes: That would be only decent.

Mr. Roy: I would hope that even the members from the NDP and even the member for Carleton East might be able to understand that, that we should continue to encourage the stronger of the two spouses, if that's his intention, to protect the weaker spouse—

Mr. Lewis: Always the male, you'll notice. Margaret, do you hear this?

Ms. Gigantes: Margaret, do you agree?

Mr. Lewis: I don't want you to be confused as to the stronger and the weaker.

Hon. Mrs. Birch: I have no—

Mr. Chairman: Order, order.

Mr. Roy: It was in fact the member for Lakeshore who kept saying that most transfers would be by the husband.

Mr. Lewis: This is not a debate about equality.

Ms. Gigantes: Let's hear it from the provincial secretary.

Mr. Roy: So I say, Mr. Chairman, in their misguided attempt to so-called protect one of the spouses—

Mr. Lewis: Why did I come tonight? Why am I here?

Mr. Roy: —it's working the opposite way.

Mr. Lewis: Albert, invite me to leave.

Mr. Bounsall: Mr. Chairman, I must say that if the only argument that the member for Ottawa East could make for not putting this really into a presumption of gift or a substantive gift in this section, as the amendment of the member for Lakeshore does, is because of the retirement savings plans that would be deemed to be a wholly transferred gift and you want some sharing of that for tax purposes and so on, then that was very easily solved by supporting our amendment about the right to that retirement savings plan being a property of both for as long as those people are together. You can't argue in favour of one section which you have voted against in order to defeat the purpose of another section.

Mr. Roy: The amateurs are trying to be the legal experts.

Mr. Bounsall: However, that is no more illogical than the member for Ottawa East usually is.

I might say that the Attorney General's argument that he put forward is an argument which can be applied either way, in trying to say that the presumption of gift as outlined by the amendment proposed by the member for Lakeshore would be negated by any actions taken under clause 8 of the bill. That same exact sentence can be said about the presumption of resulting trust—it can be negated by those very same arguments made under section 8 of the bill. So it is no argument either way.

Mr. Lewis: That's right.

Mr. Bounsall: That argument does not work when considering either of those two presumptions because it works in the same way on both of them.

I must admit that this is one of the sections of this bill which has intrigued me, particularly of late, when it was brought to my attention by a staff member of the federal Status of Women Council that it was deemed by women that this section of the bill as presented by the Attorney General had some real problems for them. Not being a lawyer, I started to ask lawyers with whom I came in contact what presumption of resulting trust in fact means, and what did presumption of advancement mean. I found much to my surprise, unless they

were wholly immersed in the practice of family law, you couldn't get an answer from them. They had to reach for their law books. Then they would come back to me and say: "I think this is what it means," and they would read an almost unintelligible section from their student days law books.

I found that first rather confusing and then rather amusing, and thought I had better speak to someone who really knows, someone who deals on a continuing day-to-day basis with family law. I am not slandering the member for Riverdale when I say this, it is just that his student law book wasn't very good and very clear when he read out the passage to me.

Mr. Lewis: Imagine if you'd consulted the Attorney General.

Ms. Gigantes: Heaven forbid.

Mr. Lewis: The man hasn't read law in five years.

Mr. Bounsall: His law book may be a year or two more updated, or a different version, and maybe the explanation contained therein would have been clearer.

Mr. Conway: Stephen, you must have a few of those old law books around.

Mr. Lewis: I have about 30 of them, as a matter of fact.

Mr. Roy: Tell us how far you got into law school.

Mr. Lewis: About one month.

Mr. Deputy Chairman: Order. Would the member for Scarborough West address the Chair when it is his turn?

Mr. Lewis: As a matter of fact, it isn't my turn. Therefore, I am not addressing the Chair. I am just interjecting happily and wantonly.

Mr. Deputy Chairman: Would you allow your colleague from Windsor-Sandwich to continue please?

Mr. Lewis: By all means; certainly, Mr. Chairman.

Mr. Bounsall: I would just say of the member for Scarborough West's interjections that at least his mind has not been clouded—

Mr. Lewis: By law.

Mr. Bounsall: —by the textbook definition of presumption of resulting trust or presumption of advancement, which in this instance is certainly an advantage.

Hon. Mr. Grossman: I think you should have a QC too.

Mr. Foulds: Next year.

Mr. Lewis: I have never been defamed by legal knowledge.

Hon. Mr. Grossman: Or helped by it.

Mr. Bounsall: By resorting to going to someone who worked on a day-to-day basis in family law and asking them what in fact it meant, it became very clear what presumption of resulting trust was and how it applied prior to 1975. It is simply that—and it worked in a derogatory way, there is no question—when the husband gave a gift to his wife—

Mr. Roy: I have serious reservations.

Mr. Bounsall: —the presumption of resulting trust was operated; that is it was not a gift, the wife was only holding that item in trust unless she could prove otherwise.

Presumption of advancement worked the other way—transfers from the wife to the husband; that was indeed a gift to her husband unless she could prove otherwise. So in the situation as it applied prior to 1975, the woman was disadvantaged both ways. Anything she gave was gone unless she could prove otherwise and anything she got wasn't hers unless she could prove otherwise.

[9:15]

A previous Attorney General had a choice to make back in 1975. If he was going to abolish one presumption, which presumption would he abolish? I don't know how close the decision was but he chose the wrong one. He abolished the presumption of advancement.

Mr. Lewis: That's right.

Mr. Bounsall: Anything transferred between husband and wife was never thereafter ever a gift. Anything that therefore was transferred under the presumption of resulting trust, which has been in effect since 1975, means that everything transferred between spouses is simply held by the receiver in trust for the one that is giving, and vice versa. That wouldn't be a bad concept for the transfer of property or gifts or what-have-you between spouses in a marriage, if at the end of that marriage everything was divided equally between them. But that not having been done in the assets section of this bill, under presumption of resulting trust they are transferring gifts and properties to each other which always remain the property of the giver.

This might be all right if all assets were divided equally and everything was being retained within the family to be so divided and so on; but we have this very narrow and restrictive asset split upon the time of divorce, which means that, in choosing between those two presumptions, presumption

of advancement should be the presumption that is retained so that gifts transferred between spouses become gifts unless otherwise allowed, as in the amendment by the member for Lakeshore where he has allowed for it. A gift in essence is a gift unless there exists proof to the contrary. The objections of the member for Ottawa East are thoroughly met by the amendment we have before us placed by the member for Lakeshore.

It clearly indicates that transfers between spouses will be gifts unless there exists proof to the contrary. I can register my retirement savings plan or I can register my summer cottage or all these other vast property holdings which I have in my wife's name at any given time. She simply gives me a paper saying "I understand that I am just holding this in trust for you until you want it back." That covers the objections of the member for Ottawa East and it is completely allowed for in the amendment by the member for Lakeshore.

Mr. Lewis: That's an excellent analysis.

Mr. Bounsall: And I would certainly say that this amendment is one that makes great common sense.

Mr. Lewis: Hear, hear.

Mr. Bounsall: I really think sometimes that the member for Scarborough West should have gone to law school as he sees these things that come before us with too much immediate clarity on occasion.

Mr. Lewis: As a matter of fact, you've driven them from their seats.

Mr. Bounsall: Yes, they are deep in consultation. They are trying to explain to each other what it is and what they recall from their law book of student days.

Ms. Gigantes: They are about to reread the amendment.

Mr. G. Taylor: We've heard such a variation from you that it's hard to understand and remember what we were taught.

Mr. Renwick: Lawyers Perkins and Stone are straightening out the Attorney General. Late one afternoon, a week ago last Thursday I believe it was, the member for Lakeshore and I were making our final conversation before he committed something to paper on this amendment.

Mr. Lewis: Just a minute, that was poetry he was writing.

Mr. Bounsall: That was poetry. He always squeezes the law lines amongst the lines of poetry that he has just composed.

An hon. member: Is that part of the bill?

Mr. Lawlor: It depends what paper it is.

Mr. Bounsall: An interesting position was whether or not we would reverse what is proposed in Bill 59 and replace presumption of resulting trust by presumption of advancement. We had both agreed we had run into so many lawyers who didn't really know what either of them was clearly, that it would be best to abolish them both, as he has done, and spell out in common language, understandable to all, that a gift is a gift—

Mr. Lewis: Unless so otherwise stated.

Mr. Bounsall: —unless so otherwise stated.

Mr. Lewis: Unless it isn't a gift.

Ms. Gigantes: Hear, hear!

Hon. Mr. Grossman: Okay.

Mr. Renwick: Mr. Chairman, I want you to know my colleague from Windsor-Sandwich often advises his constituents along that line.

Mr. Lewis: I'd like to challenge the Attorney General.

Mr. Deputy Chairman: The member for Carleton-Grenville has the floor.

Mr. Renwick: Can't you put an end to it, Roy, by accepting the amendment?

Mr. G. Taylor: Those engineers would repeal the law of gravity given the chance.

Mr. Lewis: Here comes the legal sophistry.

Mr. Deputy Chairman: Order, please.

Mr. Lewis: Now we'll hear the convolutions.

Mr. Conway: Well, if anyone could recognize sophistry—

Mr. Lewis: That's right. As a sophist, I can recognize it. You go back to your books, young fellow.

Mr. Conway: And you to your law.

Mr. Deputy Chairman: Order.

Mr. Sterling: Mr. Chairman, surely the intention of section 8 and the other portions of this bill is to look back in the marriage retroactively to the contributions of the two spouses and try to give to those contributions, whether they be in labour, in child care, or any measure of contribution, some meaning.

Mr. Lawlor: That's right.

Mr. Sterling: I do not see the differentiation between a contribution of labour and a contribution of cash, as we are recognizing in abolishing the presumption of gift—we're not abolishing the presumption of gift, we're reinstating what was in the Act in 1975.

It perhaps may be argued that section 11 as it now stands is making it clearer that the abolishment of the presumption of gift

is retroactive. The whole thrust of this Act, as I understand it, is to recognize contributions of spouses to the marriage, no matter what that contribution might be. I only throw out to the member who has proposed this amendment that I cannot understand his differentiation between labour in lieu of cash or cash itself.

Mr. Bounsell: It puts the onus on the right foot, though.

Mr. Lewis: Absolutely.

Mr. Lawlor: One must view it in context and as a whole and there are several factors. The other wording, "management, maintenance, et cetera" is number one. The second one, "in which the other has or had an interest," has very particular meaning. If what you're saying is true, there's no necessity for dealing with section 11 at all. But I have just a simple question to ask the Attorney General: Why has he reversed the onus? He hasn't answered that question.

Mr. Lewis: Yes. Where did he go?

Mr. Lawlor: As he has it now, you weigh the evidence, you weigh the situation in favour of the husband rather than the wife.

Mr. Lewis: That's right, *comme d'habitude*.

Mr. Lawlor: Previously, and as the Law Reform Commission thought the Attorney General should do, it should be on the basis of weighing it in favour of the advancement. It can be rebutted; one goes back, one goes into the resulting trust; the resulting trust flows from the other.

The Attorney General has turned that around. I don't understand why he did. I don't concede his argument with respect to the differentiations that I see between this section and section 8—but leave that aside for a moment; why did he change this; turn it on its head?

Mr. Lewis: Yes; by way of a question, Mr. Chairman, since I regard the Attorney General's arguments as entirely specious, particularly since I heard none of them before coming into the Legislature and therefore was able dispassionately to judge them in advance, may I ask the Attorney General what he was consulting about under the gallery so frantically? Does he intend to amend this clause in order to reflect what my colleague has indicated in the Legislature?

Hon. Mr. McMurtry: I was consulting with the member for Riverdale on an entirely unrelated matter.

Mr. Lewis: No, with your colleagues under the gallery.

Hon. Mr. McMurtry: Oh, I'm afraid we were already on another section.

Mr. Lewis: Oh.

Mr. Sweeney: He's one ahead of you.

Mr. Lewis: Can you answer the question of why you—

Mr. Deputy Chairman: Order.

Mr. Lewis:—have shifted the onus?

Hon. Mr. McMurtry: I say that with no disrespect for the member for Lakeshore, I have indicated to him my views and my interpretation of section 8 is somewhat different to his, and so be it.

Ms. Gigantes: The Provincial Secretary for Social Development (Mrs. Birch) doesn't agree with you.

Hon. Mr. McMurtry: I think section 8 makes it quite clear so far as the onus is concerned in that respect.

Mr. Lawlor: Well the Attorney General has dug in his heels, Mr. Chairman, and so be it. All right. I still would ask, piteously if you will, if your mind can stay on this section long enough to work out its implications, why did you reverse the onus?

Mr. Lewis: That's right. That's a serious question.

Ms. Gigantes: That's something the Provincial Secretary for Social Development would like to know too. She has left; she is fed up.

Mr. Lewis: People in your caucus are walking out.

Hon. Mr. Crossman: Look at yours.

Mr. Lawlor: There can only be two answers to this question. Either he doesn't know why he reversed the onus—which I rather suspect is the case—or to reverse onus is something that is rather easy to do in the middle of the night; but if he does know why then he knows it's nefarious, so take your choice on that particular dilemma.

Mr. Chairman: Shall Mr. Lawlor's amendment carry?

Those in favour please say "aye."

Those opposed please say "nay."

In my opinion, the nays have it.

Amendment stacked.

On section 12:

Mr. Roy: I'd like to speak to section 12. I spoke earlier in the day to the Attorney General about my concern in section 12 and the application of this part, to clarify when the application would take place. I think the Chair has received a copy of the amendment as drafted by the legislative counsel and the staff of the Attorney General, but basically

we want to clarify the application of this part.

Mr. Chairman: Mr. Roy moves that section 12 be amended by striking out all after clause (b) and adding thereto the following:

(c) a proceeding to determine the rights between the spouses in respect of property has been commenced or adjudicated before this part comes into force.

Mr. Roy: If I might speak to the amendment, Mr. Chairman, I was concerned by the present wording of section 12, in that it appeared that not only did this Act not apply to matters that were proceedings before the court but also would not apply to any type of property which had been the subject of a proceeding at some time prior. Having discussed it with the Attorney General this afternoon and having expressed our concern about the fact that certainly, first of all, it was not clear and, secondly, I think the intent was not in fact going to be realized by the drafting of the Act, we think it would be more acceptable to have the wording as has been proposed in the amendment.

[9:30]

I must say that the Attorney General and his legislative counsel not only obliged but went even further, and so we have before us the amendment on which I have moved. This makes it clear that this part of the Act would apply to all property after the proclamation of the Act, even if it was a matter that had been proceeding or was before the court; and we go further to say that it be adjudicated before this part comes into force.

My only concern—and I leave it at that for the consideration of the members—is that theoretically you could have a situation whereby parties have just been before the court and the court has made adjudication, and judgement has been handed down—let's say on March 25, and the law comes into force by proclamation on April 1—and then, because of the new rights and obligations under this Act, the parties start litigating again.

I appreciate that we may not have the same property, because certain rights are given under this Act which did not exist before the Act came into force, so we may be talking about something different. But having moved the amendment, I do express that concern. I want to say that the amendment as drafted and as we have discussed it with the Attorney General would in fact apply to all property after the proclamation of the Act.

I know situations out there where counsel has started actions thinking that this Act was going to come into force, so avoiding the implications of this Act. So this amendment would frustrate that, and well it should. As the Attorney General said, we feel the purpose of the Act is to create that partnership, to create that balance, which did not exist before, and if we're proceeding in this Legislature to do this, then we should enforce it and make it applicable to all property after the proclamation of the Act.

As I said before, I had the one caveat about where we say "adjudicated before this part came into force." But if there is an excess on that side, I'm prepared to think that it would be in the best interests of the community we serve that if we're going to lean too far we lean in favour of the application of this Act.

Mr. Deputy Chairman: Any further discussion on this motion? The member for Lakeshore.

Mr. Lawlor: I think it's okay.

Motion agreed to.

Section 12, as amended, agreed to.

Sections 13 to 15, inclusive, agreed to.

On section 16:

Mr. Chairman: Mr. McClellan moves that subsection 1 of section 16 be amended by deleting in line 2 the words "education and".

Mr. McClellan: I'm quite convinced that this amendment will be acceptable to all parties in the House. I believe that the words "education and" are simply a piece of inadvertent drafting carelessness that are completely extraneous to the section. The section deals with the obligation of the parents to support the child. I don't understand why it is necessary in the section dealing with the obligation of the parents to support the child to include an obligation to provide education. The obligation we're dealing with is the obligation to provide support. I think that's all that the section needs to say.

I believe there is an inadvertent danger that is very real by leaving in "education and." For example, it gives a legislative sanction to the denial of education services to learning disabled children. I'm sure that that is not the intention of the government or of the draftsman, but the fact is that if this clause stands as it is, it provides a legislative sanction for the denial of educational service to a learning disabled child. The Education Act imposes the obligation of the parent to send the child to school.

Hon. Mr. McMurtry: I don't think that will happen but we'll accept your amendment.

Mr. McClellan: That's fine. I won't belabour the point. But I don't think we want to have, even inadvertently, the opportunity for denial of rights and education is a right.

Mr. Sweeney: I would stand in support of that amendment for the very reasons that were given which were very clear and very good.

Motion agreed to.

Section 16, as amended, agreed to.

On section 17:

Mr. Bounsall: Mr. Chairman, we circulated an amendment which, as you realize as Chairman, is not in order. It was just telegraphing to you that we would be voting against section 17 of the bill in order to delete that section.

This again in the committee was one of the most interesting sections. After the debate had taken place, the chairman of the committee indicated that that was the first time the committee had come together and that the interdynamics of it were such that it operated as a committee. There were no party lines followed in the consideration of whether section 17 would stay in the bill. The Attorney General indicated at the time that we really didn't care in a sense whether it was in or whether it was out. On due consideration by our caucus on the principle of this, the member for High Park-Swansea (Mr. Ziembra) felt very strongly, and I do as well now, that we should remove section 17 from the bill, this being the section which spells out the obligation of the children to support parents. There are arguments which can be made on both sides of the question.

Mr. Roy: Which way is the member for Welland-Thorold going?

Mr. Bounsall: He may speak on the matter. The argument was made that the onus of support in financial terms will fall mainly on children when they are in their phase of their life when they are least able to pay, that is, when they themselves are raising a family and when they themselves have high mortgage payments, although we would expect and hope—and this is true in the vast majority of cases—the children in the province of Ontario would support their parents, if not financially, then in a whole host of other ways. It's only the very unusual case in which you have children acting like the children of King Lear where anything else occurs.

We have here in the Act a clause making it obligatory that children support their parents. Although a social service agency cannot use this clause to force children to support their parents, or take the children into court on behalf of support for their parents if they are in a nursing home or a home for the aged, although that clearly isn't in the bill, the fact that it is would perhaps cause these children to be threatened with that from time to time. That again is not the kind of family relationship which we in Ontario are encouraging. It is not a relationship which can be encouraged by threat: "Support your parents or we may find some way of using section 17 of the Act." A support of parents should be one which flows naturally from the child to the parent and we do not improve or foster that relationship by making an obligatory clause in this Act indicating that it's their duty to do so.

So on balance, Mr. Chairman, the other members of the committee that considered the bill in January will remember the very interesting and productive discussions we had on it. I would hope most of them would now agree that this section should be deleted and that it really serves no useful purpose in an Act which encourages family relationships and strengthening of those family relationships.

Hon. Mr. McMurtry: Mr. Chairman, I think it would be interesting to reflect on the fact that I think one of the reasons that this section survived through committee was a very eloquent defence in support of section 17 by the member for Welland-Thorold.

Mr. Roy: That's right. It had the support of that member. He voted for it.

Hon. Mr. McMurtry: I mention this not in any deprecating fashion certainly, because I made it very clear that I was concerned and uneasy about this section because it could be abused. Members of a family could be influenced to put themselves in an adversarial relationship which wouldn't be really in the interest of the family.

I just make the observation that it was the member for Welland-Thorold whose very spirited and eloquent defence in support of the principle that children who are able to should have this obligation to support their parents. This of course was really just repeating or reaffirming the obligation that has already existed as law under the Parents' Maintenance Act, although it was an Act that was seldom if ever resorted to. My own view is that on balance it would probably be better to take it out.

I am content to support the elimination of that section for the reasons that the member for Windsor-Sandwich has stated. I have some difficulty in supporting the removal totally enthusiastically, simply because I think we all have some feeling for the principle that is represented by this section, but on balance it may produce a form of adversary relationship, bringing family into litigation that can be quite destructive.

Mr. Bounsall: I might just point out the member for Welland-Thorold did not indicate to the committee members at the time his obvious conflict of interest.

Mr. Roy: Yes, but he managed to convince the member for Windsor-Sandwich.

Mrs. Campbell: Mr. Chairman, I have some difficulties with this. I recognize some of the problems of maintaining this section, particularly as we might find this section applied more strenuously than that which is in existence today. It could create a very real hardship on some young people if they were forced to care for parents who were in one of the institutions or something of that nature. I have to tell you I am constantly worried with the way some of the government ministries move to try to shift onus for things on to individuals and municipalities, anywhere they can, rather than to assume them through the course of their own financing.

[9:45]

On the other hand, I can't subscribe to what was said by the member for Windsor-Sandwich because it is my experience certainly in a major city such as this that that support is quite lacking. Perhaps if the support were there, there might be the odd occasions when some of these young people would take somewhat of an interest in what was happening to parents as they live a very lonely life in a large city.

I am not prepared to oppose the deletion, but I have a certain discomfort about removing it entirely. In fact, I had looked at the matter from another point of view in that in this case I felt that possibly some kind of conduct might be looked to for an obligation, so that if a parent had been a pretty difficult type of parent, the obligation would not flow. I frankly have a dichotomy about it. I do think as a principle that it is sad not to express our very real view that a child should be responsible for the support of a parent in so far as possible. Certainly, when one puts in "in accordance with need," I am inclined to feel that that is something that should be maintained.

There are so many people in our community with a good deal of wealth who are quite prepared just to forget the parents entirely. I am not sure that should be the end result of our legislation. I would not want it to fall heavily on those who can least afford it, and that often might be the tendency of such legislation. So I guess I am trying to balance my feeling about what is best in this particular case. I guess on balance I would like to see it remain, but I am not going to fight the deletion of it. I just would like to express that kind of concern.

Mr. Philip: I share some of the anxieties and some of the conflicts that the member for St. George has expressed. I weighed both sides of this particular question, and I must admit that one of the members from the government party and the member for Welland-Thorold were quite persuasive at the time that this was debated. However, one of the things that I found interesting was that in discussing the bill and in trying to explain the bill out in the community, of all the major issues that I thought would be questioned and debated and discussed, the one that came up the most frequently and that seemed to pose the most anxieties was this one particular section.

There seems to be a great deal of anxiety out there. I think perhaps the anxieties are over-dramatized in the minds of the people who expressed them, but in trying to explain this section, I found there was considerable anxiety in the community. No doubt the Attorney General has found in his mail on the bill that there is considerable discomfort on this section. I think that weighing both sides, I have to come down on the side of eliminating the section.

Mr. Sterling: I would like to indicate to this committee that I will be supporting the retention of section 17 in this bill, as I indicated in the justice committee. I think it is important in this Act, which is a family law Act, to ensure that obligations are not only extended one way, but both ways. I feel that in certain circumstances children are put in a position to take advantage of their parents and unfortunately sometimes that does happen in our society. Fortunately, it is not too often that it does happen. But I think this section should be placed in the bill to protect parents who have basically gifted away most of their assets to their children and have been abandoned by those children after that time.

I think the other point I mentioned prior to the last—that it is important for society to

understand that on reaching 18 a child's obligations will spring from that point on towards the parent, and they will reverse—I guess part of this feeling is from a personal experience that I have had. I'm sure that when members come to vote on this section that their votes may spring from a personal experience themselves.

I do feel that in the balance we should give the benefit of the doubt to the parents in this situation. So much of the bill deals in the opposite direction—that is, the parent to the child, rather than the child to the parent.

Mr. Sweeney: Mr. Chairman, I stand in support of leaving this section in the bill. As I look at the cover of this bill, we're talking about an Act respecting support obligations. I also notice the note to this section says, "This replaces the existing Parents' Maintenance Act." I would understand by that—and I stand corrected if necessary—that if we take this out then it's gone. There is no place in the statutes of the province where there would be any statement saying that there is an obligation on the part of children to support their parents. At least, that's what I would understand.

I think one of the things that's happening in our society far too often, is that we are allowing individuals to absolve themselves of inherent social and family responsibilities. We're making it far too easy for the state to take over and do things for others that their family members should do for them.

As I read this section—and my colleague from St. George has drawn attention to it—it says very clearly, "is capable of doing so." I can't imagine a situation as has been described by my colleagues on the left where a young family person who is financially unable to help support his or her parents would be forced by the law to do so.

I would clearly understand the intent of this section is to draw attention to those people who do not have the individual sense of responsibility and who are financially able to help support their parents and yet refuse to do so. I think that for those few people in our society—and I would certainly hope they are few—it is necessary to have somewhere in the law of this province a statement saying they are responsible. For that reason I would move very strongly to leave this in.

Mr. Martel: Mr. Chairman, I wasn't going to say anything on the bill, but the last bit of claptrap I've heard leaves me no other alternative but to speak to it. In a society where both the husband and wife in many instances have to work to maintain their own family—and the numbers are growing every

day—what I'm hearing tonight is that while they're doing that they have to be able to try to support their parents.

Who are we talking about? Are we talking about rich kids who might abandon their parents? The member who spoke from the Tory side of the House a few moments ago made allusion to that—to those people who aren't responsible. I don't know who has money left over. All of us want to help our parents—surely that's something you teach in children. Surely when you raise your children you teach them a sense of responsibility. You don't hand everything to them and expect, later on, that the state should pick up the tab. That, in fact, is what the minister has said, that the parents might give their all to their children and then their children would abandon them.

The class of people I represent are largely working class people who don't have that problem because they don't have that kind of asset left that they can pass it all on to their children until they become destitute themselves and the children are going to bail them out. Surely it is in the way you raise children that they have a sense of obligation to their parents; and if they can assist their parents, that sense of obligation is what prompts them to make it possible to help the parents. Surely a stupid law like this, which says that while you might have a few bucks in the bank, you should put yourself in bankruptcy to support your parents, isn't going to cause that to happen anyway.

The only thing I can see is that we are talking about a group of people who have a hell of a lot of money and who might abandon their parents—

Hon. Mr. Rhodes: Watch your language.

Mr. Martel: —because they have never learned to appreciate what their parents have done for them. I suggest that this isn't going to change it. I suggest this is the wrong field we are going into.

I would urge the minister that, if need be, he go and preach in some of the churches that they raise their kids to appreciate their parents and to do it out of a sense of responsibility, rather than trying to legislate something like this. You can't legislate it; it just won't work. In our type of society, with the financial constraints on working class families, that isn't going to happen. I would urge the minister simply to withdraw that section. It is totally ridiculous.

Mr. Bradley: I would think, Mr. Chairman, that in most cases what the member for Sudbury East says is true, that in most cases it would be very difficult for the young people

to be able to support their parents. However, it is unfortunate the member for Sudbury East was not present—because, of course, he is not a member of the committee, and shouldn't be expected to be present; I don't wish to imply that—to hear the rather moving address of the member for Welland-Thorold (Mr. Swart) on this particular issue. He was extremely persuasive on that particular occasion.

Mr. Martel: I am not worried what the member for Welland-Thorold says. I have my own opinions. He is entitled to his. I disagree with him.

Mr. Deputy Chairman: Order.

Mr. Bradley: I suppose there are some dangers in aiming this at a specific group, but I think it is really aimed at those who are affluent enough to be able to support their parents in circumstances where their parents actually require that support.

I think there are more than one or two instances where the situation of sending property on to the children in form of a gift, and then having the state pick up the tab for the parents somewhere along the line, is taking place more often, or could take place more often than perhaps many of us would like to concede. For this particular reason, I think there is justification for retaining this particular section in the Act.

Mr. Swart: Mr. Chairman, I have to say I was rather delighted to hear our House leader say that I was entitled to my own opinion.

Hon. Mr. Rhodes: You never know where you will find democracy, Mel.

Mr. Bradley: Give him hell, Mel.

Mr. Swart: I am not sure at this point whether I interpret that to mean that we have a free vote in this caucus—

Mrs. Campbell: Obviously.

Mr. Swart:—but I do want to make some comments on this section. The statement that has been made, that this would only apply or ever be used against a very small percentage of the population, of course, is true.

Mr. Martel: Then don't legislate it.

[10:00]

Mr. Swart: I guess I would have to say that a great deal of legislation that we pass applies only to a very small percentage of the population—the small percentage of law-breakers and so on.

Perhaps the views that I expressed at the committee meeting were somewhat influenced by some experiences that I have had in sitting on a home for the aged committee where I can truthfully say that the actions or inactions

on the part of some of the families to their parents who were in that institution were little less than despicable.

I'm not going to go into a great deal of detail on it, but I can think of one person, and there is at least one other person in the House who knows this person, who succeeded in getting the family farm transferred from the father to himself. Shortly thereafter the farm was sold for between two-thirds and three-quarters of a million dollars, and shortly thereafter he dropped his father off at the home for the aged in Welland and refused to pay a solitary cent towards his father for the keep of his father there. The end result was that that parent ended up with a daughter who had a very minimal income because pressure was put on that son to accept some obligation.

I'm sure every member of this House knows of some case where children have not accepted the moral obligation to their parents. In this particular legislation, of course we are not talking about moral obligations to parents, we are talking about legal obligations to parents, although I like to think sometimes that the legislation was pass reflects the moral qualities of our society.

I want to say that the result of the removal of this section could mean, as has already been stated by a couple of other speakers, that there might be some trend towards some transfer of assets to children so that the state might become responsible. I'm not really that much concerned about the state becoming responsible for the parents, except to say that in some instances this would mean that you were subsidizing fairly well-to-do families—

Mrs. Campbell: That's right.

Mr. Swart:—when you would be in fact taking over an obligation which should morally be theirs.

Mr. Roy: Right on.

Mr. Swart: I have to say that one concern about leaving this section in, and this has already been voiced, is the trend of the government of this province—God, I hope it won't be there long—towards reverting to reprivatization in every field and to limit the amount of assistance that they are providing for needy persons in our society. The example of the family benefits I suppose is one, where they have been given an increase of eight or 10 per cent in something like three years while the cost of living has gone up more than 20 per cent.

With that kind of philosophy on the other side of the House I have some concern that that government might use this clause that has never been intended and hasn't been

used for many years. There is a reversal of the social philosophy; whether it is the reduction of the property tax to our senior citizens, whether it is social assistance to those in need, there has been a reversal to a tremendous degree on that side of the House with regard to those principles.

I read in great detail the special program review when it was tabled in 1975, and the government seemed to like to give Mr. Henderson the credit for that reactionary document which would even go to the point of sterilizing welfare recipients. But the Treasurer (Mr. McKeough) was chairman of the committee that produced that.

Mr. Laughren: That's the problem.

Mr. Swart: I find myself, quite frankly, in great difficulty with regard to voting on this issue. If we had a government on the other side of the House that was committed to humane principles and to equality, I would have no hesitation in voting to keep this section in.

Hon. Mrs. Birch: What a self-righteous character he is!

Hon. Mr. McMurtry: Pompous, self-righteous, holier than thou.

Hon. Mr. Maeck: Resign.

Mr. Swart: But with a government that is committed to the reverse, then I find myself in great difficulty. I guess between now and the time the vote is taken, I'll have to decide which way I'm going to vote.

Mr. Bradley: Vote with your heart now.

Mr. Martel: Freedom of speech.

Mr. Swart: I want to say in no uncertain terms that the principle embodied in this clause is something with which I agree, that parents take responsibility for their children. And with due respect to the member for Windsor-Sandwich (Mr. Bounsall), I have no vested interest, I'm prematurely grey.

Mr. Ruston: That's telling them.

Mr. Swart: At a later stage in life, I think there is an obligation on children to take care of their parents when they are able to do so.

Hon. Mr. Rhodes: I want somebody to take care of me.

Mr. Martel: You need somebody to look after you.

Mr. Bradley: Good speech.

Hon. Mr. Rhodes: My God, he is moving to the right.

Mr. Roy: I'm pleased to see that the member for Welland-Thorold has kept the same enthusiasm and sincerity he exhibited during

the discussion of this clause before the committee studying the bill. As I recall at that time, good as his performance was this evening, he was even successful in convincing his colleague from Windsor-Sandwich, if I recall, to vote to retain the section in the bill.

Mr. Bounsall: That's right. I have regretted it ever since.

Mr. Roy: I think the member for Welland-Thorold has made a concise and compelling argument for retaining the section.

Mr. Bradley: At least compelling.

Hon. Mr. McMurtry: You are losing control.

Mr. Martel: I lost the member for Ottawa East.

Mr. Roy: It's interesting that during the discussions before the committee the Attorney General at that time had expressed his personal opinion that it should be taken out, and some of his colleagues disagreed with him. Some of our colleagues on this side disagreed with him.

Mr. Martel: So you're with me after all.

Mr. Roy: I'm not sure if all my colleagues voted to retain it.

Mr. Martel: Yes, you don't legislate for a few.

Mr. Roy: Then the member for Welland-Thorold convinced a number of his colleagues, amongst others the member for Windsor-Sandwich, to vote to retain the section in the bill.

Mr. Haggerty: It must have taken some convincing to do that to his colleague.

Mr. Martel: Delete it; the Attorney General's first intuition was right.

Mr. Roy: I want to address myself to the concern of the Attorney General about this legislation. Let's be very clear. The principle, as elaborated in section 17, is not a new principle. It's been on the books, as the Attorney General has said, for quite a number of years. I'm not sure exactly how many but I would think for something over 50 years in this province.

Mr. Martel: It's time we got rid of it then.

Mr. Roy: I personally think it's a good principle, but as the Attorney General has expressed, it is the type of principle which can be abused. That is a concern expressed by all of us here. At least I have the satisfaction of thinking that while the principle has been on the books for so many years, it has not been abused.

Mr. Wildman: It hasn't been abused though.

Mr. Roy: It has been used but, to my knowledge, it has not been abused.

Mr. McClellan: Yes, it has.

Mr. Roy: I think there is some evidence to alleviate the concern of many members that this is going to be the big stick that people are going to use to say, "Your parents happen to be in an institution and therefore their responsibility is on you," when the children in those circumstances may have financial problems of their own. I have read many press comments—in fact, the leader of the third party has said that what this principle would lead to is in fact the impoverishment of many children in this province in the support of their parents. I say that's not so. The law has been on the books for a period of time and has not been abused.

I say to the Attorney General maybe we shouldn't have bothered to amend the Act and just kept the old Act—what was it, the Parents' Maintenance Act? We should have just kept that Act and we could have avoided, I suppose, the expenditure of a lot of time and effort and kept the principle on the books. I think there is some evidence that this principle in the last so many years has not been abused.

The second thing is that it is a principle I agree with. Apart from the circumstances mentioned by the member for Welland-Thorold, it's a principle I can see is needed, especially in rural areas where you have situations where parents owning a farm and so on make a gift to the children. It's unfortunate that we have them, but we do have circumstances where you get children whose moral obligation towards their parents disappears. You have situations—and I have experienced these situations in my practice—where they just leave the parents and say they are the responsibility of the state, in spite of the fact that the parents have provided for these children and have made important gifts of, for instance, a family farm or a means of support—a business and so on. You get children who then turn around and feel that they no longer have any obligation.

I am not primarily concerned about the fact that the state should be able to intervene—that bothers me, but I am more concerned about the fact that at least the principle is there and that a parent consulting counsel can have that principle on the books and then that legally and morally there would be that right of action on the part of the parents.

These would be exceptional circumstances but at least that right would be there—where you have unconscionable situations. Where children, for whatever reason, after having been given all of these things during their life and having had the family business or family farm for support, turn around and just leave their parents and feel they no longer have any obligation.

I would feel that a parent should at least have that right to consult counsel. If we take that principle away, I am concerned—and maybe you can be of assistance—if there is not proviso or clause within the granting of the business or the farm and so on, what right would a parent in those circumstances have? He wouldn't have any if it is the decision of this Legislature to take away that right, but the court would infer at that point that in our wisdom we felt that was not a principle we should have on our books. That would bother me, because I frankly think that there are unfortunately circumstances where actions on the part of children are unconscionable and they do have that responsibility.

We have laws, in fact, for the responsibility of parents towards their children. We know that is a responsibility that most parents in this province accept willingly, but there are circumstances, unfortunately, where that does not happen and we require legislation on the books—in fact, legislation in the Criminal Code—to make it clear that that is not only a moral obligation but a legal obligation.

I think the same thing would apply in these circumstances. I would hate to see the day when parents who have been mistreated—who have not received justice where children who had taken advantage of the kindness of a parent would turn against them—and the parents, desolate, had no means of support and could not legally as well as morally turn to the children and say, "You have an obligation, in view of what has happened." That is why I would like to keep that principle on the books.

We don't go and set criteria. All we do is state a principle here. I think it is a good principle and I think we should retain the legislation.

[10:15]

Mr. McClellan: I want to speak in support of the deletion of the amendment and try to set forth as social services critic for this caucus why we feel it is so important that this section be deleted.

The Attorney General himself has spoken well, I think, to the kind of interpersonal

dilemmas that this amendment can lead to. I'm not reassured at all by the closing comments by the member for Ottawa East. He in a sense validated that concern by the kinds of illustrations he was using.

Aside from that I think the Attorney General addressed himself adequately to that dimension of the dilemma. There is another one. It's very important to me, and I think to this caucus, that these kinds of statutes, these kinds of laws which are based on out-moded social philosophy be removed from legislation because they serve to preserve inadequate social programs.

The social philosophy that is reflected in section 17 states that the child is responsible for the support of elderly people, that the family is the unit of society which is responsible for the provision, if you take it literally, not just of income maintenance but all of the other support services that the elderly need.

We live in a society where our gravest social crisis has to do with the elderly population. We have not even begun to experience the fullness of that social problem and we are already floundering around in our incapacity to deal with the needs of the elderly in this society on all levels, in terms of income support, in terms of residential services, in terms of health services and in terms of social support services of all kinds.

We haven't even begun to address ourselves to that problem. I think one of the reasons why we have failed so completely as a society to deal with the needs of the elderly is that we keep repeating to ourselves and enshrining in legislation social philosophies that bear no relationship to the realities. The reality is that the family cannot provide for the needs of the elderly in this kind of a society, and the needs extend far beyond the need for income.

The needs extend through a whole range of services. It serves no purpose to leave these delusional notions in legislation. We all share the sentiment that has been expressed. We all share a revulsion, each and every one of us shares a revulsion, at the individual child who abandons and treats badly the parent. Each of us realizes that that is sharper than a serpent's tooth, but that does not address itself to the needs of the elderly in the community.

I believe we do ourselves a disservice and we do the elderly a disservice when we do not recognize in law—and this is what we're talking about—the obligation of the total community to provide a total range of support to the elderly. I would hope we could remove this from the law so that we can

then go forward with a clearer sense of where our responsibilities lie as a total community towards the needs of the community.

Mr. G. Taylor: I may be brief on this section to the delight of all my colleagues, but I too support the NDP in this situation, which may be unfortunate for my party on this side and my colleagues. When you look at section 17 and see what it does, you find it puts upon the minor that obligation to support his parents. When you extend it past there and look at some of the other provisions we have in this province, when we look at what takes place in the matrimonial situation where, even under some of our present legislation which might be termed social legislation, particularly in the field of the Family Benefits Act, the wife or spouse, as the case may be, seeks out support under those provisions of that Act and finds that she is met with some administrative situation whereby "you will not get support under that Act unless you take your husband or your spouse to court; before you receive our benefits, you apply and go this route." That's administratively done, and sure enough it may be correct or it may not be correct, but it says that before you get provisions from our society you will take this action on your own.

Here again, section 17 could provide, in the hands of administrative authority, that before the parent will receive the benefits from the state, before he will receive hospitalization, before he will go into one of our chronic care units, he is a parent so he will first seek out and sue his child for those benefits. Administratively done, yes, but it's there. It may not often be used in the Act presently in the province and in existence, but there is that possibility; you put in there something that we should be providing for our people in another form over the years, something for which they have contributed to the province.

Where there is a parent, and particularly an elderly one who may fall into this situation, I do not believe it is necessary for us to enforce in a statute those obligations upon a child to support that parent. Some parents should be entitled to it. It may be only at the senior years of their lives that they are entitled to it, but I think they should be entitled to expect something from the state. When we put in social legislation to provide for them at that end of their life spectrum, surely we should not be going back against their child or causing them to sue their children for support.

Indeed, I would support the provision that would delete this, and also leave in section 84 deleting the Parents' Maintenance Act. I support those provisions, Mr. Chairman.

Mr. Bradley: Now what we need is the speech on OHIP increases.

Mr. Stong: Originally, I would have spoken for the deletion of this section. However, I've been persuaded by the eloquent argument of my colleague from Ottawa East—

An hon. member: He always does that.

Mr. Stong:—and I must say that in my respectful submission, the principle in law that is contained in section 17 ought to be retained in our statute. It recognizes an obligation which falls upon the duties of a parent to provide for a child. I suppose that if I were speaking against this section, I would have been persuaded by an argument that was brought to my attention by a mother whose husband has abandoned the family; she had become an indigent. Her very strong point was: "Why should my children be responsible for him because he did not provide for them in their youth?" That was a very persuasive argument and I agree with it. So I cannot speak of section 17 independently of an amendment that I would be moving to section 18.

Section 18, pursuant to my amendment, would require a court—in assessing any support that a child would be responsible to his parent for—take into account the duration and nature of care provided by that parent to that child in his minority. Having taken that into account, we still recognize a principle in our law—for the reasons laid out by my colleague from Ottawa East in such special circumstances—that that right ought to be retained in law. Maybe it has not been enforced recently, but it is there to cover specific situations.

In a situation where the enforcement of that principle would work a hardship, then my proposed amendment to section 18 would satisfy and alleviate any hardship that may be worked on a child.

So in my respectful submission, it is very dangerous to delete from this Act that principle which has been recognized in our statutes up to now and which, in fact, ought to be retained; and if this section is retained, I will be moving an amendment to section 18 that would perhaps take some of the onerous burden, and any of the inequities for hardship, off the shoulders of a child.

Ms. Bryden: I will be very brief. This section appears to me to be—among other sec-

tions that have crept into this Act—an effort by the government to shift back to the individual obligations which had been accepted by the state over the years on the ground of fairness and equity. Indigency among people is something that in most cases is beyond their control. It's often caused by sickness, by unemployment, by economic conditions, by the policies of the government, but it is not due to circumstances which either the parents or the children have control over. Therefore to put the obligation for support on to the children is hit-and-miss taxation and it is unfair taxation, because only those who happen to be in the circumstances where they have indigent parents are the ones who pay. It seems to me that to keep this kind of a law on the books is a backward step.

I think we should look at the reasons the Parents' Maintenance Act has fallen into disuse. I think most welfare administrators have found that it put an intolerable strain on family relationships to require parents to sue their children. I think most people recognize that the vast majority of children were not able to provide support for their parents.

It seems to me we should not pass a law to resurrect or to re-enact a law that has fallen into disuse, because it is not in tune with the modern thinking that we should all share the costs of looking after people who are subject to the misfortunes of life today.

Mr. McGuigan: Mr. Chairman, I would like to rise in support of retaining this section. It is difficult to add further argument, but for one whose philosophy is more towards the individual and less towards the state—

Mr. McClellan: Why don't you want to abolish old age pensions then?

Mr. McGuigan:—I would like to—

Mr. Sweeney: If we followed your argument, we would throw the whole bill out.

Mr. Cooke: You want regulation. You want to regulate everybody.

Mr. McGuigan:—I would like to argue in favour of individual responsibility. Being a farmer and not a lawyer, I am not acquainted with all the implications of this law but I look upon all laws as setting a standard that we expect people to adhere to. Only a very few of those people are ever brought into court or forced to do it, but through our laws, we set the social standards that we expect decent people to adhere to and follow. I would like to retain this in order to make it known that it is expected of people they help support their parents.

I can think of a specific instance that might be of concern, largely in the agricultural field

where the amount of moneys involved in owning land are so great, and where ownership is such a part and cost of doing that farming, that family circumstances change. One or the other spouse may die and the remaining spouse remarry. You then have a different family situation and a different look towards the grandparents and so on, and this introduces a whole new order of things. So it would be that much more difficult to have family care for those parents if section 17 were withdrawn. On those few items, Mr. Chairman, I would like to urge support of the section.

Mr. Chairman: The question before the committee is shall section 17 stand as part of the bill?

All those in favour please say "aye."

All those opposed please say "nay."

In my opinion, the ayes have it.

Amendment stacked.

Mr. Bounsall: I assume it will be a free vote of all the members.

On motion by Hon. Mr. McMurtry, the committee of the whole House reported progress.

Report agreed to.

[10:30]

Mr. Speaker: A motion for adjournment has been deemed to have been made under provisional order 28(a). I will now recognize for up to five minutes the hon. member for Bellwoods.

MINI-SKOOKS LIMITED

Mr. McClellan: Thank you, Mr. Speaker. I appreciate very much the opportunity to have even a brief debate on this subject. What I want to do is not harangue the minister, or to give him perhaps a well-deserved tongue-lashing. What I want to do is to set before him the serious concern that we have about this matter.

On Thursday I raised a series of questions and presented some material to the minister, consisting of extracts from the financial report of Mini-Skooks Limited. It consisted of computer printouts; it was partial material from a document entitled Mini-Skooks Financial Report. I had given the minister some excerpts of that series of documents which had come into my possession which covered a few brief periods for the years 1976 and 1977.

The issue of great concern to us has to do with the presence of Mini-Skooks Limited in Ontario. Mini-Skooks is a subsidiary of the Great-West Life Insurance Company; it is

a multinational corporation and operates a chain of day-care centres across North America. Six of them are here in Metropolitan Toronto. Our objection—and our bias, so there is no misunderstanding—is to the existence of this model of providing human care services. I believe and this caucus believes that it is incompatible with quality human care services to have it provided by a multinational corporation whose motive is not care, whose motive rather is profit. Its motive is profit; it is a subsidiary of a profit-making multinational; and that's what it is in business to do—to make profit.

We have expressed concern over the years about the operation of Mini-Skooks. Those concerns I don't believe have been adequately acknowledged.

On Thursday I presented to the minister documentation which indicated a number of serious problems within the operation of Mini-Skooks. I had asked the minister not to give me a quick reply; I had asked the minister to review the material. But, more importantly, I had asked the minister to use his powers under the Act to obtain the complete information—the entire package, whatever it is, of enrolment data and financial material that is contained within the Mini-Skook computer, among other places, and to study that material. I indicated to him on the basis of the material that I had, and which I had given to him, that there were serious irregularities indicated with respect to enrolment; that there was evidence in nine out of 34 periods—and a period for Mini-Skooks' purposes is a four-week period, the year being divided into 13 periods—at six centres, there was over-enrolment. I indicated some of those periods to the minister today in question period.

There was further indication of violation of the child-staff ratios in the very limited material which I provided.

My concern is that the minister has not done the kind of review that was asked for. The minister is aware that there is an injunction against the publication of this material. That puts a special onus on the minister, because the press will not report the contents of this material and it is not available to the normal kind of public scrutiny.

The questions raised will only be resolved if the minister does what he is responsible to do as the minister responsible for the welfare of kids in this province, which is to obtain all of the material from Mini-Skooks, the complete set of computer printouts from the Mini-Skooks' financial report for the period that it is available, which I believe is from

1975 to the present, and to scrutinize that material and determine whether there has been a violation of the Day Nurseries Act and regulations.

Hon. Mr. Norton: Mr. Speaker, I might say at the outset that I have no misapprehensions with respect to the point on which the hon. member was objecting. He indicates that he objects to the particular model for the delivery of service in the province of Ontario, particularly one which might involve some degree of profit in the delivery of service. I understand his obsession with this particular model.

Mr. McClellan: It's called the social industrial complex.

Hon. Mr. Norton: But if I might address myself for a moment to the specifics of the hon. member's allegations, I would point out first of all that he is in error—to the best of my knowledge, on the basis of the documents he has submitted to me—when he refers to them as a financial report. In fact, what the documents indicate to me are that they are operating statements.

Mr. McClellan: You are wrong.

Hon. Mr. Norton: Also, a repeated error that occurs in terms of the assumptions that have been made in the interpretation of these documents, and in particular in the marginal notations—the marginal notations in the documents, in an unknown person's handwriting include such words as “fraud” or “fraudulent;” and I don't know who wrote those into the margins of these documents—is the assumption that the figures that are shown are profit. In fact, what they appear to be is net income; that's quite a different matter from net profit.

The hon. member's dissatisfaction with my reply in the House earlier seems to be that he assumed that I had failed to inquire completely or even partially into the material that had been submitted by him. Had he asked whether or not I had referred this material for review, my answer would have been emphatically yes. I reviewed this material and so did my staff. In fact, I referred it not only to the day nurseries branch of my ministry but also to the legal services branch of my ministry, and it was thoroughly reviewed by both.

With respect to the staffing ratios at Mini-Schools—which do affect the welfare of children—I have indicated that from time to time our field supervisors did find more children present in some rooms than the space requirements would permit. I have also indicated that at Tuxedo Court a conditional licence was issued in 1975 with respect to staffing.

Mini-Schools were required to hire more staff, and they did so.

We have carefully checked the actual enrolments shown in the documents provided to us, and our review indicates there was an over-enrolment of two at the Queensview Centre for the period in 1977 for which the documentation was provided. In 1976 for one period there were no over-enrolments. For the second period, one centre, Kingsview No. 1, was over-enrolled by 13. Provided that appropriate staff ratios are maintained, nurseries can over-enrol to take into account absences that may occur. If there is space for 150 children, for example, and 10 per cent are regularly absent on any one day, a nursery may wish to enrol up to 165 children. In fact, a 10 per cent over-enrolment is modest because the average absenteeism in day nurseries in this province is 17 per cent on any given day. In this way there can be a higher utilization of facilities, than if the enrolment and capacity are maintained at the same level.

As I stated previously, there has not been an enrolment in excess of licensed capacity at any time when our inspection visits have been made.

Mr. McClellan: But that speaks about your inspections.

Hon. Mr. Norton: As I indicated earlier in the House, we have had probably in excess of 25 inspections of the nurseries in question over the past two or three years. Our great concern is that appropriate staff ratios be maintained and this has not always happened.

Mr. Cassidy: Oh now, wait a minute. Get it straight. Which side are you on?

Hon. Mr. Norton: But where there have been inadequacies detected they have always been corrected with this particular operation.

With respect to the financial data supplied by the hon. member, I previously indicated that per diem rates have been negotiated by the—

Mr. McClellan: Justify 26 per cent.

Mr. Speaker: The hon. minister's time has expired.

Mr. Cassidy: About time too.

Hon. Mr. Norton: May I just indicate that the financial negotiations are a matter between Metro and the contract providers, and at the present time it is my understanding that that matter is under review by Metro and we are awaiting the results of that; although the information the hon. member has submitted indicates no improprieties at this point.

Mr. McClellan: Twenty-six per cent isn't objectionable to you at all?

Hon. Mr. Norton: The assumption of 36 per cent is based on misapprehension. As I pointed out to you earlier—

Mr. Speaker: Order. The hon. minister's time has expired.

Hon. Mr. Norton: —if you people would understand what a balance sheet is you wouldn't make these errors. Dig a little deeper, and before you have somebody steal further information check on the accuracy of it.

Mr. McClellan: Point of privilege.

Mr. Speaker: There is no such thing as a point of privilege in the late show.

Mr. McClellan: He accused me of asking somebody to steal something.

Mr. Speaker: There is no such thing as a point of privilege in the late show. You may raise it tomorrow if you wish.

Mr. McClellan: Why is that?

Ms. Gigantes: I don't understand.

Mr. McClellan: Cheap son of a bitch.

Hon. Mr. Timbrell: Oh, you're such a genteel type.

OTTAWA PSYCHIATRIC FACILITIES

Ms. Gigantes: Mr. Speaker, the last time the Minister of Health attempted to insult me personally was on the question of Ottawa area nursing homes and was last July. I doubt that he would, based on what he now knows on that subject, take that stance again on that particular subject.

Yesterday, he accused me of being stuffed up because I made a serious comment about his attitude towards a question posed by a member of the official opposition concerning the health of pregnant women and their unborn children.

I proceeded to ask another serious question: Is he ready to respond to the serious criticism of the director of forensic services and the director of psychiatric services at the Royal Ottawa Hospital that his May 1977 promises of funding for improved facilities and services in the field of psychiatric services in the Ottawa area have not been initiated?

I wonder if this Minister of Health has ever experienced the realities of having to send an underpaid constituency office staff person out to spend six hours with a justice of the peace, a police team, a hospital's admission staff, the staff psychiatrist, because a young constituent with an anguishing record

of mental health problems was believably threatening violence to himself and other members of his family. I have and I was lucky. My constituent manager was good; the police were good; the JP was good, and the psychiatrists were good. That was just the beginning of a problem and we are not always so lucky.

The final outcome of such cases can be tragic. Last week in Ottawa two sisters, 12 years and 15 years old, were murdered. The person now charged with that murder is their 16-year-old brother. One and a half years ago that brother was admitted to the Royal Ottawa Hospital after a knife attack on a neighbour. The people responsible for his release from his second stay at the ROH were Dr. Selwyn Smith, chief of forensic services, and Dr. Gerald Sawyer-Foner who is the chief of psychiatric services at the ROH.

What they are saying now, in very simple terms, is that we do not have provincial funding in the Ottawa-Carleton area, or indeed in the eastern Ontario area, for decent psychiatric facilities, decent psychiatric treatment or decent psychiatric follow-up care for the people in our communities—and they are right to be angry.

[10:45]

In the fall of 1975 and the spring of 1976 I wrote to the member for Prince Edward-Lennox (Mr. J. Taylor), then the Minister of Community and Social Services, pleading for the continuation of funding for a project in Ottawa called the Mental Health Rehabilitation Centre. It was a good program and it was succeeding in its goal of providing follow-up psychiatric services for people who had been released from psychiatric institutions—services so excellent that the rate of re-institutionalization of its clients was dramatically lower than for other ex-psychiatric inmates. The Mental Health Rehab Centre folded on March 31, 1977. The reason: There was no commitment from Community and Social Services for provincial funding.

I speak now to the Minister of Health, but I quote the executive director of the Ottawa-Carleton regional health planning council when he says, "When you have to deal with more than one ministry, you've got twice as many problems." Let me illustrate the dilemma of the health planning council right now in Ottawa. Their request of over a year ago for a medium-security forensic unit at the Royal Ottawa Hospital lies waiting for approval. There is still a total lack of follow-up care in an area where over 1,000 people who have been residents of psychiatric institutions are released every year.

We are in trouble in Ottawa and in eastern Ontario, and the minister, even after our questions yesterday in the House, accuses the leader of our party in these words, "It's the cheapest kind of politics for him to raise the issue. That's typical of Cassidy to try and cash in on the miseries and sorrow of some people."

Mr. Wildman: Cheap shot.

An hon. member: Not so cheap.

Ms. Gigantes: Mr. Speaker, I don't think that kind of answer is really adequate from our Minister of Health.

Mr. Deans: You do your job.

Ms. Gigantes: This issue has focused in a particularly horrifying way in the Ottawa area over the last few days, and I think we deserve a better response from the Minister of Health.

Mr. Speaker: The hon. member's time has expired.

Mr. Lighren: Start by apologizing.

Hon. Mr. Timbrell: Mr. Speaker, the hon. member has already explained, she brought to the attention of the House yesterday the tragic murder last week of two members of an Ottawa family and the fact that the alleged suspect who was charged was a member of that family. The member then asked if I was prepared to respond to the criticism that there are inadequate psychiatric facilities in the Ottawa area.

The teenaged boy is alleged to have murdered his sisters last week after discharge from the adolescent unit in the Royal Ottawa Hospital on January 27, 1978. We have been in touch with the hospital today and we were told that on discharge the boy was placed in an outpatient program and had two treatment sessions a week. On the very day the offence was committed he was seen by a member of the treatment team and appeared, in the words of one of the staff of that team, to be happy.

Lack of facilities was not a problem in this particular case. He has been under a continuous form of treatment for the past few years. He obviously did not respond to that treatment. We always hear about the small number of cases that go wrong but nothing about the—

Mr. Cassidy: You don't know.

Hon. Mr. Timbrell:—vast majority of people who are helped. This point was emphasized today by the director of psychiatric services at the Royal Ottawa Hospital. At present there are 13 forensic beds in Royal Ottawa in an unlocked setting. The only locked facilities in the province are at Oak

Ridges division of Penetanguishene Mental Health Centre, a special unit for women at St. Thomas Psychiatric Hospital and the recently created Metfors unit at Queen Street Mental Health Centre here in Toronto.

My ministry, along with Correctional Services, the Attorney General and Community and Social Services, received a proposal from the University of Ottawa some time ago requesting a forensic unit for the Ottawa area.

Mr. Cassidy: And before the election you reacted positively.

Hon. Mr. Timbrell: That is not true.

Mr. Cassidy: That is what they told me.

Hon. Mr. Timbrell: I don't care what they told you.

Mr. Cassidy: The ministry was being very positive at that time.

Hon. Mr. Timbrell: Let me finish this and I will deal with the interjections which are based on total fabrications from somebody.

This proposal requested a new building to house a 40-bed unit situated on the grounds of the Royal Ottawa Hospital. We received some preliminary figures. Members of my staff had a meeting with the group from Ottawa and advised the group to try to obtain some firmer figures regarding construction and operating costs, and to proceed through the district health council so that the project could be prioritized.

Ms. Gigantes: A year ago.

Mr. Cassidy: In January 1977.

Hon. Mr. Timbrell: Mr. Speaker, I'd like to finish the answer.

It is my understanding that the district health council has approved the proposal in principle only, since they feel that firmer figures and costs are required. That is where the forensic unit for the Ottawa region stands at this point in time—still with the district health council.

Ms. Gigantes: Oh, come on.

Hon. Mr. Timbrell: Regarding other psychiatric beds in the Ottawa-Carleton region, there are 277 beds in total, 30 at the Montfort Hospital, 40 at Ottawa Civic, 40 at Ottawa General, 28 at Queensway-Carleton, 139 at the Royal Ottawa, including the 13 forensic beds which I just referred to, for a total of 277. There are, additionally, 460 beds in Brockville Psychiatric Hospital, which, although 70 miles distant, had in the first two months of this year 38 patients admitted from the Ottawa-Carleton region. The breakdown was as follows: from 15 to 35 years of

age, 14 patients; from 35 to 55 years of age, 10 patients; and 55 years of age and older, 14.

Mr. Cassidy: You are wrapped in statistics and can't see the problem.

Hon. Mr. Timbrell: As well as the forensic unit program, another high-priority is a psycho-geriatric program in the Ottawa area.

Mr. Cassidy: You're convinced by all that.

Hon. Mr. Timbrell: You just babble. I've listened to you babble for six and a half years. You never ever listen. You couldn't care less about stats, let alone people.

Mr. Cassidy: You were wrong yesterday and you're wrong today.

Hon. Mr. Timbrell: As priorities are brought to our attention by the district health council, my ministry will endeavour to satisfy the most important needs.

Mr. Laughren: That's your answer? You didn't even apologize.

Mr. Cassidy: You should resign for that answer.

Mr. Speaker: I deem the motion to adjourn to have been carried.

The House adjourned at 10:52 p.m.

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No. 20

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Thursday, March 16, 1978
Morning Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, MARCH 16, 1978

The House met at 10 a.m.

Prayers.

Mr. Renwick: Maybe we should have had a special prayer for the Attorney General (Mr. McMurtry) this morning. It could work a change of heart.

APOLOGY FOR REMARKS

Mr. McClellan: Mr. Speaker, may I have a point of privilege? I would like to apologize to you and to the House for my unparliamentary remarks during the adjournment debate on Tuesday.

SELECT COMMITTEE ON COMPANY LAW

Hon. Mr. Welch: Mr. Speaker, as you know, it was our plan to spend the morning in committee of the whole to complete Bill 59. The chairman of the select committee on company law indicates that that committee would like to continue meeting this morning. I am prepared with your permission to put a motion to the House authorizing the select committee on company law to meet this morning.

Mr. Nixon: That's going to be in Toronto, is it?

Hon. Mr. Welch moved that the select committee on company law be authorized to meet concurrently with the House this morning.

Motion agreed to.

ORDERS OF THE DAY

FAMILY LAW REFORM ACT

(concluded)

Resumption of the adjournment debate in committee of the whole House on Bill 59, An Act to reform the Law respecting Property Rights and Support Obligations between Married Persons and in other Family Relationships.

On section 18:

Mr. Chairman: Hon. Mr. McMurtry moves that subsection 3 of section 18 of the bill be struck and the following substituted therefor:

“(3) An application for an order for the support of a dependant who is a spouse or a child may be made by

“(a) the Ministry of Community and Social Services in the name of the minister, or

“(b) a municipal corporation including a metropolitan district or regional municipality but not including an area municipality thereof, if the ministry or municipality is providing a benefit under the Family Benefits Act or assistance under the General Welfare Assistance Act in respect of the support of the dependant.”

Hon. Mr. McMurtry: The proposed amendment allows the ministry or municipality to institute a support claim simply for a child as well as a spouse where the family is receiving welfare or family benefits. The child must be one who is under 18 and who may claim support under section 16, and I want to emphasize the fact that this amendment does not affect the rights of handicapped persons over the age of 18. It's simply to allow the ministry or the municipal corporation to make an application which they can now do for a spouse; but where the spouse has a child or children who are receiving this assistance, it seems to make sense that that claim would be included as well. It does not go beyond that.

Mr. McClellan: I really have a question to the Attorney General, if I may. Generally, I think the amendment makes sense and the overall section is an improvement over the situation that exists now. I have only one concern and I'm not sure how to solve that. It seems to me that the section as it now stands would permit the ministry to make an application for support on behalf of a recipient without any obligation on the part of the Ministry of Community and Social Services to inform the social allowance recipient that this is a condition of receiving social allowance.

I would like some assurance that this would not be done without the knowledge of an applicant for family benefits, because there are more than a few individuals who have refused to apply for family benefits because they were not willing to have a support order obtained. That's their choice. I think that choice has to be preserved and I would hope

there would be an automatic procedure of advising an applicant that this is what the law requires, that this is a condition. I don't know how that's addressed. Perhaps the Attorney General has some suggestions on that.

Hon. Mr. McMurtry: I think I understand what's on the hon. member's mind. I would think any amendment would require an amendment to the necessary family welfare assistance legislation rather than to this Act. Certainly, in so far as this legislation is concerned, such an application could only be made with notice to the dependant. Of necessity, the dependant would have to have notice of the application. I don't see how the application could be made without that notice. In other words, as I understand the legislation, it would be impossible to process a claim without notice to the applicant.

Mr. Bounsall: I'm not sure the Attorney General is right on that point. Maybe he could seek some advice from his staff. It is the Ministry of Community and Social Services in the case of the deserting husband that knows the record of that person's lack of payments if the family is on family benefits. If the woman and children are on family benefits and the support being paid is less than required under family benefits, the woman and her children do not know whether or not he is living up to the agreement at all. His contribution comes through the courts and is paid to the Community and Social Services, so the ministry is the only one that would know whether it's in arrears and whether it needs to take him back to court.

If not, it's quite conceivable that it would not be necessary at all to involve the woman and the children because they're not even aware how much in arrears or how continuous are his payments. Only this ministry is and it is the one concerned about the back collection. It seems to me there is no need for the ministry to unduly concern itself in informing the woman. I would say it wouldn't be necessary at all and the ministry wouldn't be concerned about her not knowing. As a matter of courtesy it could, but it is not involved in the woman or the children in the court case because they don't even know what the arrearage is.

Hon. Mr. McMurtry: There's a fundamental element of proof. It would be impossible for the ministry to prove their claim without the involvement of the dependant. There's no question in my mind about that. It's a matter of basic legal proof and it would be impossible to prove it without establishing the fact of the dependant. As a rule, that can

only be done with the involvement of the dependant. That's a clear matter of legal proof. If you would consult with any of your legal colleagues, the members for Lakeshore (Mr. Lawlor) or Riverdale (Mr. Renwick), they would confirm that legal view.

In any event, I can assure the members that the rules that are being developed will also involve the requirement of notice to the dependant, if that will be of any assistance. The rules in relation to this Act are being pretty well completed and they do involve the requirement of notice to the dependant. I give that assurance but, quite apart from that, it would be impossible to prove the claim without the involvement of the dependant.

Mr. Bounsall: Just continuing on that point, I don't know whether the Attorney General realizes it or not, and I don't want to go on on this point at any length at all, but all of the proof resides in the ministry and none of the proof resides in the hands of the dependant in these cases.

Hon. Mr. McMurtry: But you have to prove the dependency and the ministry can't do that except on evidence which would be clearly hearsay. You have to start from the facts of the dependency.

Mr. Bounsall: The ministry clearly has that proof or it wouldn't be continuing the mother on her mother's allowance and providing coverage for her children. They have accepted that proof. They are in constant monthly contact with that family to ensure that all the children are still living at home and the mother has not taken a part-time job which would lessen the amount of the benefit coming out of the family benefits. They would handle all that proof on a continuing month-to-month basis.

[10:15]

I am not arguing that it would be nice to involve them or not nice to involve them, but the ministry has all that proof. It can say in court, "Mrs. So-and-so does reside at this address. We send her her monthly family cheques for herself and her three children."

Hon. Mr. McMurtry: That is known in law as hearsay evidence and inadmissible in a court of law under our general rules of the introduction of evidence. I appreciate the member's concern but really that is a fundamental matter of proof in a courtroom. True, the ministry has the evidence, but again what is admissible in court and what the ministry has relied on are two different things.

Mr. McClellan: With respect to my concern, I accept the Attorney General's notion

that an amendment is appropriately made to the family benefits legislation and general welfare assistance. I do want to restate the concern though that the section removes the right of decision of the dependants by virtue of making an application for social assistance. Just the act of making an application for social assistance then gives the power of decision to the Minister of Community and Social Services (Mr. Norton). It's essential that at the time of the application, the applicant clearly understands what's involved. I would ask the Attorney General to make a point of advising the Minister of Community and Social Services so that he can bring in necessary amending legislation.

Hon. Mr. McMurtry: That's fine, I will discuss that with him. But again the applicant could frustrate any application in the court simply by refusing to co-operate, for the reasons I have just explained to your colleague.

Mrs. Campbell: Mr. Chairman, I don't think I need to speak at length. What I was concerned about was, it seemed to me that the hon. member for Bellwoods had made a point which was not really being addressed by his colleague. That was the right of notice advice at the time of the application. I think it is important that this should be very carefully spelled out to anyone seeking any assistance, either under family benefits or under general welfare assistance.

However, I concur in what the Attorney General has said with reference to the proof of any case and the evidence which is necessary. It is true, however, that on the non-payment aspect of it, it is a fact that only those providing the assistance know the record of payment or otherwise. Apart from that, of course, the other evidence has to be adduced in order to make a successful application, I would think. So I am satisfied now with the explanations.

Mr. Bounsall: My concern about this section is of another nature and again a minor one. I understand why we have to have this amendment by the Attorney General. In our efforts in committee to ensure we weren't excluding the disabled from their benefit when they reached age 18, we had it left in this funny situation where only the Ministry of Community and Social Services or the municipal corporation could go after the spouse's support if they were in receipt of those benefits. Where there were children as part of that support, the ministry or the corporation could not go after the support for the children. So this is a very necessary one.

But in the way it's written, I have some concern that we may have opened a slight doorway, I don't know how wide, to pursue the other matter. I talked with the Assistant Deputy Minister of Community and Social Services, Mr. Anderson, quite recently over this. His thought was that it wouldn't normally be pursued by his ministry because he knows the intent of what it is we are trying to achieve. But he himself wasn't sure that there wasn't a doorway left open. He said that perhaps this section should very clearly read that the children we are talking about in the section are the children of the spouse who is receiving family benefits or the welfare award.

Perhaps in the last line, instead of just saying "dependant," to be absolutely sure we should say "in respect of the support of the spouse and the children of that spouse," rather than just leaving it as "dependant." It is then quite clear that in a family benefits application we are talking about the spouse and the children of that spouse, rather than leaving it simply as "spouse and child," lest in some circumstances we are leaving the door slightly ajar again.

Hon. Mr. McMurtry: You say an application for an order for the support of a dependant who is a spouse or a child of that spouse? I have no objection to that if it will be of some assistance. Perhaps I might just consult with legislative counsel for one moment. I am quite prepared to amend that in that respect.

Mrs. Campbell: Could I ask when the Attorney General is speaking to his advisers if he would check to see what effect that amendment would have on section 16. I would have some concern with reference to section 16(2) unless I am misunderstanding the suggestion of the member for Windsor-Sandwich. I wonder if that could be clarified.

Hon. Mr. McMurtry: Could I have your indulgence for a moment, Mr. Chairman?

Mr. Bounsall: Perhaps in the interregnum period here I could address some comments to the last question from the member for St. George. I assume it is the child between 16 and 18 about whom she is concerned. By definition under that section 16(2), it is a child who has withdrawn from parental control. I am not sure what her concern is, but should we be going after a parent for support of a child who has withdrawn from parental control? I don't see that as being a reasonable application. The child has withdrawn from parental control and left the home. Why should welfare then go after the parent for support from the parent for that

child who has clearly cut the ties with the parent?

Mrs. Campbell: This is a strange way to proceed in the House, I suspect, on a bill. What I am saying is that as I read it, and the Attorney General may be able to clarify it, if you remove the word "dependant" and simply make it "child," then I think it does have an effect on section 16(2). The child who removes himself or herself from the home is still a child of the parent, although not within section 16(2) a dependant. That's what I am trying to clarify with the Attorney General's assistance.

Hon. Mr. McMurtry: I gather the concern of the member for St. George is over what happens if we amend section 18(3).

Mrs. Campbell: If I may, I would think we would have to amend subsection 2 in order to give effect to subsection 3; am I correct?

Hon. Mr. McMurtry: Clearly the intent of the legislation is not to pursue, as I understand it, a spouse for support of a child over the age of 16 years who has withdrawn from parental control. That child or that young person between 16 and 18 may qualify for social assistance in his or her own right. I'll wait to see what our advisers have to say. I wouldn't have thought that an amendment to make it clear that we're talking about a child of the spouse would affect section 16, but you may be right.

Mrs. Campbell: If I may, Mr. Chairman, I'd just like to explain. It seems to me that what is being sought here is an amendment to subsection 2, which as I see it would read roughly, "An application for an order for the support of a dependant may be made by the dependant or a parent of a child under subsection 3." Then you would amend subsection 3, "An application for an order for the support of a dependant who is a spouse," and then you would introduce the word "child."

I am concerned that there may be confusion if you substitute "child" for "dependant" in that clause, because what I'm saying is it might then—reverting to 2, which spells out the dependency, as it were, of the child—be removed unless we have a very carefully worded amendment. That is my only concern.

Hon. Mr. McMurtry: I don't think there's any intention to remove the word "dependant."

Mrs. Campbell: I see.

Hon. Mr. McMurtry: As I understand it, the phrase is simply to be, after the word

"child," "a dependant who is a spouse or a child."

Mrs. Campbell: Well, that is the intent.

Hon. Mr. McMurtry: We just wanted to insert the words "of the spouse" after the word "child." So it will read; "An application for an order for the support of a dependant who is a spouse or a child of the spouse may be made by."

Mr. Bounsall: That certainly was the intent.

Mrs. Campbell: As long as it's clarified.

Hon. Mr. McMurtry: So perhaps we could insert those words in, Mr. Chairman, the words "of the spouse" to follow "dependant who is a spouse or a child of the spouse may be made by."

Mr. Chairman: Is it agreeable to the committee to include the words "of the spouse" after the word "child" in the second line of subsection 3?

Mr. Lawlor: I hate to prolong the agony, but perhaps it should be "dependent child of the spouse," for the very reason that Margaret's making here.

Ms. Gigantes: Excellent suggestion.

Mr. Lawlor: A judge would, of course, construe the clause subject to subsection 2 of 16.

Hon. Mr. McMurtry: Yes.

Mr. Lawlor: But if they didn't happen to advert to that they would then bring in any child and what you want is a specific sort of child.

Hon. Mr. McMurtry: Could we put the word "dependent" in then?

Mr. Chairman: So subsection 3 would then commence reading as follows: "An application for an order for the support of a dependant who is a spouse or a dependent child of the spouse may be made by" et cetera.

Motion agreed to.

Mr. Roy: The member for York Centre (Mr. Stong), who is not here, had an amendment to section 18 (5), clause (p) or (q). I think it's (q).

Mr. Chairman: I have it in my hand here now.

Mr. Roy: I have been asked by my colleague, Mr. Stong, to move this amendment.

[10:30]

Mr. Chairman: Mr. Roy moves that subsection 5 of section 18 of the bill be amended by relettering clause (p) as clause (q) and by inserting the following new clause: "(p) where the dependant is a parent,

the duration and nature of the care and support provided by the dependant to the respondent."

Mr. Roy: Mr. Chairman, of course this amendment is contingent on section 17 carrying. In other words, that the amendment that has been proposed by—I am not sure who—I think it is the member for Windsor-Sandwich, his amendment was we strike out section 17 of the bill. Of course, this amendment is contingent on his amendment being defeated.

It is hard to judge exactly which way that amendment is going to go in view of the fact that there appears that there is no unanimity as to whether there will be that principle of support or we carry on with the obligation of a child to support a parent. Anyway, Mr. Stong's concern was that if section 17 remains in the bill that there be this clause in the subsection 5 of section 18 so that that would be one of the criteria that the court look at in judging any support flowing from a child to a parent.

I might say, Mr. Chairman, in the debate that took place on the amendment to section 17 the other evening, and even this morning, it has to be clear that a lot of the concern of the members to section 17 was that the state initiate proceedings against a child on behalf of a parent. I think it should be very clear that under section 18 that is not possible. I did not speak to it when we were talking about the amendment, but it is very clear under section 18, subsection 3—the amendment has been accepted—that the state cannot initiate proceedings or applications on behalf of a parent vis-à-vis a child. Nevertheless, my colleague not being here, I move that amendment on his behalf.

Ms. Gigantes: Mr. Chairman, I am having difficulty understanding the exact intent which the member for Ottawa East is trying to attach to this amendment. Am I correct in understanding that it has to do with the clauses that we have been dealing with in 17 and in 18(3)? Is it 17 you are trying to relate it to?

Mr. Roy: Possibly I can explain it again to the member for Carleton East. If the amendment, as proposed by your colleague from Windsor-Sandwich is defeated, and we keep section 17—which reads that the child "who is not a minor has an obligation to provide support, in accordance with need, for his or her parent who has cared for and provided support for the child, to the extent that the child is capable of doing so"—if that section remains, Mr. Stong, my colleague, felt that when the court is looking at

various criteria for determining support, the amount of support and this type of thing, there should be a clause in there saying that if the dependant is a parent, the duration and nature of the care and support provided by the dependant to the respondent be one of the factors that the court look at in determining whether there should be support and, secondly, what the amount of support should be.

As I say, I am moving it on behalf of my colleague. It may be that on reading section 17 my colleague may well feel it is not necessary, because in section 17 we talk about the fact that there is a need on the part of the parent that he or she has been provided support in any event. My colleague thought that it was necessary and on his behalf I moved it. Do you understand?

Ms. Gigantes: I believe I do now, thank you. Mr. Chairman, as I now have it explained to me and as I believe I understand it, correctly, what we are dealing with here is the very essence of the problem of section 17 and I would like to point out to members of this Legislature that this kind of an amendment makes it so clear why we should get rid of the obligations imposed under section 17, and why our amendment on section 17 should carry.

What the hon. member for Ottawa East is proposing is a new conduct clause. It is a conduct clause that relates to parents. Now we shall ask ourselves, "Have these people been good parents? For how long have they been good parents? And what kind of parental care did they provide?" It's precisely because you have to get into this kind of nonsense when you discuss the obligations under section 17 and we begin developing a new conduct clause—yet another for this bill—that I would suggest that it provides an argument for our amendment to section 17. I can't support the addition of another conduct clause to this bill. I just point out to the hon. member for Ottawa East that this amendment points to the real need for supporting the previous amendment to section 17.

Mr. Roy: All my colleague had in mind in moving this amendment was to look at duration; it is not wanting to establish new conduct. In fact, section 17 talks about "his or her parent who has cared for and provided support for the child." The principle is already established there and all my colleague is talking about is the duration and nature of care and support provided by the dependant. It is not showing anything different from the principle that is estab-

lished in section 17. I want to make it clear as well that, obviously, if section 17 doesn't carry, this amendment would be redundant.

Mr. Renwick: I have a feeling that probably it is not in order, because the phraseology in section 17, "who has cared for and provided support for the child," is the same thing, and I think the member for Ottawa East agrees.

Mr. Roy: You may be right. Look, I gave an undertaking to my colleague that I would move his amendment. Don't be unduly harsh.

Mr. Foulds: He should be here to take the flak himself.

Mr. Chairman: Any further comments? If there are no further comments, are you ready for the motion?

Shall the amendment carry?

Mrs. Campbell: With respect, Mr. Chairman, on a point of order. Earlier on in dealing with this bill—

Ms. Gigantes: In the middle of a vote?

Mr. McClellan: In the middle of a vote?

Mrs. Campbell:—we refused to stack certain motions or questions because of the implications. If we are putting this particular amendment in the absence of the determination of the motion under section 17, I don't know where we are heading. This is a redundancy of the section 17 vote.

Mr. Chairman: Order. I have already put the motion.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion, the nays have it.

The motion is defeated.

Ms. Gigantes moves that in subsection 6 of section 18 all the words after "spouse" in the second line be deleted.

Ms. Gigantes: Mr. Chairman, in beginning to discuss this amendment which is, to my mind, one of the more important points in the bill before us, I would like to refer you back to this clause in its previous form in Bill 59. Originally, the clause—it was numbered section 18, subsection 5—read as follows: "The obligation to provide support exists without regard to the conduct of the spouse requiring the support, but the court may limit the amount of support, having regard to a course of conduct that is an obvious and gross repudiation of the relationship."

What we are dealing with here, and what we had originally before us, was a clause which allows the courts to decide how much support shall be provided to a dependant

and to take into account conduct. The Attorney General, when he presented this clause to the justice committee in a previous hearing, argued that the phrase "regard to a course of conduct that is an obvious and gross repudiation of the relationship" was a reference to "gross and obvious conduct."

We had a discussion of that previously, in which I spoke to the Attorney General and told him of my feeling that there's a great difference between "course of conduct that is an obvious and gross repudiation" and "gross and obvious conduct." Many of the examples he cited to try to reassure us about the application of this clause by the courts, were from English law and involved the use of the phrase in English law "gross and obvious conduct." What we had before us initially was not "gross and obvious conduct" but "obvious and gross repudiation of the relationship."

I make that point because I think it's an important point to know that what we are writing into this law, and what we were presented with first, is not a precedent that we have long experience with in the English system. This is a new kind of phraseology, and it's a phraseology that concerns me. I'm not happy, either, with the phraseology "gross and obvious conduct," but "obvious and gross repudiation" is even less assured of interpretation than is "gross and obvious conduct."

When we come to the bill now before us, as amended by the justice committee, we find that a new section has been added that allows the court to consider not only the conduct of the dependant in an application, but also the conduct of the respondent, the person who will provide support. The clause before us now reads: "The obligation to provide support for a spouse exists without regard to the conduct of either spouse but the court may, in determining the amount of support, have regard to a course of conduct that is so unconscionable as to constitute an obvious and gross repudiation of the relationship." That extra amendment too, I'll draw to your attention, Mr. Chairman, which came from the justice committee, reads, "a course of conduct so unconscionable as to constitute an obvious and gross repudiation of the relationship."

It's obvious that those two amendments—the addition of "either spouse" and the addition of "so unconscionable as to constitute an obvious and gross repudiation"—which passed the justice committee are obvious evidence to me and should be to this House, I think, that the justice committee in its long consideration of this particular clause, now numbered section 18(6), was anxious

about what the interpretation of this clause by the courts would be. There was anxiety there, and it's reflected in the amendments that we have incorporated in the section before us right now.

I think that anxiety is a well-placed anxiety. One of the reasons I feel that way is that when discussion first began on this section of the bill when I was on the justice committee back in the early part of 1977—

Mr. Lawlor: In 1953.

Ms. Gigantes: —when we discussed this particular clause, and I asked about how the Attorney General thought the courts would interpret the clause, he provided me first of all with a written example from an Ontario court case, a divorce proceeding and an application for support and a counter-petition. I was not convinced by his example—if he considered that example to be a good example of how very carefully the courts would consider the matter of conduct before making it a major determination in a support application.

[10:45]

It was an example that disturbed me very much. It was an example of a marriage of some length, an application by the wife for divorce and support and a counter-petition by the husband claiming that she had entered into a relationship with another man. I did not see from the facts presented about that case by the Attorney General just how this was going to be a very carefully worked use of this very delicate phrase, "obvious and gross repudiation of the relationship."

Once again, it seemed to me in that case what we were dealing with was an examination of the behaviour of one party. It will always be a problem in cases such as this one to try to deal with behaviour by either party because the person whose behaviour will be examined carefully, scrutinized, analyzed and judged will be the applicant. That's the nature of support application. As the hon. member for Ottawa East likes to say, that's the way the real world operates.

Mr. Roy: Not always.

Ms. Gigantes: Not always, but far too often. In any case, the example provided immediately, back in that early consideration by the Attorney General, was not to me a reassuring one. My concern is a general concern that this kind of clause leaves open the door for judges in the court to make judgements concerning what constitutes appropriate behaviour, particularly by a wife. It's a kind of way in which judges could be allowed in Ontario to continue the tradition of accepting

and perhaps even reinforcing the old double standard as is applied to judgements on behaviour of men compared to women.

I think there are enough examples currently of the effects of this kind of double standard and the propensity of some of our judges, not only in this jurisdiction but in others in the English law system, to exercise a double standard of judgement on behaviour that one has to be concerned. One has to ask oneself why we continue to perpetuate an opening in our law where judges may exercise a double standard. The Attorney General later provided members of the committee and in subsequent discussions since this past Christmas a long list—I think there were about 10 cases in total—of case studies involving gross and obvious conduct as a factor in support.

Those cases were not very reassuring to me either. One, I recall in particular, was a case of a wife who refused to reside in the home that her husband had purchased. The judge decided that her behaviour constituted a gross and obvious repudiation of the relationship in spite of the fact that she had not been consulted about the house. She didn't know which house he was buying. She had not approved. She had not been asked by him whether it was an acceptable house. When she decided she wasn't going to live in that house for what she felt were good reasons, the judge decided that she had in a gross and obvious way repudiated their relationship.

I will read you one little note which my colleague from Lakeshore gave to me just this past month, in February 1978. It's a news story from London, England, and I am going to read it for two reasons: one, because this tends to be a heavy discussion in general and, two, because I think it points to what I am talking about when I talk about the double standard, and to my concern that this legislation with this clause 18(6) in it still permits judges to enforce a double standard. It's a news story, a CP news story from London, England, and the headline is "Sex Life Lag Not a Reason for Divorce." The article goes as follows:

"A wife who complained that her husband had not made love to her for 10 years was refused a divorce when Mr. Justice John Balcombe ruled that this was not grounds for ending the marriage.

"Iris Crafer, 46, of Forest Gate, London, complained that her husband was selfish, unsociable, lacked ambition and did not help with the gardening or home decorating.

"But Mr. Justice Balcombe in the High Court family division said the wife had 'blown up trivialities into major issues'. It

was clear, he added, that the husband always sent his wife cards at Christmas and gave her presents on birthdays and other anniversaries."

Now, that's a funny story—unless you're Iris Crafer.

Mr. Roy: That's divorce; that's not support.

Mrs. Campbell: Such generosity.

Ms. Gigantes: No, I'm sorry. My friend from Ottawa East says that's divorce, that's not support. The same kind of double standard applies right through our courts. We know that. We know of cases here in Ontario. Within recent months we had a case when one of our judges told a witness that he could not accept her as a reliable witness because she was a woman of a certain age.

Mr. Roy: That is the exception—not the rule, for God's sake.

Mr. Renwick: If that is the exception to the rule, Albert, you're one of the exceptions.

Mr. Roy: You really don't believe that.

Ms. Gigantes: We cannot continue to permit any judge who may have such prehistoric notions about the female sex and its capacities, capabilities and needs, a judge who may have those views of the world and life, to go on without any kind of real bindings on his free use of discretion in these judgements on what constitutes good behaviour from a wife and from a woman. We can't allow this kind of opening in our law. Section 18(6) needs to be removed.

Mr. Roy: Is there no conduct that should affect—

Ms. Gigantes: In the real world, which my colleague from Ottawa East kept raising whenever we discussed conduct in the justice committee—he kept referring to the real world, saying, "You have to take these things into account in the real world. Conduct is important in the real world, and that's a fact"—there are some things about the real world and the way it's operated that we want to change.

The kind of discretion that judges have exercised, and have exercised in intolerable fashion, to say to the public, to the world, and to an individual woman, what the proper role of a wife is and what proper behaviour from a woman is—that has to be changed. That has gone on for far too long.

We have had a lot of arguments, and it's funny how these arguments have changed, Mr. Chairman. I remember the first discussions on this particular bill two years ago, when I first became involved in studying it. The examples we were given of why we needed some kind of conduct clause in this

bill generally had to do with the young, blonde female swinger who married the older man for his dough and then divorced him.

It's fascinating though, as the months have gone by, how that example has dropped out of the parlance of the argument. Instead, what we're being given these days is the drunkard husband who beats his wife, who is a working woman. He has no job, she works hard at her professional life; why should she have to give him support when his behaviour is so intolerable?

Mr. Bradley: In other words, it works both ways.

Ms. Gigantes: I am just delighted how the cases have changed and how we swing around now, once you get right down to it, to the protection of women. We're going to be protected again for our own good. In this area I prefer self-defence, unimpeded by such clauses as this conduct clause. Take that last case, Mr. Chairman. I'm going to read to the members of the Legislature here assembled the number of ways laid out in section 18, subsection 5, clauses (a), (b), (c), (d) right through to (p)—I'm going to read every one of them. These are all the ways within this bill that a judge can use discretion to vary the amount of support.

I want to read these all out because I want legislators to ask themselves, once we have all these clauses (a) to (p), do we really need to have this conduct stuff in here? I won't read them all. You can read them yourselves. But let me suggest that you turn now and look at the frightening array of circumstances which a judge can take into account to vary the amount of support given to a dependant.

Section 18, subsection 5, clauses (a) to (p) includes everything from the length of time of the relationship to the capacity of the dependant to become independent. Under these clauses—under section 18, subsection 5, clause (b)—the judge can say to that bum of a husband—that drunken lout who beats her when she is just trying to carry on as an honest, professional woman, and who is making a claim on her money: "I'm looking at the capacity of you, Mister, to provide for your own support." He can say as a judge, "I say to you, Mister, I think you've got full capacity if you'll use it so I'm not going to give you a cent of support."

Mr. Roy: He's got a drinking problem.

Ms. Gigantes: "Your problem is that you haven't decided to make yourself financially independent and there is no reason why your hard-working, honest, professional wife should

have to provide support for you while you refuse to face your own problem."

The sections we have here before us allow enormous discretion to judges to decide how to apply to provide support for a dependant in a relationship. I cannot see why we have to get into the kind of opening in the law that allows for judicial judgement on the behaviour, principally of females, that exists in 18(6) at the moment.

I'll put one more point to you, Mr. Chairman. Even if the judge, without having the benefit of being able to look at the conduct of the party who is seeking support, without having that luxury to make a judgement about proper behaviour—even if the judge, going through section 18(5) (a) to (p) doesn't find a good reason for making a good decision about how much support should be provided—if he makes a mistake—there can be an application to reconsider that decision within six months under this legislation. Any circumstances which change in any period of time can be varied by an application to the court within six months of a support order.

I think I feel more strongly on this section than I did about the assets section, because most people in this society don't have many assets anyhow. The principle involved in this clause, which deals with conduct and which will end up with dealing with women's conduct, is one which I find an absolute principle. We have to remove the discretion which judges have freely exercised with some of them—I won't say it, I get so angry on this subject.

I think if we make section 18 a positive statement that there shall be no consideration of the conduct of either spouse in determination of one spouse's need for support from another, then we will have done a great benefit to the standard of family law in the province of Ontario.

[11:00]

Mrs. Campbell: Mr. Chairman, the member for Carleton East makes a very strong and I think important point with reference to this whole matter of the conduct clause. I am sorry that I was not in the committee in January to hear the discussion on this clause, but I very much participated two years ago when the matter was before a committee. I have taken this position on the matter of conduct because I am of the opinion that the member for Carleton East is abundantly correct in her view of the way in which judges have been functioning.

I was very pleased to have the opportunity to discuss three cases with a member of the Attorney General's staff to try to see the way

in which the British jurisprudence was functioning under its somewhat similar section. The case to which the member for Carleton East referred was to me a perfect example of just the way in which judges seem to approach this situation.

It's interesting that in the other two cases we discussed, where the conduct of the male spouse was discussed, one of them was a case where the conduct was determined to be a "gross repudiation of," within the meaning of their terminology. It was a case where he had battered his wife—smashed her hands so that she would not be able to work. That seems to me in rather marked contrast to the determination in the case of a wife who simply refused to move into the matrimonial home.

The other case where gross repudiation, I presume, would flow in Ontario as a result of this precedent was a case where a husband entered into an incestuous relationship with his daughter-in-law, and in fact drove the wife and his son out of the home while he continued that course of conduct. I would think it wouldn't take too much imagination to interpret that as a "gross repudiation" of something or other. The contrast, though, between the types of decisions in these cases I am afraid really does bear a great deal upon the way in which women review any conduct clause in our society today.

I think perhaps the case that we read about this morning, while it didn't relate to conduct, had a kind of approach to this woman that bothered me somewhat. I don't think two partners to a marriage should be able to contract the state's support into their agreement in any way, but it was the attitude of this judge in adjourning the matter which is a part of the general approach of the courts to this situation.

I do have to say that I have been asked by a number of women—the member for Carleton East will probably not agree, but there are a number of women who have been battered and who have asked that this kind of clause with some protection should be in the Act. Since that is on the increase and nobody is doing anything about it, it does cause me some concern.

I cannot understand why this particular clause should be needed under section 18. It was interesting to me when I was on the committee that the male members of my profession were the experts in this. They made their presentation and they didn't blush or feel any sense of shame that women had been driven to take this kind of position through fear because of their long-standing experience in the courts.

The women who appeared before the committee were put down as nothing experts. They weren't within the machinery of the Canadian Bar Association or anything else, so what they had to say on this subject was negligible. I regret, as it happened, the Attorney General was not able at that point to be present to hear what they had to say.

I don't know what the discussion was in the committee. In my view, as long as people have no confidence in the law—and it isn't just the judges—this is the problem. Women have no confidence in the legal profession basically in these cases before the court. I had one woman who is a battered wife. It took some 10 months even to get her husband out of the house where she was trying to protect her children, simply because the members of the bar don't take that particular situation seriously. And some of them grow up to be judges. That's the problem.

I've tried very hard to look at both sides of this particular question. Speaking personally, I have to support the amendment of the member for Carleton East.

Mr. G. Taylor: Might I speak briefly on this and to the Attorney General on this matter? I too might side with my colleagues on the opposite side of the House on this amendment, indeed to the point of deleting the section entirely, as the member for Carleton East had in her earlier motion. I look at this and it does not give to either party, male or female, anything but a penal section. I do not hope that our judges, either male or female, are the fount of all knowledge and that their prejudices come out in all their decision-making powers, but it does allow there for a penalty. Do you get \$2 for one punch or \$3 for four punches? Do we bring in some great tort lawyers, such as a Mr. Melvin Belli, to plead pain and suffering and who will ask a jury to be present and will expand upon what is going on here so that we can embellish our damages to the point that we will see large cases coming out of the matrimonial situation, where we get a large damage result rather than the ending of a marriage through means that would be socially acceptable to the legislation?

I look upon the entire section as maybe one of the most heinous sections in the Act when we are looking to the conduct of each party and seeing how it should measure up, seeing if we can put a dollar value on this life that has gone on before, of either party, be it male or female, to the ending of the relationship. When we look at the

Divorce Act, it has in there some words saying the conduct of the party should be looked at, but it doesn't get down to the conduct that is then amplified and modified by gross repudiation.

When I look at the wording of the section I don't know whether or not the parties can separate or end the relationship because it is a gross repudiation of the relationship. As the modification of that section looks to me, it just works out to a dollar value. When you are putting in an Act a section that determines the amount of dollars, I can see endless litigation and endless time used up in the courts and in the court system, particularly in the matrimonial situation, which is a hard enough situation, a difficult situation to litigate and put people through a court system anyway. To then work it out so that we can put dollar values on this relationship that is going asunder becomes a very difficult process, both for the participants, the litigants, and the judges involved.

So, Mr. Attorney General, if you can see your way clear to this amendment and if this side of the House can see its way clear, I would support my colleagues on the other side to delete that entire section. There is plenty in the earlier section of the Act to determine what should go between the spouses in a monetary matter without putting what can be categorized as a penal section into the Act.

Mr. Renwick: I would like to address my remarks specifically to the Attorney General. I was very heartened when the member for St. George said that she would support the amendment proposed by my colleague, the member for Carleton East. I had for one brief, fleeting moment thought that perhaps we were going to achieve what the member for Simcoe Centre and the member for St. George and the member for Carleton East have tried to indicate to the House is necessary. I'm going to try to add my still small voice to that particular argument.

I find the specific clause so offensive that it's difficult for me to marshal my thoughts about it and express them articulately in the English language. For once in my life I'm going to allow myself a brief personal allusion, because I have heard two or three times during the course of this debate from those people who are fortunate enough to have been happily and permanently married.

I want to address these remarks, because I very seldom do this. I want it clearly understood that neither in my own personal experience or in the experience I've had in

relationships with advising clients in similar circumstances—although it's not a specialty that I practise—I have never, ever seen a situation where you could impute conduct to one person that wasn't a response to the conduct of another person and vice versa.

Mrs. Campbell: Exactly.

Mr. Renwick: It is always that way. There is no such thing as a case of marital relationship where of the conduct it can be said that the one person is black and the other person is white. It just doesn't work that way. I'd say to the member for Ottawa East particularly, that's the real world—that's the real world.

Mr. Roy: You're wrong, you're wrong.

Mr. Renwick: I may use one example, because the two persons are no longer living, and I use this quite advisedly, because I'm upset about the fact that we have to talk in horror stories to make this understood. The woman was an alcoholic over a period of time. It would take Freud to have figured out whether the relationship was the cause of the alcoholism or not. There was no question that the person was an alcoholic.

The husband engaged in a course of conduct which to my mind was depraved: when he wanted to go away himself for a week he'd bring liquor into the house. When he wanted to be at home, he would prohibit any alcohol in the house. He had it very skilfully worked out as to how many bottles a day the wife could drink, so if he wanted to go away for a week he'd bring X number of bottles of liquor into the house.

Would you ask me how anybody can sort out whether the course of conduct of the wife would prohibit her from getting support in a situation where the husband was engaged in that kind of contribution to the very conduct which was going to be used to deny the support?

[11:15]

I want to make one other point. You may think this is pure logic, but it's not pure logic. In the English language that clause doesn't make sense, because the amount of support which is needed for the future has no bearing whatsoever on the conduct in the past. If there is a reduction in the amount of the support payment which would normally—

Mr. Deputy Chairman: Does the hon. member for Riverdale wish to continue?

Mr. Renwick: No. I will continue when I have the attention of the Attorney General. The amount of support which is required in the future has nothing to do with the conduct in the past. Therefore, if you reduce the

amount of support because of past conduct, somebody else is going to have to pick up the difference, be it the government through welfare assistance, or be it some other form of support. Somebody is going to have to make up the number of dollars required for that person to exist in our society. It is just that simple.

Do you allow one spouse to transfer a portion or all of that responsibility to the state or to somebody else and allow him, which is mainly the case, to escape the support obligation? I think we have to be tough. People make mistakes. There are marriages which flounder and are finished and over with. But that is tough. That doesn't eliminate the responsibility which in a civilized society we are trying to impose for the support for the future.

If you make a mistake, sure you have to pay somewhere. You can't transfer it to somebody else. That may sound very tough and very awkward and very difficult, but that is the way in which the real world should function because you are responsible for your own mistake in judgement. The marriage doesn't work out the way you want it to work out, but that shouldn't allow you to escape the obligation which you have accepted by entering into that arrangement.

I have a complete sense from listening to the discussion here that in a funny way the attitude of this assembly appears to be to support this clause, despite what the member for St. George said and despite what the member for Carleton East has said. It seems to me to reflect very clearly the very concerns which they expressed about the court system. Even the members of this assembly get to be judges one way or another. I think it reflects exactly the problem which is before us.

I want to make a further point. What the member for St. George said was so very clear. If there is one area of English law—that is, the law of Great Britain—that has no place in the Canadian scene it is their law related to family relationships. The divorce jurisdiction of those courts and the way it was handled over the years reinforce time and time again the points which have been made that that is a male-dominated society and, despite successive Labour governments, it still is.

The Attorney General knows that it was the courts of Great Britain that fastened the law of domicile on to divorce jurisdiction, that fastened the proposition that a woman had no separate domicile but had the domicile of her husband by the very act of marriage, which meant she could never sue in the

court for a divorce unless she could sue in the jurisdiction of the domicile of her husband. The Attorney General knows as well as I do the intricate legal measures that had to be revised through legislatures to overcome that particular judge-made rule. Flowing from that jurisdiction which came from the ecclesiastical courts there has been an acceptance of the proposition that the woman was an inferior partner in the marriage relationship and we are doing our very best in this bill to reverse many centuries of that kind of thinking.

I say to the Attorney General that to permit to be put into issue past conduct for the determining of the amount of money required for future needs without any clear avenue in the bill, if you insist on going this route, for the conduct of the other partner to be put into issue as well and have it all thrashed out, if that is what the government wants to happen in its family courts, then at least have it as a clear issue so that if on a support application it is intended by the respondent to put in issue the conduct of the applicant, the respondent has to so specifically state. The applicant can then state before the court one of the issues is the conduct matter and we will thrash out all of the two sides of the relationship before the courts.

Why do you want to impose on the courts with this kind of jurisdiction that kind of problem? What is the point in doing that? Why don't you simply say, "Past conduct has nothing to do with future needs. Sorry, it's tough. The only ameliorating provisions are the ones which are itemized in the items from (a) to (p)" and to (q) if that—well, no, that other amendment was passed—and those are the ameliorating circumstances? Let's not disrupt the whole of the conception of this subsection 5. Let's not disrupt the whole of the basic conception of it by throwing in at the tag end this proposition of past conduct.

I think it is an intolerable burden to put on those judges in those courts. It will not come up in a few cases, it will come up in many cases, because in the deterioration of a marital relationship between two people, much of which is in private, then you can be certain that someone will try to get off the support hook by calling in aid the past conduct of the other party, and the court will then have to make that decision. Perhaps the Attorney General would listen to his colleague, the member for Simcoe Centre, and agree that this amendment must be accepted by this assembly.

Mr. Sweeney: Mr. Chairman, I rise objecting to the amendment.

Mr. McClellan: Naturally.

Mr. Sweeney: I rise, in fact, to support leaving this clause in the bill and I would suggest to my colleague from Riverdale that it is really not so surprising that he senses the majority of members in this House, in fact, believe that such a clause should be in here. I would suggest to the member for Riverdale that, in fact, we are probably reflecting the mood of our society and that mood, that Jewdao-Christian tradition which moves our society.

Ms. Bryden: It's a double standard.

Mr. Sweeney: Whether some members like it or not—

Mr. McClellan: What we don't like is your sanctimonious hypocrisy.

Mr. Sweeney: —that particular tradition suggests—

Mr. Lawlor: Sweeney, you are living in the midst of gross paganism.

Mr. Deputy Chairman: Order.

Mr. Sweeney: —that people are responsible for the consequences of their actions. This has already been changed. It is clearly suggesting the words "so unconscionable" and "gross repudiation" and when such actually occurs then it must be taken into consideration. I must also disagree with the member for Riverdale that the situation is not always that both parties are equally responsible.

Mr. Renwick: Always.

Mr. Sweeney: I disagree with you, sir, I'm sorry.

Mr. Deputy Chairman: Order.

Mr. Renwick: On a point of order, I did not say that in all situations each party was equally responsible. I said it was impossible to determine whose conduct caused what conduct. You can't equate the matters.

Mr. Deputy Chairman: The member for Kitchener-Wilmot may continue.

Mr. McClellan: The court is not the confessional.

Mr. Sweeney: Thank you for the interpretation.

Mr. Roy: We listened to you. We didn't interrupt.

Mr. Sweeney: The point I would make is that there are sufficient examples where it is clear that one member of the marriage relationship has been seriously wounded by one other member and that factor must be considered. If this legislation is going to take the real situation and the real world into consideration, we cannot afford to leave this out.

Mr. Renwick: It has never been in it.

Ms. Bryden: I rise to support the amendment. I think it's one of the key amendments that is needed to make this bill operative in the true sense of the preamble, which is to bring the spouses into equality before the law. I welcome the support of the member for St. George and the member for Simcoe Centre. I hope they will persuade their colleagues, when the vote comes, to support it also.

Many of the women's organizations which appeared before the justice committee or which sent in submissions to the committee felt very strongly that the question of conduct should be deleted from the legislation. They felt that in applications for support the sole consideration should be the need of the applicant and the ability to pay of the other spouse. They have good support from a body of distinguished researchers in the law, namely, the Law Reform Commission of Canada, which recommended strongly that conduct should not be considered either in divorce actions or in awards for support.

I won't repeat all the arguments that have been made very eloquently by my colleagues, the member for Simcoe Centre and the member for St. George, but I would like to summarize what I think are the five reasons why this clause must be amended so that conduct is excluded.

The first thing is that the women's organizations particularly which appeared before us drew attention to the fact that the length of litigation in any support litigation was greatly increased because of the introduction of conduct and the bringing in of evidence about conduct. That means that the costs of such actions were also greatly increased. I think that that is a very strong reason for not including it and not adding to the judicial costs in this particular realm.

Secondly, we are moving to the no-fault concept in other fields. We now have no-fault divorce, if the spouses live apart for three years. We now have no fault auto insurance.

Mr. Roy: Not quite.

Ms. Bryden: We have that partly because it was felt that the difficulty of establishing fault for something that happened in, say, 60 seconds—

Mr. Roy: No, we don't have no-fault insurance.

Ms. Bryden:—and which may have been witnessed by a dozen people was still extremely difficult and that in some cases it was better to have the no-fault concept if we wished to see that justice was done.

In the case of marital relationships it is even more difficult to establish fault because, as my colleague from Riverdale has pointed out, conduct by one spouse is often a reaction to conduct by the other spouse. More important, it is impossible to establish a course of conduct that has been going on for many years and which has been going on in most cases behind closed doors without witnesses.

By asking a judge to determine conduct, we are asking him to take on the powers of God, to be all-knowing and all-observing. We are asking this Legislature to legislate an impossibility, to determine fault in a marital relationship, particularly one that has gone on for many years.

[11:30]

The third reason why we should exclude it is I think a humanitarian one; that is that bringing conduct into litigation for support means great embarrassment to the spouses. It can mean real pain and suffering. It can prevent the possibility of any future reconciliation or make it much more difficult. It can even prevent the possibility of a continuation of an amicable relationship between the separated spouses and, I think, it is very important that there should be an amicable relationship, particularly if children are involved.

The fourth reason—and I think it too is a very important one—is the double standard. We are putting blinkers on if we say that it longer exists—that the requirements for the morality of a woman are considered to be different from those for a man. Judges and lawyers as well, as the member for St. George pointed out, are still influenced by double-standard thinking. Therefore, in their arguments and in their decisions they will be influenced by the double standard.

The clause we hope to strike out has words that are capable of many interpretations. While other jurisdictions have similar words, none of them has an identical wording. Therefore I do not think we can argue that the interpretations that have been put on similar clauses in other jurisdictions will indicate what interpretations will be put on these words.

The fact is that the words are capable of many interpretations and they can be broadened to include a great many areas of conduct, not just the few extreme cases that some people talk about.

The fifth reason is I do not see why we should give to judges the power to award punishment for what happened in a marriage relationship. Punishment is something for the courts to impose when a law has been broken and, in the case that the member

for St. George cited, if somebody has been injured by the other spouse there are recourses in the law for compensation or for damages. To give a judge the power to award punishment for what has happened during a marriage is again to put him in a position of God, because he does not know in great detail what went on in those periods and he cannot bring enough witnesses before a court to establish it.

My final reason is that retention of the conduct clause in the bill means that the bill will discriminate against women, because they will be the applicants in 90 per cent of the cases and they will lose out if the conduct clause is invoked and is made to stick against them in any way. I think it is disgraceful, in a bill that purports to be bringing the spouses into equality before the law, to continue a clause that will discriminate against women.

We must, therefore, have a clear guideline to the judges that conduct is not to be considered. There are plenty of other guidelines there to guide the judges in producing what we hope will be justice between the spouses, but we will not achieve justice because of the reasons that I have just cited if we retain the present clause in the bill.

Mr. Roy: This question of conduct has been a concern of the members of the committee since the bill was introduced. We have discussed it in various forms, we have heard submissions from various groups. I recall it was exactly because of this concern when we first sat on the committee—what was it, a year or a year and a half ago?—that we asked the Attorney General to narrow the clause of conduct down. It appears to me that having done so—having narrowed it down to its present form—that we have gone about as far as we can go in responding to a piece of legislation which will be socially acceptable.

I've listened carefully to the different points of view that were brought forward. I'm pleased to see that when the member for Carleton East was bringing forward her amendment, she finally realized something. She made a comment which I thought was interesting.

When we talked earlier about certain amendments dealing with assets, there was posturing on the part of people on my left about how absolutely important all of this was. Then she made the comment that assets were not really that important. Finally we saw what it was all about, that assets were not all that important and that the importance was on conduct. I'm pleased to see

the member agrees that basically in our society all males are not millionaire chauvinists. That's not the case.

As I listened to the arguments being brought forward by certain members, there was an attempt to try to make a general rule out of an exception. We must be careful about that. First of all, from the way the amendment is phrased we're making it clear to the court that the conduct we were referring to generally in the old days—when they were saying that the courts were taking advantage of and were being unduly harsh on females; in the days when we were talking about dum casta clauses in separation agreements and things of this nature—is no longer a factor for these purposes. We are giving guidelines to the court.

I find it ironic that in attempting to make the rule out of the exception, we distort the whole situation out there. I've been criticized very often in talking about the real world. There is one and we've got to be aware of it.

Interjections.

Mr. Roy: Every time I say that I get my colleagues to my left excited because very often they are not living in the real world.

Mr. Bounsaal: It's a very unusual real world you live in.

Mr. Roy: Out there we're trying to have a piece of legislation which responds to a situation and will be acceptable to the majority in our society.

Interjections.

Mr. Roy: We have narrowed down the conduct provisions. I find it interesting that the member for Carleton East says: "If we leave that in, those male chauvinist judges are going to be jumping on us all the time to disentitle the female spouse." Then she says: "Take it out and then those wise judges"—all at once you take it out and then the judges become wise and experienced and no longer chauvinists.

Ms. Gigantes: Did I say that?

Mr. Deputy Chairman: The member for Carleton East.

Mr. Roy: Mr. Chairman—

Mr. Deputy Chairman: She has risen. I have to hear what she rises on before I can rule whether she is in order. On what point are you rising?

Ms. Gigantes: On a point of personal privilege, Mr. Chairman. I am being seriously misquoted by the member for Ottawa East. I did not use the phrase "male chauvinist."

Mr. Roy: I didn't quote her.

Ms. Gigantes: I did not use that phrase and I think it infringes on my personal privilege to have that attributed to me.

Mr. Roy: I didn't quote her.

Mr. Deputy Chairman: The member for Ottawa East may continue.

Mr. Roy: I would only say to the Chair that people on all sides have sat here and listened with graciousness to the comments made by all the members. I would appreciate the same discretion given to us.

Mr. Bradley: They have two sets of rules.

Mr. Roy: We're getting used to that. I was making the point that what basically the member for Carleton East was saying is that the courts cannot be trusted with section 18(6). But, if we take it out, according to the member for Carleton East, then the courts become all-wise and will look at other factors under section 18(5). They will disentitle, for instance, that alcoholic drunk who keeps beating up his wife. The point is this, once you take conduct out completely then the criterion for support, according to this section, is based basically just on need and capacity.

Ms. Gigantes: That's right.

Mr. Roy: There, she agrees with me. What it does invite, Mr. Chairman, is decisions by the court that are so unjust and so unconscionable that the law is made to look like an ass. That's basically what some of the points mean.

I was impressed with some of the things that the member for Riverdale said because he said them with sincerity. I agree with him, as one who has practised in the courts and has done family law. I agree with him, basically, that in most situations it's not black and white that the fault is entirely on one spouse or entirely on the other spouse, but I can say to my colleague from Riverdale that I have seen situations when, in fact, you can see the black and white.

In most cases it's the male spouse who is the villain in this, where you have some tolerance on the part of certain female spouses in this province and in this country which border on sanctity. There are those situations. We have to keep these things in mind, and surely this clause under conduct is meant to deal with situations that are unconscionable. That's the purpose of leaving the clause in.

The other factor that the members must consider—I can just see it happen—is that if we were to accept this amendment the legal profession would just simply turn around and the emphasis would be put on disregarding

this legislation for purposes of support and going into the realm of divorce under the Divorce Act where, in fact, conduct is a factor. As I understand it, and maybe the Attorney General can correct me, but once you proceed under the Divorce Act it supersedes this legislation. We're trying to put forward a piece of legislation here which we say is progressive, which has a certain amount of balance in it.

By making it so unreal we're inviting the legal profession and the public out there to disregard it and proceed under another statute, which I suggest to you is the Divorce Act, and we have no jurisdiction there. It's a federal statute. In fact, we're inviting people to use the Divorce Act to circumvent certain equitable provisions of this statute. I'm saying to you that we shouldn't do this. What I am saying is to accept this amendment borders, to a point, on inviting decisions that are so unjust and so unconscionable—

Ms. Gigantes: Have a little faith in your judges.

Mr. Roy: Have a little faith, the member for Carleton East says. I say, have a little faith and leave the section in. That's the way to have faith.

Ms. Gigantes: That much faith I don't have.

Mr. Roy: You can't have it both ways.

Ms. Gigantes: Neither can you.

Mr. Roy: The way the conduct provision is framed—and they get annoyed when I say in the real world, but there is a real world out there—

Interjections.

Mr. Deputy Chairman: Order.

Mr. Roy: —it's very much like the mental and physical cruelty aspects under the Divorce Act. There are very few instances—it's the exception—I don't have the statistics, but I would think that under the Divorce Act there wouldn't be more than one or two per cent of divorces under mental and physical cruelty where, in fact, the male is the petitioner. That is a clause that is beneficial to the female spouse more than it is to the male. I frankly think that the way we have framed this legislation is fair and that the people who would suffer the most by taking this section out would be the people the member for Carleton East is saying she is trying to protect, whose interests she says she is upholding. That's what frightens me about it, that where there appears to be on the surface some proper intent, some sincerity in trying to do something, the results are exactly the opposite. I say to you that we, and I hope

my colleagues agree with me on this, by and large are taking a responsible—

Ms. Gigantes: They will.

Mr. Roy:—approach and, by and large, by leaving it in we are saying that there is certain conduct. I hazard to guess, Mr. Chairman—I appear before the courts—that I can say judges lean more often in favour of the female spouse than the male spouse.

[11:45]

Ms. Gigantes: Oh, boy!

Mr. Roy: You just can't do, as one member has done, and refer to certain cases that she's read about a judge in England or about some judge who has made a comment about women of certain age. Surely to God that's the exception. We have thousands of judges in this province, male and female, who certainly don't have that approach. You can't make the exception. You can't say the whole judiciary is biased or male chauvinist or whatever because there happen to be certain misguided souls. You don't make the exception the rule.

We have faith in the judiciary, and I say that to accept the amendment by the member for Carleton East is to invite unconscionable decisions. We have more faith in the judiciary than she appears to have. We feel there are situations, especially situations affecting the female spouse, which will invite absolutely ludicrous decisions if we take that section out.

Mr. Bounsall: You'd love to be part of that judiciary.

Mr. Swart: Mr. Chairman, in the spirit of diversity which appears to exist within all caucuses here today—

Mr. Roy: Way to go, Mel.

Mr. Swart: Albert, you almost drove me to staying in my seat. Another speech, I think, perhaps would have.

Mr. Roy: At least you are consistent.

Mr. Lawlor: Sweeney would have been worse.

Mr. Swart: Especially the comment you made about my colleague from Carleton East, implying that she had said that assets were not important.

Mr. Roy: That is what she said.

Mr. Deputy Chairman: Order.

Mr. Swart: My interpretation of what she said—in fact, what she said—was they were extremely important but this was perhaps even more important.

Mr. Roy: You read Hansard.

Mr. Swart: I listened rather carefully to the debate, and I have to say that I am some-

what bothered about the debate that has taken place. I am a little concerned about the implications by some that the clause that we have before us under section 18(6) is a clause that provides inequality between the spouses or inequality between the male and female.

I think we would all agree that the original clause which was presented to the committee did provide some inequality where the conduct of the spouse requiring the support was the one that was to be considered. But it seems to me that a clause which reads, "The obligation to provide support for a spouse exists without regard to the conduct of either spouse, but the court may in determining the amount of support have regard to a course of conduct that is so unconscionable as to constitute an obvious and gross repudiation of the relationship," would apply equally to the one who would be applying for the support as well as the one who would be responsible for that support.

I am not a lawyer but it seems to me that interpretation is rather clear.

Mr. Lawlor: I agree with you.

Mr. Swart: I, too, am concerned about the court system, which I think over the years has shown some partiality to the male. I think that is disappearing. I hope it's disappearing. But I am not sure that legislation should be changed to take into account that partiality if any is there. It seems to me that it's the job of the Attorney General to see that there is no partiality, and it seems that is where the change be made. I wear a button which says, "50-50." I support that fully, and it seems to me that the clause which we have here is a 50-50 clause.

The second part of the debate that bothers me a bit is the discussion about conduct, which seems to imply that the conduct clause which is in there could be used in almost every case. Again, I am no expert in wording and no lawyer, but certainly it would be my intention, and I made some changes, and my interpretation of it now is that it would only be used in extreme cases. The English language, of course, is not exact, but when you say "a course of conduct that is so unconscionable as to constitute an obvious and gross repudiation of the relationship," it would seem to me that any reasonable judge would interpret that to mean only the very extreme cases.

I am particularly concerned about the discussion—and it was introduced by the member for Simcoe Centre (Mr. G. Taylor)—which said this clause was a "penal" clause, saying that it could penalize some person from getting the amount of money to which he or she

was entitled. I suggest there is another side to that coin, or that dollar, whatever the case may be, and that it could be a very great injustice perpetrated on an innocent party if you assess tremendous costs against that person for something which took place that was not primarily his or her fault or doing.

I know it is difficult to decide in these things where fault lies, but there is not one of us who doesn't know some case where you have a pretty strong opinion, a pretty justifiable strong opinion, about where the majority of the fault lies in a breakup. Certainly in the case of battered wives and other cases of extreme abuse, it seems to me that somehow or other in our assessment of penalties on moral grounds we should not apply those penalties against the innocent party.

The things that I have talked about here bother me somewhat. I feel that I as much as anyone else want to see fairness done between spouses when there is a marriage breakup. I want desperately to see that wives are treated in the courts, and because of the laws that we have, in the exact same way that husbands are treated. I desperately want to see justice done to both sides. In any marriage breakup there are injustices, but I guess it is because I feel there can be greater instances of injustices if the clause is removed than if it is retained, I feel there is merit in keeping that clause within this bill.

It is always a difficult position to be in when you are not in full accord, even in one instance, with the colleagues for whom you have so much respect, but in this instance I know of people to whom there would be a tremendous injustice and a tremendous hurt done if their conduct could never ever be considered in awarding support. I felt compelled to rise to make these comments here today, Mr. Chairman.

Mr. Bradley: The voice of reason.

Mr. Lawlor: I have two concerns in rising. One is that we have to have this legislation through by 1 o'clock today and therefore I will truncate my remarks. I intend to speak rather quickly from time to time in order to get on the record the few now hoary, worked-over, full of ordure, ideas that I have left on this subject.

Of course, I want to support my colleague in this particular clause. I have done so from the beginning and continue to do so. It seems to me that the repudiation of conduct in human relationships, particularly of this kind, necessarily imports a repudiation of responsibility. To claim that you can't segment these things out, it seems to me, is to claim that you can't operate in everyday life in a way

of trying to straighten out relationships or to even live with other human beings as to where the weight falls, et cetera. We do it all the time. It's part of maturity and it's part of growing up, et cetera.

I would make perhaps a distinction between no-fault divorce and support obligations under this kind of legislation. There is the inextricable skein of the marriage, et cetera, and if they want to cut the bond why then go into all the interminable interstices of who is at fault here or there? That's not quite the truth here.

If this clause were knocked out, as some of my colleagues wish to see it, would it not encourage—maybe that's too strong—a particular mode of conduct and a way of life which is the very thing, using this legislation, we want to rule out? If conduct has no bearing at all and need is the sole consideration, would not one of the spouses be subsidizing the questionable, to say the least, behaviour of the other? Wouldn't the other one feel quite free to engage in a range of activities which is quite blatant and thumb his or her nose at the whole operation of the courts? Doesn't the opposite and malefactive aspect come into play if the clause remains? It seems to me that it does.

Secondly, as my colleague points out, there is a reciprocity in the clause. If the offending spouse, let us say, is the husband, it's not a penal clause at all, but it's penal to this extent, that exemplary or punitive damages might be levied against for a particular exacerbation of the relationship. There are circumstances in ordinary life where the mode of sexual conduct is so blatant and so heinous and so prolonged, and there are instances where the cruelty as between spouses is of such a kind that it has to be taken into cognizance in trying to weigh any just decision in the matter. That goes without saying.

To swing the opposite way because of abuses, because of an inherent tendency, particularly in English law—I don't think it's as prevalent here or in the United States by any means; the British superior court judges have something of a reputation for this—that's disappearing and will disappear.

I'm anxious to bring this debate to a close. We've said, I think, in the past everything we can possibly say about it so I'll sit down.

[12:00]

Mr. Bounsall: I rise in support of the amendment by my colleague from Carleton East, and in so doing I wish to say that I listened with great interest to the remarks of the member for Simcoe Centre and the member for St. George in support of our

position in the deletion of conduct from the bill.

I must admit to the House that I do not, and cannot, get quite as emotionally involved in this one as I have over the division of assets, which I find to be completely and totally offensive as it now rests—which is a good thing, I think, for my presentation—but I certainly feel very strongly that this should be omitted.

I know the Attorney General, in defence of the case, has always given the extreme example of the professional woman who should be relieved of any obligation to support her ne'er-do-well, probably alcoholic husband, who beats her at every opportunity; that being the most extreme case one can think of.

My colleague, the member for Carleton East, is exactly correct when she points out that this type of situation is fully covered in section 18(5) of the bill and in several other clauses, in particular in clause (g) which reads: "The measures available for the dependant to become financially independent and the length of time and cost involved to enable the dependant to take such measures . . ."

Section 18(5)(g) would allow a professional woman before the courts to get, after a period of time, the alleviation of any support if the husband, as a ne'er-do-well, has not taken the appropriate steps as required by this bill to take his obligations into account, to become financially independent and to take and grasp those measures which are available and at hand for him to do so. Section 18(5)(g) is perfectly adequate in most cases to account for the most extreme horror story which the Attorney General brings forward.

I must say, in terms of what sort of real world people live in, that I am confident in this regard that the Attorney General does live in a more real world than does the member for Ottawa East. I don't know what kind of real world he lives in, but I am sure it is not the real world that most people live in; however, it is a shade more real than the member for Kitchener-Wilmot lives in, which, as far as I can see from his remarks, is certainly a very convoluted, restrictive and restricting world.

Reality is how one has perceived it and how one experiences it, but the totality of real world experiences of the colleagues in this party certainly does not fit with the real world experiences as outlined by the member for Kitchener-Wilmot or the member for Ottawa East.

Mr. Bradley: He got under your skin, didn't he?

Mr. Bounsall: I might just say that I have never been convinced in this clause that, in fact, we have limited the course of conduct or the conduct by which the courts may consider this matter when it is brought before them. Therefore, in that regard, by leaving this section in the bill we are going to ensure that when the support considerations come up before the courts in any divorce where there is any bitterness or any minutiae of contest, all the arguments are going to be dragged forward.

As a member of the committee, I insisted in mid-January that there be provided to us those 10 case law histories on which the British law is based and from which the phrase "obvious and gross repudiation" comes. I have read in detail, and carefully, all of those cases. I would just like to make very short reference to two of them.

In the one, *Trippus vs. Trippus*, where the husband and wife were married for 16 years, what then occurred was a period of 11 years in which they drifted in and out of the marriage. They were apart for various periods and back together and apart again and finally after 27 years of being formally married they separated. Of course, a divorce action by the husband was launched and a counter-divorce suit launched by the wife back in 1970. Finally, a decision came down by the judges in the matter and in January 1972 the husband, Ron Trippus, appealed the decision that the judge was wrong in law in his proceeding, in his erroneous view that the wife's adultery should not be taken into account.

What happened after the 27 years is that the wife went to live with a married man. The husband thereafter formed an association with a woman, a woman whom he intended to marry once the divorce action took place. The wife had not made up her mind whether she would marry the man with whom she was living. The husband had appealed the decision of the judge that the wife's adultery should not be taken into account and the case proceeded before the court of appeal—Lord Denning, Mr. Phillimore and Mr. Scarman—and after due consideration, in February 1973, the first proceeding before the courts having taken place in 1970,—

Hon. Mr. Davis: He wants his QC.

Mr. Foulds: He deserves one.

Mr. Bounsall: —the decision came down—and I quote from the decision: "Where it is clear that conduct does not play a significant part, it seems to me wrong to load the court

with affidavits about ancient or modern discontents. A better use of the court's time and of counsel's and solicitors' time would be to concentrate on what really matters, namely, the financial position of the family."

We are trusting to luck here in this province by leaving the conduct section of this bill in; that, based on the decision of this court, none of these cases based upon adultery only will find their way into the court system. But I expect we will find the conduct argued interminably before our courts, as these appeal court judges have found.

We will, in fact, have before our courts affidavits about ancient and modern discontents and courses of behaviour, and will be looking through those affidavits rather than concentrating on what really matters—and that is the financial position of the family and the statements as outlined in clause 15 of the Act before us, which should be the only operative part of this support section, in that the spouse has the obligation to provide the support—if that spouse has the means—in accordance with the need of the other one.

That is what should be operative and it should not be modified at all by any conduct section allowed in this bill. The Attorney General could have made the conduct section somewhat better and could have remedied this if he had added after "course of conduct" the phrase "before the separation took place." Because, of course, what this conduct section allows for—if I may give what would be a reasonable example—is of one spouse before the separation having lived a life with the spouse in which on the first spouse's part there was no course of conduct that could be argued under this conduct section of the clause.

A separation takes place but there are now some months or even years before the divorce takes place. In the course of that time, if the spouse whose behaviour up to this point was exemplary, went out and over those months or over those years went to live with someone else, that could then be argued by the spouse providing the support that indeed a course of conduct was now set up which constituted "a gross repudiation" of that marriage relationship which they are still in, because a divorce has not taken place.

So what this clause means is that between the time of the separation and the time of the divorce, there must not be any course of conduct on the part of either that would be a repudiation of that marriage relationship which by law they still have, but which by law they have not yet severed by a divorce. That could be cleared up by making it very clear in this conduct section that we're re-

referring to a course of conduct before the separation took place, but the Attorney General and his staff have chosen not to so limit it.

They have therefore invited, before the courts of Ontario, repeated applications on the part of one or both spouses for a new determination of the amount of support based on the conduct of the spouses who have separated. This is because the conduct since the separation can be called a course of conduct which repudiates that marriage relationship which in law still exists and for which the support is asked.

Mr. Stong: No, that would be turfed out. Any right-thinking judge would turf that out.

Mr. Bounsall: I'm saying that the judge may well turf it out. The point is the courts are going to be loaded down with applications, because this section allows for it. If you don't believe this is going to happen, then you do not live in the real world of what is going to find its way before the courts of the province with respect to courses of conduct set up after the separation has occurred but before the divorce action has been finalized. But of course that would be only another small improvement in a section in which there have been improvement attempts made, but as far as I can see leaves everything wide open before the courts.

The second case of the British law that I wanted to refer to was, of course, the case of *West vs. West*. It was finally decided in 1976 and has been briefly referred to by my colleague from Carleton East. It is the case where the husband and wife were married and the wife continued to live in the home of her parents. The husband could never find a house in a location in which the wife chose to live. He could find suitable houses in locations where the wife wouldn't live, but in locations where she would be agreeable to live, he could not find a suitable house. Finally, the husband went out and bought a house anyway, moved into it and said, "Move in." That house location was not acceptable to her as far as the house was concerned. I gather the location was all right, but it was the house itself that wasn't. She continued to live with her parents.

What took place thereafter, over the course of the next couple of years, was that the husband spent every weekend with her at the home of her parents, they proceeded to have one child and in fact they took all their vacations together and so on. But the refusal of the wife to move into the house which the husband provided was found to be a "gross repudiation of the marital relationship."

The point I want to make here is that this case, used as part of the case history, will allow all sorts of cases to come before the judges in the province as a gross repudiation of the relationship. It applies, in particular, I could see, to members of the provincial Parliament who came from ridings outside of the city of Toronto, where we are away from our respective residences for four to five days of the week. Based on this case of West versus West, should a divorce or a separation come up in our family situations, this case could be argued as the one which would provide the gross repudiation of our marriage relationship.

Hon. Mr. Davis: But never in your case, Ted.

Mr. Bounsall: Let me tell you what happens in my case—

Hon. Mr. Davis: It's an hour's flight to Windsor.

Mr. Bounsall: But not always at convenient times, I might point out to the Premier.

Hon. Mr. Davis: Oh, I know you. You can find a convenient time anytime.

[12:15]

Mr. Bounsall: Not always when I am needed or required. I have had in my own situation, my spouse, Joanne, phone me up from Windsor and say, "I have a very important constituency case which demands your immediate and emergency attention at the moment." The case which she refers to, as the constituent needing the great help, is the fact that she, Joanne Bounsall, is in desperate need of having the backyard grass cut immediately, and will I please see to that, as an MPP on behalf of a constituent of the riding.

Hon. Mr. Davis: So you go home and cut the grass.

Mr. Bounsall: I usually wait till the week-end. She wants to ensure that that constituent need is taken care of. Under those kinds of needs and under those kinds of situations that arise, in particular for out-of-town MPPS, as the case of West vs. West exemplifies, it is that kind of allowance, which was allowed by the way, which under obvious and gross repudiation can very easily be argued in the case of an MPP from out of town. I do not fear this argument ever being placed in my case.

Hon. Mr. Davis: I don't ever expect to see Bounsall vs. Bounsall in the reports.

Mr. Bounsall: Should there ever be a time in which a separation or divorce occurs in this particular Bounsall family, it will be an amicable one. It will not be one which

has to find a way into courts, except for the final formalities which one needs to go through. At least, this would be the hope. There certainly would be no problem in the equal 50-50 split of all assets acquired since marriage between the two of us and our family. This is the understanding between us which we have not felt the need to commit to paper. If there is ever a need on the part of my wife to see this committed to paper, there would be no problem in my saying that the asset split as we have proposed in our amendments to this bill in fact be that asset split which occurs between my wife and myself in the unfortunate event that that should occur.

Mr. Nixon: You could make a special agreement with your wife on that.

Mr. Roy: You would act as your own counsel?

Mr. Bounsall: Actually, I would feel much more confident acting as my own counsel than ever to have you acting as my counsel.

Mr. Roy: Then you would have a fool for a client.

Mr. Bounsall: If there ever was a disagreement between my wife and myself and I surely wanted to win my point, I would counsel my wife to take as her counsel the member for Ottawa East. Then I would be in a sure and winning situation.

Ms. Gigantes: You would never do that surely.

Mr. Bounsall: It would be such a vicious move on my part to do to my wife that really in all fairness I would not allow that to occur in her own interests and the interests of my children subsequently.

I will conclude by saying it is completely unconscionable for members of this House to allow this conduct section of this bill as it regards support to remain in this bill. It should be removed and I appeal to all fair-thinking members of the House to follow the lead of the member for St. George and the member for Simcoe Centre in ensuring that this clause is deleted from this bill.

Mr. Nixon: Let's vote on it.

Mr. Chairman: Those in favour of the amendment will please say "aye."

Those opposed will please say "nay."

In my opinion the "nays" have it.

I declare the amendment defeated.

Mr. MacBeth: What happened to all the NDP?

Mr. Chairman: Hon. Mr. McMurtry moves that section 19(1)(g) of the bill be struck out and the following substituted therefor:

“(g) the payment to an agency referred to in subsection 3 of section 18 of any amount in reimbursement for a benefit or assistance referred to therein, including an amount in reimbursement for such benefit or assistance provided before the date of the order.”

Hon. Mr. McMurtry: Mr. Chairman, this amendment is complementary to the amendment we have already passed in section 18(3). The proposed amendment makes it clear that the ministry or municipality may claim reimbursement of family benefits or welfare but no other kinds of assistance provided. As I say, it's a complementary amendment to achieve that end.

Motion agreed to.

Section 19, as amended, agreed to.

Sections 20 to 23, inclusive, agreed to.

On section 24:

Mr. Chairman: Hon. Mr. McMurtry moves that section 24 of the bill be amended by striking out “the respondent or debtor is about to leave Ontario” in the third and fourth lines and inserting in lieu thereof “the attendance of the respondent or debtor is necessary and it appears that the respondent or debtor is about to leave Ontario in an attempt to evade the obligation to provide support.”

Hon. Mr. McMurtry: The proposed amendment, Mr. Chairman, is to define the conditions under which a court may order the arrest of the respondent or debtor who is about to leave the province. The existing section as it presently stands really incorporates an existing section of the Deserted Wives' and Children's Maintenance Act, which contains no limits whatsoever on the court's discretion to arrest. Our proposed amendment really is in response to a request from the Ontario branch of the Canadian Bar Association to provide some limits on the discretion of the court to order the arrest of the respondent or debtor on a support obligation.

It's felt that the power of arrest should be used sparingly and with some guidelines. Otherwise, it could be abused if it were left in its present form and I think this proposed amendment clearly states the intent of the discretion; otherwise, somebody could perhaps approach a justice of the peace and seek an order or warrant to be issued when the matter really has very little to do with any concern with respect to the respondent or debtor leaving the jurisdiction.

Mr. Bounsall: I have just one concern about this, and I assure the Attorney General that under this section I will not go through my other worries and concerns about all those

people who have in fact already fled Ontario into the United States, about how one can at least prevent the application of those persons for landed immigrant status in the United States rather than work permits which they operate from and which allow them to flee to one of the other 37 states with which we do not have reciprocal agreements. We now have or are about to have agreements with 13 states shortly.

I will not go into my arguments there. My concern is that you have the word “and” here. You have added the phrase “the attendance of the respondent or debtor is necessary and”. I would be happy, I suppose, with an “or” there. With the “and” it implies to me that not only do you have the consideration of the debtor leaving Ontario, but in addition you have to have that person in both categories; not only about to leave Ontario but also require his or her attendance. I think that is an additional burden added to the consideration about whether they're about to leave Ontario, although I don't see it as harmful as it sits by itself, to link the two of them together by the “and” requires that both considerations be taken into account. I gather that a court could, in fact, allow a judgement in his absence if the respondent or debtor does not appear in court, because he has not taken the time nor trouble to appear. So what is key is whether or not they're about to leave Ontario to try to avoid the whole obligation, rather than whether or not he is present or not for the hearing. With the “and” added there, it sounds as if you would have to consider both; you're about to leave and you must appear. So if the Attorney General would insert an “or” instead of an “and” I would be quite happy with that amendment. The amendment would be okay with me, but not with the “and” there.

Hon. Mr. McMurtry: With respect, I don't see how you can look at them separately, because I don't see why the court would want to order the arrest of the person unless his attendance is necessary. For example, if the attendance of the person is not necessary and they're going to leave the jurisdiction I have difficulty in seeing the need for the warrant for the arrest, so I really see the two as being tied together.

Mr. Bounsall: Could I just perhaps state my concern? If in the case of a husband who is living in Ontario and who has had decisions from the court requiring him to pay support—that's already taken place—the evidence now comes forward that he is setting up a business in Chicago, Illinois—

Mrs. Campbell: Make it Quebec; that's not a very good example.

Mr. Bounsall: —he's made an application as a landed immigrant to the United States and the business is being set up in Chicago, in Illinois, which state has consistently refused to enter into a reciprocal agreement for alimony and child support with the province of Ontario. So the move there is certainly a move simply to evade the obligation to provide support.

I can see where, as one of the moves to make the evasion of support more difficult, a warrant for his arrest might be appropriate to let him know that the attempt to evade support by moving to Chicago, Illinois, has been noted as a move specifically to evade the obligations of his support.

He would not be obligated to appear in court. The court-ordered support payments in Ontario have been made; he is already making those payments and will be making them as long as he is in Ontario, but his going to Chicago, Illinois, of course, will result in no payments being made whatsoever.

Hon. Mr. McMurtry: If I may just briefly respond. Then, of course, his attendance would be necessary before the court in order to enforce the orders that wouldn't be enforceable in Illinois. I think it's just an illustration that you can't separate the two, because in the illustration you just gave, his attendance would be necessary before the court to enforce the law.

Mr. Lawlor: I'm inclined to agree with the Attorney General on that.

I have another point that I would like to bring to your attention. The bar, in order to correct one error, emasculates, in my opinion, the position of the court completely. If you read the second part: ". . . and it appears that the respondent or debtor is about to leave Ontario in an attempt to evade the obligation . . ." that imports what is known in criminal law as mens rea or some kind of intention. How is a judge, in issuing a warrant, to know whether or not he's leaving Ontario for that particular purpose or for 100 other reasons, et cetera? How is it to be established that this is an attempt to evade? That can be strenuously argued by counsel seeking to resist the prevention of his leaving the province under that particular head.

[12:30]

My feeling about the matter, pending what the Attorney General has to say in reply, is that you should leave the clause alone just as it is. It simply says, as things stand, there is no intention that the respondent is about to leave Ontario. One of the impacts of his

doing so is going to deprive a spouse in this province of a legitimate support obligation.

Hon. Mr. McMurtry: It may be that the person is about to leave Ontario for an entirely legitimate reason and it has nothing to do with respect to avoiding the obligation. I think in those circumstances it would be quite wrong to issue a warrant for a person's arrest. Surely there can be other reasons for people leaving the province that are unrelated to a desire to avoid this obligation. I think this is the concern.

Mr. Lawlor: And the claim would be that those reasons were operative in each instance.

Mrs. Campbell: I must agree with my friend from Lakeshore. It seems to me that when you are discussing the issue on civil warrants, it is going to be difficult to ascertain basically why a person is leaving in any kind of material evidentiary terms. I am concerned about that, because I suppose if a court is aware of a course of conduct that would be clear cut—

Hon. Mr. McMurtry: Mr. Chairman, if it's the request of the justice critics of the Liberal and NDP parties to withdraw the amendment, I will withdraw it. I didn't mean to cut off the member for St. George, but I think the bar association has a legitimate area of concern. I am quite prepared to communicate to them that this proposed amendment was not acceptable to my distinguished colleagues, the justice critics of the other two parties. So be it.

Mr. Chairman: Do I take it that the hon. minister is withdrawing the amendment?

Hon. Mr. McMurtry: Yes.

Section 24 agreed to.

Sections 25 to 39, inclusive, agreed to.

On section 40:

Mr. Chairman: Ms. Bryden moves that section 40 be amended by the addition of a new subsection:

"3. Where premises are the matrimonial home of two spouses and only one of the spouses is registered as the owner of the premises, the other spouse is deemed to be and is entitled to be registered as a joint owner thereof."

Hon. Mr. McMurtry: Do we have a copy of this?

Ms. Bryden: Mr. Chairman, I submitted copies to the House leaders of all the parties, as well as the—

Mr. Chairman: I would hope that the member could supply other copies to the parties concerned.

Ms. Bryden: The bill as it stands now provides that both spouses have possessory rights to the matrimonial home regardless of whose name it is registered in. On marriage breakup, either spouse can seek a court order for possession. The bill will also make it impossible for one spouse to sell or mortgage the family home without the written consent of the other spouse.

Mr. Roy: You can't now under that section.

Ms. Bryden: Under the present law, I agree, under dower, you can't. So in effect there is no advance in that. I am just summarizing what the bill does about the family home.

In addition, the matrimonial home under this bill will be subject to 50-50 sharing on marriage breakup under section 4.

These provisions, particularly the last one and the possessory rights one, are important additions to the rights of the spouses. But they confer only a deferred right, which happens on marriage break-up. Yet in most cases the acquisition of the home during marriage is the result of regular mortgage payments, in many cases made out of the earnings of both spouses and sometimes out of the earnings of one spouse who is enabled to go out and earn because the other undertakes the bulk of the responsibility for child care and household management.

Since they are purchasing the asset by their joint efforts during their marriage in many cases, either spouse should have the right to ask for immediate vesting in them of his or her right to co-ownership. This kind of provision was in the Manitoba Marital Property Act, which was passed by the previous Manitoba government and which has not yet been repealed, but has only been set in abeyance by the present government while they study the matter.

A considerable number of the briefs submitted to the justice committee asked that the bill follow the Manitoba pattern and establish immediate co-ownership of the matrimonial home for all couples. I would like to point out that the clause is not mandatory, it is permissive. It does not require the immediate vesting of the house in both names unless one or the other spouse requests it. It makes it possible, however.

The main arguments I have heard against this kind of an amendment is that it will prevent a spouse—in most cases a husband in business—from escaping his creditors by putting his home in his wife's name. I submit this is a red herring. In the first place, the number of spouses who are in unincorporated businesses which are likely to go

bankrupt are very few. For those who are, there is still the option of incorporation and there is also the permissive nature of this amendment. They can still leave the house in the name of one spouse or the other if they so wish as a joint decision.

If we accept this particular red herring as the main reason for rejecting this motion, we are legislating against the interests of the vast majority of spouses in the mistaken notion—and it is mistaken, as I have just pointed out—that we are protecting the tiny group of people operating unincorporated, risky businesses who may wish to have the house in one name only.

Mr. Roy: She is really up on business.

Mr. Martel: She really understands her law.

Ms. Bryden: By not establishing the right to immediate co-ownership of the matrimonial home, we are in effect denying full recognition of the 50-50 sharing principle in the bill, which is written into section 4. The principal family asset for most families is the home. If we do not provide immediate co-ownership, we are not really giving the vast majority of the women of this province anything by this bill except a deferred right.

What is even more important is that we are denying this right to spouses who happen to have their marriage end because of the death of one of them. We have already rejected amendments which would extend the operation of this bill to marriages which end in the death of one spouse. Therefore, it is even more important that we make sure that the vesting of the co-ownership happen during the marriage, rather than just on marriage breakup. Otherwise, we are continuing what I have pointed out is a discrimination in the Act against two classes of spouses: those whose marriage ends on death and those whose marriage ends on breakup.

In addition, this amendment confers, in my opinion, a significant psychological advantage on the non-owning spouse. It means that if there are negotiations regarding the house—placing a new mortgage on it or putting it up as collateral or something of that sort—both spouses participate in those negotiations as equal owners. It's true that the one spouse has a deferred ownership right, but I think the psychological situation of participating as equal owners makes them much more able to participate in any negotiations on an equal basis, and with both their voices heard.

Therefore, for those reasons, I think we should make this change in the Act. I point out it is only a permissive change, but it will

greatly enhance the sense that the bill is going to give something to the vast majority of the women of this province in recognition of their rights.

Mr. Chairman: If there is no further discussion, all those in favour of this amendment will say "aye."

All those opposed will say "nay."

In my opinion, the nays have it.

Amendment stacked.

Mr. Chairman: Are there any other sections on which anyone wishes to make comments?

Hon. Mr. McMurtry: Section 57.

Mr. Roy: Just before we get to section 57 I must make my usual diatribe; it's in relation to section 50.

Sections 41 to 48, inclusive, agreed to.

On section 50:

Mr. Roy: I won't move any amendments, because I've discussed this in justice committee. I did not receive sufficient support, and I'll not take up the time of the committee on this. I would only say that in my view, in relation to section 50, we shouldn't permit cohabitation agreements. I've made the argument fully in the justice committee and in my personal opinion this is going to be extremely misleading to the spouses in this province, in the sense that they feel that they'll have a certain amount of security within a common-law relationship but in a sense they will not.

You know my views about giving any status or legislative approval to common-law relationships, especially when there are no children. The common-law spouses by and large are not interested in it; and I should express my views on that.

Mr. Chairman: With all the paper on my desk, I missed section 49. I believe there is an amendment to it.

On section 49:

Mr. Chairman: Hon. Mr. McMurtry moves that subsection 2 of section 49 of the bill be amended by striking out all after clause (b) and by adding thereto the following clause: "(c) a proceeding to determine the rights as between spouses in respect of property has been commenced or adjudicated before this part comes into force."

Hon. Mr. McMurtry: This is to make the application of Part III of the legislation consistent with that of Part I under the new section 12(c), so it would apply to all matters whether adjudicated upon or not.

Mr. Roy: If I might just make this point and ask for the guidance of the Attorney

General: as you recall, under section 12 we moved a similar amendment, but the part that bothers me again is the question of adjudication.

Mrs. Campbell: You can't go back.

Mr. Roy: No, but I want to express my views on that.

Mr. Lawlor: There's a limited time, you know.

Mr. Roy: Listen to who's talking about time.

Mr. Cassidy: The women of this province are talking about time.

Mr. Chairman: Would the hon. member direct his comments to the amendment?

Mr. Roy: What bothers me is that in relation to the matrimonial home, let's say there has been adjudication, would the prescription period apply, for instance, if the adjudication had taken place six years ago or something? I can see a situation where a disposal adjudication has been made to the matrimonial home where it's been under, let's say, the Partition Act, it's been divided up five, six, 10 years ago, and in fact the spouses are not yet divorced; would it then be open to one or other spouse to come back after that period of time or would the prescription period then be a factor? I am talking about the general prescription period of six years under the Limitations Act? Would that be the only prescribing element when we are talking about this Act applying even to cases where there has been previous adjudication? [12:45]

Hon. Mr. McMurtry: As I understand it we were providing a new cause of action in this Act, and all persons would have the right to take advantage, if that happens to be the case, of this new cause of action. So I don't think you are really talking about adjudication on an old cause of action, you are talking about an entirely new cause of action.

Mr. Roy: Just to make the point clear. Theoretically, there could have been adjudication 10 years ago in relation to a property, in which the property disposed of is in the hands of somebody else. We are coming in with a new cause of action in which we are giving a new right. I just want to make sure we know exactly what we are getting into; I have a concern about going backwards, which may well cause real hardships in some cases.

Motion agreed to.

Section 49, as amended, agreed to.

Sections 51 to 56, inclusive, agreed to.

On section 57:

Mr. Chairman: Hon. Mr. McMurtry moved that clause (c) of section 57 of the bill be amended by inserting after "provision" in the first line "in a marriage contract or cohabitation agreement".

Hon. Mr. McMurtry: Mr. Chairman, the proposed amendment is relating to the provision invalidating clause for custody or of access to children in foreign domestic contracts. We wish to amend this to confine its applications to marriage contracts or cohabitation agreements, as is the case with Ontario contracts. In other words, we would like to have clauses in Ontario separation agreements applicable outside the jurisdiction.

Mr. Bounsall: Very good.

Motion agreed to.

Section 57, as amended, agreed to.

Sections 58 and 59 agreed to.

On section 60:

Mr. Chairman: Hon. Mr. McMurtry moved that section 60 of the bill be amended by renumbering subsections (2) and (3) as (3) and (4), and by adding thereto the following subsection:

"(2) The damages recoverable in a claim under subsection (1) may include; (a) actual out of pocket expenses reasonably incurred for the benefit of the injured person; (b) a reasonable allowance for travel expenses actually incurred in visiting the injured person during his treatment or recovery; (c) where as a result of the injury the claimant provides nursing, housekeeping or other services for the person injured a reasonable allowance for loss of income or the value of services; (d) an amount to compensate for the loss of guidance, care and companionship that the claimant might reasonably have expected to receive from the injured person if the injury had not occurred."

Hon. Mr. McMurtry: Hopefully, the amendment is clear, to give the courts guidance as to the kinds of damages recoverable in a new action for a non-fatal injury. And also I want to emphasize that the list is not exclusive.

Mr. Roy: Might I just get this clarification from the Attorney General? Did you feel that the present guidelines that the courts are following, through jurisprudence and whatever in relation to property, general damages and this type of thing, was not adequate in dealing with this situation?

Hon. Mr. McMurtry: In discussions with members of the practising bar it was felt, because we really are creating a new course of action, it would be helpful to have these guidelines.

Mr. Chairman: Shall the amendment carry?

Motion agreed to.

Section 60, as amended, agreed to.

Sections 61 to 79, inclusive, agreed to.

On section 80:

Mr. Chairman: Hon. Mr. McMurtry moved that clause (a) of subsection 2 of section 80 of the bill be struck out and the following substituted therefore: "(a) section 16."

Motion agreed to.

Hon. Mr. McMurtry: It was a typographical error.

Section 80, as amended, agreed to.

On section 81:

Mr. Chairman: Hon. Mr. McMurtry moved that section 81 of the bill be amended by adding thereto the following subsection: "(3) Section 118 of the said bill as amended by the Statutes of Ontario 1975, Chapter 30, section 7 is amended by striking out 'alimony or for the maintenance or custody of children is joined with' in the amendment of 1975 and inserting in lieu thereof 'other relief is joined in.'"

Motion agreed to.

Section 81, as amended, agreed to.

Section 82 agreed to.

On section 83:

Mr. Chairman: Hon. Mr. McMurtry moved that section 83 of the bill be amended by striking out "5 and 8" in the first line and inserting in lieu thereof "and 5, subsection 6 of section 6 and section 8."

Motion agreed to.

Section 83, as amended, agreed to.

Mr. Chairman: Any further comments on any section?

Mr. Roy: I would like to speak to section 84.

On section 84:

Mr. Roy: Mr. Chairman, I just want to address these comments to the Attorney General.

If, of course, section 17 is retained in the bill, it would make sense that we agree with section 84. If, for instance, the amendment that has been proposed to section 17 was accepted would you retain section 84 and

get rid of the Parents' Maintenance Act completely?

Hon. Mr. McMurtry: I think if it is the will of the House to remove section 17 that we really should leave section 84 in the bill because it would reflect the mood either way.

Mrs. Campbell: Exactly.

Mr. Roy: Okay.

Sections 84 to 91, inclusive, agreed to.

On section 92:

Mr. Bounsall: I don't really speak to the substance of section 92 at this point, Mr. Chairman, although there are some other names for this bill which do occur to me, in the form in which we still have it before us. I won't bore the House with the fantasies and the nightmares I have about this bill and what the test in that name should provide, except that I want to say at this point in the bill that a communication given to me by the Clerk of the House indicated that the proper place to discuss the preamble is, in fact, after all the clauses of the bill have been considered.

Because of the shortness of time I don't intend to enter into a debate on the preamble. We covered that extensively in committee. I will say that if time permitted I would have been inclined to add an amendment to the preamble which would indicate what marriage should be while marriage is in progress. This is the very thing included and outlined in the marriage contracts common in the country of Sweden. It comprises the very statements which the member for Riverdale (Mr. Renwick) introduced into this House at the time of the debate on my private member's bill back in 1975.

I will not introduce that amendment because of shortness of time, but what is lacking in this bill dealing with family law reform and matrimonial relationships and which should be, preferably, in the preamble, is an expression of the obligations of the spouses during marriage.

Hon. Mr. McMurtry: Mr. Chairman, I'd just like to express my appreciation to all members of the House, regardless of the outcome of the votes, with the very responsible manner in which they have gone about their task of shaping and bringing into being this very important legislation.

Mr. Chairman: Shall section 92 stand as part of the bill?

Section 92 agreed to.

Mr. Chairman: There are a number of amendments before the committee. It was agreed that they'd be stacked. I'd like to re-

mind the members of the committee that there will be a 10-minute bell.

Mr. Chairman: Order. The first amendment before the committee:

Mr. Swart moved that section 3(b)(i) be deleted and the following substituted therefor:

"(i) Money held by one or both spouses in any account with a chartered bank, savings office, credit union, or trust company, if such money was acquired during marriage or as a result of appreciation during marriage of money held prior to marriage."

The committee divided on Mr. Swart's amendment to section 3(b)(i) which was negated on the following vote:

Ayes 25; nays 54.

Mr. Chairman: The next amendment: moved by Mr. Swart that a new section 3(b)(ii) be substituted.

Mr. Renwick: We are very interested in the record and we would appreciate it, Mr. Chairman, if you would read each of the amendments as they're called in full.

Mr. Nixon: They're going to punish us for being right.

Mr. Chairman: Order. Mr. Swart moved that a new section 3(b)(ii) be substituted and the present subclause 2 and subsequent subclauses be renumbered accordingly:

"(ii) Shares in a corporation and bonds owned by one or both spouses for investment purposes during marriage and the accrued appreciation during marriage of shares and bonds acquired by one or both spouses for investment purposes prior to the marriage."

The committee divided on Mr. Swart's amendment to section 3(b)(ii), which was negated on the same vote.

Mr. Chairman: Mr. Swart moved that a new section 3(b)(iii) be substituted, and the present subclause (iii) and subsequent subclauses be renumbered accordingly:

"(iii) Rights in a pension or retirement savings plan acquired during marriage by one or both spouses, and the accrued appreciation during marriage of rights in a pension or retirement savings plan acquired by one or both spouses and be accrued appreciation during marriage of rights in a pension or retirement savings plan acquired by one or both spouses prior to the marriage."

The committee divided on Mr. Swart's amendment which was negated on the same vote.

Section 3 agreed to.

Mr. Chairman: Ms. Bryden moved that subsection 3 of the said section 4 be deleted and the following substituted therefor:

"(3) The rights under subsection 1 are personal as between the spouses but any application commenced under subsection 2 before or after the death of a spouse may be made or continued by or against the estate of the deceased spouse and, for the purposes of such an application, a reference to spouse in this part shall be deemed to be a reference to the estate of the spouse as the case requires."

The committee divided on Ms. Bryden's amendment which was negated on the same vote.

Mr. Chairman: Mr. Lawlor moved that section 11 of the bill be deleted and the following substituted therefor:

"11(1). Where property is transferred from one spouse to the other and delivery or registration is effected, or where one spouse directs property to be placed or taken in the name of the other spouse, unless there exists proof of a contrary intention, the transfer shall be deemed to be a gift to the donee spouse except that,

"(a) where the property is placed or taken in the name of spouses as joint tenants, unless there is proof of a contrary intention, each spouse shall be deemed on a severance of the joint tenancy to hold a one-half beneficial interest in the property; and

"(b) money on deposit in a chartered bank, savings office, credit union or trust company in the name of both spouses shall be deemed to be in the name of the spouses as joint tenants for the purposes of clause (a).

"11(2). The rules of law applying the resumption of advancement and resulting trust and questions of ownership of property as between husband and wife are abolished."

The committee divided on Mr. Lawlor's amendment, which was negated on the same vote.

Section 11 agreed to.

Mr. Chairman: The next question is, shall section 17 stand as part of the bill?

The committee divided on the question, which was approved on the following vote:

Ayes 51; nays 29.

Section 17 agreed to.

Mr. Chairman: Ms. Bryden moved the addition of a new subsection, 3, to section 40:

"Where premises are the matrimonial home of two spouses and only one of the spouses is registered as the owner of the premises, the other spouse is deemed to be and is en-

titled to be registered as a joint owner thereof."

The committee divided on Ms. Bryden's amendment, which was negated on the same vote as the first vote.

Section 40 agreed to.

Bill 59, as amended, reported.

On motion by Hon. Mr. Welch, the committee of the whole House reported one bill with amendments.

FAMILY LAW REFORM ACT

Hon. Mr. McMurtry moved third reading of Bill 59, An Act to reform the Law respecting Property Rights and Support Obligations between Married Persons and in other Family Relationships.

Mr. Philip: There's no doubt that this bill has taken a major step forward. The sections concerning the matrimonial home, marriage, marriage contracts and support obligations are certainly desirable, enlightened and welcomed by all members of the House. As chairman of the committee that struggled with the bill, I have warm feelings of satisfaction over those sections in the bill.

I have listened closely to the arguments on all sections of this bill and I am disturbed by the conduct clause which is still being left in the bill. I am incensed by the injustice of the division of assets section of the bill. I feel so strongly about the need for a more equitable distribution of assets that for me to vote for the bill on third reading will be unconscionable. Therefore, it's with great emotion and considerable regret that I and my colleagues will vote against the bill on third reading.

Mr. Reid: Better to die of thirst than to have one drink of water.

Mr. Roy: As one who had the honour of sitting on the justice committee for the two years that we have been working on the bill and listening to submissions, I would like to join with the Attorney General in saying that it was a worthwhile experience in the sense that we exchanged views. No matter what the differences were between various members, I think the intent of all members was to see we had a fair and balanced bill. We disagreed as to the method and the way we should achieve it, but by and large I think there was excellent co-operation. We received from the public a variety of briefs, and this bill is evidence of parties in minority government working together in arriving at what I consider to be excellent, progressive legislation.

We on this side have no hesitation in supporting the bill. I would only say to the chairman of the justice committee that if he felt so strongly about the conduct section it's unfortunate that members of his party weren't here to force a vote.

An hon. member: There were only four of them here.

Mr. Warner: The question is why did the member for Ottawa East support it? He should have had some conscience on it.

Mr. Roy: I am sorry to say to the member that the NDP caucus did not give full support to the poor member for Carleton East in not supporting her proposition here.

Ms. Gigantes: On a point of personal privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Carleton East on a point of privilege.

Ms. Gigantes: Mr. Speaker, my point of personal privilege is this: I believe it to be an unfair slander on my colleagues in my caucus.

Interjections.

Ms. Gigantes: I take on myself the complete responsibility for the unfortunate fact that we did not have a sufficient number of members present when that vote was called.

Mr. Speaker: That is not a point of privilege.

Ms. Gigantes: It was my responsibility that fell down, and not that of my colleagues.

Mr. Roy: Mr. Speaker, all I can say is that when the vote was called, all I could count over there was four.

Mr. Renwick: Don't say anything, Albert, just sit down; you are out of order.

Mr. Martel: At least we are here five days a week.

Mr. Speaker: Order. Are you terminating your remarks?

Mr. Roy: I am completing my remarks.

Mr. Kerrio: Say you're sorry.

Mr. Roy: All I can say is that this legislation is not perfect. But I say that in the circumstances it is a step forward and I, as a member of the committee, feel pretty proud to have participated in the deliberations.

Mr. Bounsall: He has his judgeship now.

The House divided on the motion for third reading of Bill 59, which was approved on the following vote:

AYES	NAYS
Ashe	Bounsall
Baetz	Bryden
Belanger	Cassidy

AYES	NAYS
Bennett	Charlton
Birch	Cooke
Blundy	Davidson
Bolan	Di Santo
Bradley	Duksza
Campbell	Foulds
Conway	Germa
Cunningham	Gigantes
Eakins	Grande
Elgie	Laughren
Epp	Lawlor
Gaunt	Lewis
Gregory	Lupusella
Hall	MacDonald
Handleman	Mackenzie
Hennessey	Martel
Hodgson	McClellan
Johnson	Philip
Jones	Renwick
Kennedy	Samis
Kerr	Swart
Kerrio	Warner
Lane	Young—26
Leluk	
MacBeth	
Maeck	
Mancini	
McCague	
McKessock	
McMurtry	
McNeil	
Miller, G. L.	
Miller, F. S.	
Newman, W.	
Newman, B.	
Nixon	
Norton	
Parrott	
Pope	
Reed	
Reid	
Riddell	
Rollins	
Rowe	
Roy	
Ruston	
Smith, G. E.	
Stong	
Sweeney	
Taylor, J. A.	
Taylor, G.	
Turner	
Van Horne	
Walker	
Welch	
Wells	
Worton—60	

Ayes 60; nays 26.

The House recessed at 1:27 p.m.

APPENDIX

WEDNESDAY, MARCH 15, 1978

STANDING RESOURCES
DEVELOPMENT COMMITTEE

The committee met at 10:05 a.m.

WORKMEN'S COMPENSATION BOARD

Mr. Acting Chairman: I now see a quorum. If it meets with the committee's approval, the chairman of the board will make an opening statement.

Hon. Mr. Starr: Thank you, Mr. Chairman. First of all, I would like to introduce the people who are with me here from the Compensation Board: Al MacDonald to my left, vice-chairman of administration, Doug Hamilton, corporate board member and appeals commissioner, and Ken Harding, our secretary.

Mr. McClellan: Could I have a copy of the opening address?

Hon. Mr. Starr: Yes, sir, it will be distributed to you.

Mr. Chairman, Mr. Minister and members of the committee, ladies and gentlemen, the board's 1976 annual report was tabled in the Legislature last June and, of course, we are all here ready and prepared to answer any questions concerning that report. However, I would also like to review for you the highlights of our operations in 1977 and the opening months of this year in order to bring you up to date.

In the past two calendar years the board has annually been authorizing payments under the Workmen's Compensation Act for approximately 400,000 claims and awarding upwards of \$350 million, with most of this money going directly to injured workers. The enormous work load represented by such figures has been sustained by our organization day in and day out, while at the same time significant improvements have been installed in our systems.

I would like to itemize just a few of our activities at the board since January 1, 1977, and I offer these as representative of a host of other activities all directed at the same objective, and that is helping the injured worker and his family.

We established and opened three new information service offices in 1977—at Timmins, Sault Ste. Marie and St. Catharines—and a fourth one last month, at Kingston. Thus, we now have 12 local offices outside the Metropolitan Toronto area, as compared with six

three years ago. Our staff in the claims adjudication branch was increased by 85 in 1977, and we now have approximately 300 claims adjudicators altogether.

I think we have mentioned on previous occasions that it takes three years to train a claims adjudicator, and many of our adjudicators are still in the training phase as a result of our expansion to provide a better service.

Concerning industrial disease, we conducted extensive investigations last year in Hamilton steel companies to locate possible victims of cancer from coke oven byproducts. A team from the board visited 15 asbestos product companies during the year to search for employees who may have died from or contracted mesothelioma, lung cancer or gastrointestinal cancer. Last December, the board recognized lung cancer from above-ground exposure to radon gas as compensable, and in January we decided to award permanent disability pensions for white-finger disease caused by vibrating tools used by miners. If we were not the first jurisdiction to make such awards, we were among the first.

The board's staff of vocational rehabilitation counsellors was increased from 86 at the year-end of 1976 to 114 a year later, permitting an average case-load of 74 per counsellor in 1977, which was down from 91 the previous year. This enables us to provide vocational services more quickly and in greater depth than before.

In March of last year, the board welcomed the governor of Ohio, the hon. James Rhodes, on a study trip to our hospital and rehabilitation centre. He was accompanied by a considerable entourage of state officials, specialists and newspapermen. He visited Toronto for one purpose only: To inspect the board's hospital and rehabilitation centre, because of Ohio's need for similar facilities. He was just one of 963 visitors who came here to study our centre last year from the United States, from Canada, Australia, Mexico, Cuba, South America, Japan, New Zealand, Argentina, China, Sweden, England, and other countries.

Mr. Laughren: See what publicity does for you?

Hon. Mr. Starr: We always welcome good publicity.

Incidentally, about 50 per cent of the patients who come to our centre are admitted

at the request of their own local physician or specialist, and about 40 per cent of admissions were arranged by board doctors, attached to our claims adjudication sections, who monitor the quality and effectiveness of treatment provided to injured workers throughout the province.

One of the major values of the centre's location in Metro Toronto is the availability of a wide range of highly experienced consultants from the Toronto teaching hospitals, who provide us with a concentration of expertise not available elsewhere in the province.

One more word about our hospital and rehabilitation centre: Last year it received class A accreditation from the Canadian Council on Hospital Accreditation, for the training of medical and paramedical personnel in rehabilitation medicine.

I would also like to direct your attention at this time to some relatively recent developments in our appeals system. Last November, we changed the function of appeals examiner to that of appeals adjudicator. The appeals adjudicators have decision-making authority, and this change is expediting the appeals process.

[10:15]

Beginning in January of this year, we scheduled the first hearings of appeal boards outside the city of Toronto. The appeal board, a panel of three commissioners, is the final level of appeal, and from now on appeal boards will travel regularly throughout Ontario to hear appeals in various larger population centres.

Last year, the board received about 3,600 appeals, including many which derived from claims made in earlier years, and compared to the enormous number of claims decisions made in 1977 the number of appeals received was very small. However, appeals represent some of the most difficult and complex problems we deal with and therefore require a heavy investment of time by experienced personnel.

In the recent past, you have undoubtedly heard, as I have, some critics of the board stating that we should give more individual attention to injured workers. I have heard it said, for instance, that every injured worker in the province should be entitled to at least one interview with a board counsellor.

As I have already stated, the board authorizes payment on about 400,000 new claims each year and this is, of course, in addition to the service we are providing to many many thousands of active claims from previous years. Surely, Mr. Chairman, I

don't have to go into the elementary mathematics which show that individual counselling could not possibly be provided to such large numbers of people.

More than 60 per cent of the claims we pay in any given year are medical aid only claims where the injured worker has not been disabled beyond the day of the accident from earning full wages. In these cases, the worker goes back on the job the same day or the next working day and the board pays his medical bills. Of workers in this category, obviously only a few would have any reason to see a counsellor.

The other 40 per cent of claims are lost-time claims. In these cases, the worker is off the job, he is in a hospital or at home, and in these cases we pay compensation, 75 per cent of lost wages, tax free. However, in 80 per cent of all lost-time claims, the injured worker's claim has been adjudicated and paid, his treatment has been brought to a successful conclusion and the worker is fit and ready to go back to his job all within eight weeks.

The vast majority of these injured workers have one basic demand. They want their compensation cheques in the mail as soon as possible and their medical bills paid. Within the limitations of outside factors and our own capabilities, that is the service we deliver to this majority. In the process of meeting this demand, while complying with the requirements of the Workmen's Compensation Act, we receive more than four million pieces of mail. We post nearly five and a half million outgoing envelopes and we issue more than one and a quarter million cheques every year.

However, we do have another constituency that requires and receives a very different kind of service. I refer to those injured workers, who for any number of reasons, need individual, person-to-person service and need a great deal of it. Some of our most experienced claims and rehabilitation executives estimate that 90 per cent of the work in their respective divisions is accounted for by 10 per cent of all claims received by the board. That is, 90 per cent of our work load is accounted for by those injured workers who need and are given individual attention.

Let me give you a few numbers as examples. Last year 38,000 injured workers visited our seventh floor claims counselling section at the head office. They met there with claims counsellors and other specialists. There was no time limit on any of these meetings. The problems at hand were resolved in 35 different languages. If any of these visitors needed money that same day

because of hardship and were entitled to it, they got it. We disbursed \$3.8 million this way last year in instant funds in the form of cheques drawn up immediately.

Or, again, consider the work of our vocational rehabilitation counsellors. Last year these counsellors conducted 22,000 personal interviews in the Toronto area and made nearly 100,000 out-of-office visits throughout the province to homes of injured workers or to employers on their behalf. I submit that our record of service to injured workers is a record of achievement.

I hope that the foregoing summary of our operations will refute ill-informed criticism.

I am going to discuss a matter which will, I am sure, interest all members of this committee. I am referring to the decentralization of claims adjudication. The idea of decentralizing claims adjudication is a simple one and on a superficial basis it is very attractive. From other viewpoints—equity, consistency, administration and cost—it is enormously complex.

Last year the board directed its management committee to assess the possibilities and the committee, after considering the matter carefully, brought in a recommendation. Their recommendation was that the concept of decentralized adjudication be accepted in principle to the extent that the board should commission an independent analysis by a firm of management consultants of the impact of decentralized claims adjudication, as it would affect our entire organization. The management committee's recommendation further said that the consultants should carry out detailed research and planning on methods of implementing a system of decentralized claims adjudication and provide us with an estimate of the associated costs.

We are now evaluating research proposals from several leading consulting companies and I expect a decision will be reached very shortly. We anticipate that the consultants we appoint will be able to report to the board with recommendations by the end of September this year. I think it is appropriate to remind you that a good deal of decentralization of board activities has already taken place.

I mentioned earlier in these remarks the opening of four new local offices. This, together with the strengthening of our existing area offices, has resulted in the deployment of more claims counsellors throughout the province. Many of our vocational rehabilitation counsellors have been moved out of the Toronto area to be based in regional cities. For some years now, board physicians evaluat-

ing permanent disability have been conducting examinations throughout the province. Last year more than 2,300 patients were examined outside Toronto for this purpose. Our new travelling appeal boards are another move in this same direction.

Before I close, I would like to mention that within the past year we have reorganized and strengthened our communications functions. Our public affairs division has been divided into a communications division and a safety education division. Under new direction and with augmented staff, the communications division is explaining the board's functions to the public and preparing and implementing programs to enlist the cooperation of workers and managers with the objective of making our services more effective. I am confident that our newly reorganized communications division will play a major role in dispelling misunderstandings and in refuting misrepresentations about the board that have become current in recent years.

Finally, I wish to pay a well deserved tribute to our board staff. No one who works at the board finds life a soft touch. We are a very demanding employer and the injured workers we serve can be more demanding than any employer ever could be. However, you won't find any professional complainers at the board.

An hon. member: Only grieving workers.

Hon. Mr. Starr: Our job is to serve the injured workers of Ontario with concern, with commitment, with expertise and with a lot of hard work. That is the job we do.

Mr. Mancini: First of all, I would like to thank the minister for being here today. We all know how rough she feels this morning. I would also like to thank the chairman of the Workmen's Compensation Board for his introductory remarks. I appreciated the information that was made available to the standing resources development committee this morning by the chairman of the Workmen's Compensation Board, but there are still many things left unanswered. I am going to have many questions and I am going to try to fit them all in with my opening statements.

Let me say I am quite pleased to be here on behalf of the Liberal Party and to give the opening introductory remarks. First of all, we must realize that Canada, being an industrialized country, has and has had one of the highest, if not the highest, death rate from industrial accidents of the 10 most industrialized countries. Secondly, we must realize that deaths, especially in the con-

struction area, have also been amongst the highest, if not the highest, of the 10 most industrialized countries of the western world over the past few years.

Once we assume that and accept those facts, we realize just how important the Workmen's Compensation Board is in our society. We realize why members of the opposition, and even members of the government party, have been critical, and possibly very critical, of the board's handling of matters over the past few years. We are this way because the problem is huge and we are this way because injury is devastating to the family life, the social life, and the wellbeing of the person in general.

We hope when we come before the committee and we give strong criticisms and strong recommendations that they are taken in that light. It is done this way because of the tremendous social implications that injury causes and not because we want to be chronic complainers. I am sure we can do other things with our time than be chronic complainers.

In the next few minutes I have I would like to strike up two or three basic themes that I hope to carry on. One is that I firmly believe, even with your decentralization, and even with your many improvements—and we know you are trying—the board's appeal process is still very complicated. I would say the reason you have had only 3,600 appeals to the final appeal board adjudication is that many of the injured workers get lost in the shuffle.

When you respond to my remarks, I want to know if you have any kind of a system which you have developed over the many years the board has been in operation to better ensure that injured workers do not get lost in the shuffle through the appeal board system. I want an answer to that.

[10:30]

Secondly, I would like to touch on the theme of payments to injured workers. We know that injured workers have not had an increase since July, 1975. Thirdly, I would also like to touch on the representation that injured workers receive as they are going through the appeal board process. Let me take the issue of payments first.

I don't think any institution that provides the type of service the board does can give any good sound reason as to why it has not increased the widow's pension; as to why it has not increased pensions to workers who were injured 10 and 20 years ago; and as to why the ceiling of \$15,000 has not been raised. There is no good reason why injured workers should have to lose their Canada

Pension Plan benefits and their Unemployment Insurance Commission benefits.

I have raised this question in the Legislature with the minister. She continually says she is working on the problem, but she never issues any press releases as to what she has done or what she intends to do in the future about this matter. We heard in the Legislature not too long ago, after a question by the Leader of the Opposition (Mr. S. Smith), why injured workers have not received an increase in pay since 1975. The minister responded, as reasonably as she could, I imagine, that the reason they have not received an increase—it will be three years this July—is that the board was doing a study.

Hon. B. Stephenson: Mr. Chairman, could I ask the hon. member to check Hansard? I didn't say the board was doing a study. The board is not doing a study.

Mr. Mancini: Well, who is doing the study?

Hon. B. Stephenson: It was commissioned by me. The Wyatt Company is doing the study.

Mr. Mancini: You are doing the study then.

Hon. B. Stephenson: Yes.

Mr. McClellan: The board asked for a study?

Hon. B. Stephenson: No.

Mr. Laughren: They didn't? That's disgraceful.

Mr. Mancini: If I could have the floor back, the minister gave a speech to the Industrial Accident Prevention Association conference on April 4, 1974. I can give her a copy afterwards if she likes. On page 6 it says: "We are at this time undertaking a major financial review of the funding function operation of the board to ensure that we are not overlooking any areas in which improvement of a functional or financial organization may be affected." I take that to mean you have been reviewing the area of benefits to injured workers since April 4, 1974. I take that to mean that you are taking an awfully long time to decide whether or not injured workers need or deserve an increase in their benefits.

I submit to you that it doesn't need to take this long. All we have to do is to look at the rate of inflation we have had over the past two or three years and any reasonable minister would have instituted at least some type of raise for these injured workers in the meantime. If she really needed this report, she would have had some measure

or some program in the meantime to help these people out.

Also in the same speech on page 8, the minister stated: "We have had 433,000 claims made to the Workmen's Compensation Board in 1976." Yet this is the same minister who opposed the standing resources development committee's effort to have mandatory safety committees in all the work places. I want that to be on the record.

Hon. B. Stephenson: That is a non sequitur, Mr. Chairman.

Mr. Laughren: It shouldn't bother the minister.

Hon. B. Stephenson: It doesn't.

Mr. Mancini: Another matter that has been raised by myself in the Legislature, concerning the rights of workers and how to better ensure that workers do not get lost in the shuffle and are able to receive proper representation—other than having their local member there, and we can't be at all of them—is the hiring of more workmen's advisers. In 1966 the Workmen's Compensation Board had one workmen's adviser. Twelve years later, in 1978, we have two workmen's advisers.

I guess if a person wanted to look on the positive side, we could say we've had a 100 per cent increase in the last 12 years. But if you want to look at the other side of the coin, I guess you could say that we are drastically short of workmen's advisers and that we need more.

Most of the workers I talk to don't even realize that there are workmen's advisers and not only do the workers not know that there are no workmen's advisers, I submit that most of the smaller unions and worker representatives outside of the district of Toronto probably do not know that there are workmen's advisers. I say this from personal experience. We have a rather substantial industrial area in my riding and the representatives of the workers there were not aware of the workers' advisers system.

On many occasions I have had to cancel hearings on the appeal board procedures because I could not get the workmen's adviser because he was already tied up. There's no possible way that you, as minister, can justify having only two workmen's advisers there. I asked a question on this at least six or eight months ago, and I haven't heard of any other workmen's advisers being hired. I would like to say, though, that I believe that the workmen's advisers have done a fair and equitable job. I think that they have been really good for the Workmen's Compensation Board but I don't understand why you don't hire

a couple more, or as many as we think we need.

Recently, the board has put out a booklet, *The Workmen's Compensation Board of Ontario—How It Works and How It Works For You*. On the inside front page, it says: "Protecting Ontario's working men and women: In the early years of this century before the development of the Workmen's Compensation Board in Canada, a worker injured on the job was alone in seeking financial redress. Some employers voluntarily accepted their responsibility for taking care of injured workers. However if an employer was not so inclined then the courts were the only recourse available. This was a long and costly process with odds stacked against the limited resources of the worker."

Although things have changed and although it's now the duty of the Workmen's Compensation Board to give redress to a worker and although he does not have to hire legal counsel if he does not wish to, I still submit to you that the process is long and the odds are stacked against the injured worker. I say that for one or two reasons.

Take an injured worker who has a severe injury. The management of the institution where he works refuses to accept that injury as an injury having taken place in his work force on his work site. The injured worker makes his claim, his claim is refuted; he goes before the local appeals adjudicator and the management staff—and probably two or three months have passed with no money coming in before he's had this date set up. If he accepts sick benefits then he cannot continue to appeal his claim; so he doesn't accept funds from the sick benefits and continues to appeal his claim for the very simple and sole reason that he is going to need a compensable pension, because in future his injury will probably get worse. So at the present time, he cannot accept his sick benefits because he's appealing his workmen's compensation claim.

Interjection.

Mr. Mancini: Don't tell me it's not true, because it is true. I'll document the cases after, if you wish.

So, secondly, he goes before the appeals adjudicator in the Windsor area, for example. The claim is heard. The gentleman says, "Fine. Thank you for being honest. We like your forthright manner. You'll be hearing from us." It takes another three to four weeks.

If the claim goes against the worker then he has to make the appeal to the final appeal board level here in Toronto. It takes, I would say, at least six or eight weeks, if not longer, to set up that hearing. If he can get a workmen's adviser at that date, fine. If not, he

has to postpone it and wait until he can. So we're talking about a period of possibly four, five, six months from the first time the man has put in his claim until he finally comes down to meet with the appeal board.

Many hundreds of workers go in front of the appeal board and after the hearing the board says, "Fine, thank you. We'll let you know." A period of time passes. If the man's claim is accepted, fine; he gets all the back pay. I don't know what he's had to do to keep his family in their home and to put food on the table for the previous six months. They probably had to go on welfare, or they probably had to get a second mortgage on their home or what have you.

Do you think that is fair? Do you think that is right? Why is it not set up so that if an injured worker is appealing his claim against the Workmen's Compensation Board he is automatically allowed to receive sick benefits from his place of work? He should be automatically allowed to receive these benefits.

Hon. B. Stephenson: But there's nothing that says that he can't receive these benefits.

Mr. Mancini: Well, maybe when you're down in Leamington, I can take you to the H. J. Heinz Company and we can go speak with the personnel manager there, and maybe we can go over the whole thing.

Hon. B. Stephenson: That's got to be a management decision.

Mr. Mancini: Now we're getting to the point where maybe you're not agreeing with your own booklet. It cannot be a management decision. It's got to be a decision of your ministry in conjunction with the Workmen's Compensation Board. It's got to be your decision that when a person becomes injured on the work force, he doesn't have to go bankrupt or go on welfare or go six months without any kind of money before his claim is finally adjudicated. I think that's a fair and just privilege that we should give to our injured workers.

I'd now like to talk about your second injury and enhancement fund which provides relief to employers who hire disabled workers. I have some questions about this. Maybe the chairman could answer when I am finished.

I'd like to know how many employers have taken advantage of this program. I'd like to know how many injured workers have been hired under the second injury and enhancement fund, and I'd like to know what this has cost the board. And I'd like to know how many inquiries per week, per month or per year—whichever is easiest for the board to

answer—they have had from employers concerning the second injury and enhancement fund, because I'm not too sure how successful this program is. It should be a successful program because we need to hire injured workers here in this society.

That leads me to another situation—the pensionable benefits for injured workers, what the Workmen's Compensation Board requires them to do, and what makes this second injury fund so important as far as I'm concerned. For example, we have injured workers who have suffered substantial injury—and I'm using your standards of 40 or 50 per cent pension. My own personal experience as a member has been that before the board gives out a 40 or 50 per cent pension, the worker is severely injured. In my opinion, it is almost impossible for him to go back—no, I would say it is impossible for him to go back—to his former employment or anywhere near his former employment.

[10:45]

These people have had their wages cut in half. What are we doing—what is your ministry doing, what is your board doing—to ensure that these people are given a fair shake in life; to ensure that they are going to be hired; and to ensure that you have a program which is successful in this area? That's why I ask the question about your second injury fund.

We all know that we need proper staff and that we need good people to take care of the many thousands of injured workers that we have in our society. I was slightly disturbed when on January 20, 1977, some information was brought to my attention that in the province of Ontario industry felt, or government felt—or someone felt—that we were short of many hundreds of occupational health nurses and occupational hygienists, and short of some occupational health physicians. I'm sure the minister would know about this.

You are, supposedly, to work with the Ministry of Colleges and Universities. I wonder if in your answer you could inform this committee exactly what has been done in the last year or two to speed up enrolment in these areas where we need these professional people to assist our injured workers.

Also, I would like to know what types of links you have set up between your occupational health and safety branch and the Workmen's Compensation Board. I would also like to know when you're going to raise the benefits for the injured workers; when the injured workers could expect their first increase in almost three years.

Not too long ago I was going over the report of a task force done, I believe, in 1973. The present chairman was a member of that task force, I believe. They made many recommendations concerning the Workmen's Compensation Board and they had a little summary in the back of what the board would look like in 1980. I think we have to renew our interest in that area, and I would suggest to the minister that she immediately set up a task force of all members of the Legislature so that we can go through the issue of the Workmen's Compensation Board in a very concrete—

Mr. Lupusella: Is this a standard procedure which your party is following these days?

Mr. Mancini: Pardon? Shut up your button there.

I would suggest to the minister that we have a task force set up immediately so that we can look at the board's activities—

Mr. Lupusella: That's a new way of doing it.

Hon. B. Stephenson: I can see that.

Mr. Mancini: —in a fair manner and, hopefully, make recommendations to the minister and to the chairman of the board. I submit to the chairman that if it was necessary in 1973 to have this done, then it is necessary again in 1978, so that we can be prepared for the eighties. With that I will close my remarks.

Hon. B. Stephenson: If I could just lead off briefly, I would point out to the hon. member that the representation by workers' representatives is noted in five languages in the brochure which is sent out in every case of rejection of a claim, so that each individual workman knows precisely what his rights are under the appeal system. It is spelled out, I think, relatively clearly and the presence and availability of workers' representatives is spelled out in the very last paragraph on each page, and it's in five languages. Why unions would not know that it's there, I really can't tell you, but if they read the information which is provided they should know.

The relationship between the Workmen's Compensation Board and the occupational health and safety division of the Ministry of Labour has been raised. The information-sharing procedure is enhanced over what it has been in the past, which will be of value to both of us, and I think this will undoubtedly help both the occupational health and safety division and the Workmen's Compensation Board to better service in preven-

tion and in dealing with problems than they have been able to in the past.

I can tell the hon. member that the bulk of the funds which have been available to the Ministry of Labour under the provincial lottery grant of \$5 million have been directed towards educational programs at community college levels and at universities. I would say almost 90 per cent of that funding at the present time has gone to that kind of program—to community colleges to provide the basis for training for occupational health nurses and hygienists and to universities to increase the research base and the capability for professional training in medical schools and engineering schools.

So, indeed, there is a—actually I shouldn't say it's a renewed focus because it is a brand new focus on occupational health and safety which has not been there before and which is most certainly being supported vigorously by not only the health professionals but by the funding which we have had made available to us. That is where it has gone, because we really do have a dire shortage of professionals in this area and it is a need which must be met as rapidly as possible.

Hon. Mr. Starr: If I can just add to what the minister has said, on every decision which is not to the satisfaction of a claimant, he has a right of appeal. He is advised in each and every instance, as the minister has pointed out, in five languages, and certainly in the appeals section the matters are not stacked, as the hon. member has pointed out, against the claimant. Far from it, as a matter of fact. There is about 30 to 40 per cent reversals of decisions which went originally against the claimant through the appeals section.

We have two workers' advisers and now we have hired a third one just within the last few weeks in order to augment that service, which is looked upon by most people as very excellent with good results.

Of course, when you mention union representatives who represent workers, they know of the appeal system; every one of those people knows. The union people are all well versed. They have had, over the years, seminars throughout the province where our people have attended and they are well equipped and knowledgeable in this area. In nine cases out of 10 they want to represent the workers themselves, their own union members.

Mr. Mancini: What about the second matter mentioned?

Hon. Mr. Starr: On your other questions, which are statistical in nature, you can rest assured that we will gather the information for you.

Mr. Mancini: Okay, fine. Thank you.

Mr. A. G. MacDonald: We can give you the dollar figure now. It's \$30 million last year for the second injury fund.

Mr. Mancini: \$30 million?

Mr. A. G. MacDonald: That's about one-tenth of the awards.

Mr. Mancini: If we can get that information later that will be satisfactory.

Mr. A. G. MacDonald: We have made a note of your questions. We'll get the other statistics for you.

Hon. B. Stephenson: Would you also please give us the name of that individual at the H. J. Heinz Company?

Mr. Mancini: Sure, no problem.

Hon. B. Stephenson: Something is rotten in that case. I'm not sure what it is, but there is no proscription against the receipt of funds through the insurance program within the company on the basis of an appeal to the Workmen's Compensation Board, to my knowledge at any rate.

Mr. Hamilton: There is no bar on that.

Hon. B. Stephenson: None.

Mr. Haggerty: Has the board any up to date information that the committee could be using this morning in our discussions? I notice you have a brief there with—

Hon. Mr. Starr: In addition to the annual statement for 1976, my statement now covers the additional aspects.

Mr. Haggerty: You haven't anything current then? You are almost a year behind.

Hon. B. Stephenson: No.

Hon. Mr. Starr: My statement covered other matters and was right up to date almost in that respect. If there are any questions about information we haven't been able to give you, that's what we are here for. We would like to get it for you.

Mr. Bounsall: I might just say I am glad to be back as our party's critic for the Workmen's Compensation Board after a rest of a couple of years or more. The party decided I could only stand the board for so long, and close to five years was enough. I am glad to be back in a masochistic sort of way as the spokesman for our party on the Workmen's Compensation Board. Following the 1975 election, as you know, this post was quite ably taken up by the member for Dovercourt (Mr. Lupusella) who will be

speaking in some depth later on this morning and for the last 11 months by the member for Nickel Belt (Mr. Laughren) who will be speaking in some depth this morning.

Having had the post back for only five weeks now, I am not as prepared this morning as I will be this fall, when we will be discussing your annual report for the year 1977. This is rather an unusually late time in the year to be discussing the 1976 report but we know how that arose, because of the election and the short sitting of last fall. So we look forward this fall to looking at the annual report for 1977. In that regard, what I would like to do with the board some time between now and then, probably shortly after the annual report comes out, is to sit down with the board—probably the critics from the two parties—and in the discussion which we have on that annual report to develop a method of how we are going to approach it.

What has been weak in the past and probably will be weak again for this set of estimates is the way in which the approach will be very scattered. One person will talk on rehab and answers will be given. Someone else will come in later and bring up the same point. What I am saying is not to discuss estimates per se of the Workmen's Compensation Board but to set it up as if we were discussing estimates by topic so that there will be a certain section at a certain time.

Hon. Mr. Starr: Pardon me, I think, sir, in addition to that, which is a very excellent suggestion, those who will be responsible could spend a couple of days at the various areas they are interested in at the Compensation Board to see how it functions. That would be valuable to the members.

Mr. Bounsall: Right, that would be valuable to many of them. I think we have to sit down and set it up. For example, I would say we could usefully spend four two and a half-hour periods per year on the annual report of the Workmen's Compensation Board before committee. If we organized what topics were coming up in what order and how many hours were assigned to them, that would allow you to bring the particular staff members down for those particular meetings rather than having all of the staff here throughout the course of it, even though today, because of the time sequences and the lateness of the discussion, it's all being done on one day. That is a most unusual pattern to be following.

In my remarks about the board and as critic for some years in the past, I kept rather strictly away from the personalities of

the board. I always felt uncomfortable in dealing with issues that related to personalities. I did not applaud your appointment as Workmen's Compensation Board chairman, Mr. Starr, as many in our party did, partly because I see the person filling the job as chairman as being able to have some sort of general influence on the attitudes or the operations of the board. That is the function of the personality of the person that we watch for, but in day-to-day terms and how things should be operating, those are much more matters of principle.

[11:00]

I'm not saying it's unimportant who is chairman of the board but I'm saying his powers, or his ability to have basic changes occur in the board, are limited. He or she can only do so much. So, in terms of my criticism in the past and from here on in, it will not be personally-related. I didn't applaud you because I didn't think you would be better than the previous chairman. I did not applaud you because I thought that in most areas—although you, as a person, could set an attitude and an atmosphere—whoever occupies the post could not basically change the method of operation. The method of operation touches on matters of principle.

That's the way I will proceed, as far as I can see, for the future—not that in one particular area this morning I find myself having a focus on a particular personality because of the results of that person's approach to doing the job. I'll have some suggestions as to what the board might do about that particular person.

I can well see that the chairman may not react favourably to the suggestion of Mr. Mancini that there be another task force report on the Workmen's Compensation Board, because a task force report resulted in the appointment of you as the chairman. I would think maybe from your point of view that might not be too positive a thing to do at this point.

On that same point, Mr. Chairman—if I can break my rule and be personal—I don't know how many years you have to go until retirement, but I would be very interested—and I hope you have this in mind and will take the suggestion at least semi-seriously—if you would publish your memoirs. I would really like to see written out, at some point, your view as chairman of the board. I don't mean in any defensive way, but your story of your years spent as chairman of the Workmen's Compensation Board, the problems as you saw them and the ways

in which you tried to encounter and overcome those problems and where those problems came from. I'm sure the majority of your problems—we would like it to be so and this is why the memoirs would be interesting—do not come from the NDP members of the Legislature. I'm sure you have problems in your day-to-day operation of the board which are much more vexing than the statements that come from various members of the Legislature or from our party. I'm sure the major problems come from the Ministers of Labour with whom you have to deal. I'm confident of that.

Hon. B. Stephenson: No doubt.

Mr. Bounsell: No doubt.

You touched this morning in your statement upon publicity of the board, and a comment came from the member for Nickel Belt about always welcoming publicity. I think you should. Whether that publicity appears at the time to be very stiff criticism, one should always welcome it and not react unduly defensively to it. There may be inaccuracies, usually not from our party, in that criticism—

Hon. B. Stephenson: Who is writing your script this morning, Ted?

Mr. Bounsell: I haven't written anything out, that's the problem.

Mr. Laughren: I knew there was a problem.

Hon. Mr. Starr: If I may, Mr. Bounsell, say in augmenting your statement regarding publicity, I welcome it, particularly from members who are very critical. It gives me an opportunity to fill in the gaps that they have regarding the Workmen's Compensation Board.

Mr. Laughren: He is speaking as a private member this morning.

Mr. Bounsell: I will leave that argument to be very aptly placed by the member for Nickel Belt when he has the floor. I don't think there are many inaccuracies in our report that came from rambling around the province with a committee on which I served. But to be serious, I'm a little bit concerned about the defensive reactions to that report. To point out, if you can, where the gaps are is quite legitimate. But the kind of publicity given to the board—overstatements of that sort—can be very useful in terms of the short term and long term operations of the board. People at the board should recognize this and not take an undue over-reaction at the time to what appears to be, and is, a critical document.

In the matters of principle that I wish to speak to today—and I will be relatively short; I'll be much more detailed in the fall—the one area that is of major overall concern to myself is the way in which the pensions are related. They are unrelated to the recipients' employability. They are related primarily to the degree of physical disability, not to their employability. That, basically, has got to change for Workmen's Compensation Board pension recipients in the province.

If I may quote the Act, it says: "Where permanent disability results from the injury, the impairment of earning capacity of the employee shall be estimated from the nature and degree of the injury and the compensation shall be weekly or other periodical payments during the lifetime of the employee." My comment is how those words about "impairment of earning capacity" have become changed in their application. The Act goes on and says, "The board may compile a weighting schedule," and that schedule has become almost totally related to the degree of physical disability. It is not related to any employability factor or any impairment of earning capacity. That is what must change for fairness and equity to prevail for the injured workmen of Ontario who have a residual permanent disability and must go on a pension.

I can give you some very simple examples of how—I'm sure I don't need to for the members of the committee who have ever handled a Workmen's Compensation Board case—

Hon. Mr. Starr: Mr. Bounsall, in those cases, for the purpose of a disability pension, we also apply section 42(5).

Mr. Bounsall: I'm looking at section 42(5) now—I had it in place before me on a sheet.

The problem is, though, there is a transition period that exists now that didn't used to exist, in which you do pay an additional sum to someone who has applied for vocational rehabilitation and is sent out to work. I'll cover that. If those persons get back to work, I'm fully aware that if the earnings are less than what they had before the injury there is provision in the Act to pay that difference in the amount, or a large part of it. That is one part of that approach; but you have really missed the main thrust when you say that does it.

We are talking about those persons who are mainly disabled to the point where they are having one hell of a time finding employment, irrespective of the employment situation out there. In basing their pension primarily on physical disability, with only

small consideration given to their employability, that person is severely disadvantaged.

Hon. Mr. Starr: May I interrupt? We have to go back to July 1974 when the first amendment came into effect, and that was section 41. Prior to that, any person who was reported by his physician to be able to take any light work at that time was immediately cut to 50 per cent, which we felt was rather unjust. Then section 41 came into being and that person—co-operating with the vocational rehabilitation counsellor and on his own looking actively for work that he could perform with his injury—would receive his full compensation indefinitely.

Mr. Bounsall: Is that a commitment? Because it does not happen in Windsor.

Hon. Mr. Starr: Oh no, as long as he is co-operating and looking for work that is suitable for him. There is no time limit.

Mr. Bounsall: I will not today point out the cases where this is not the case in Windsor. That is not the purpose for these estimates today, except to say that that is the theory.

Hon. Mr. Starr: That is the way the Act reads. It is set out in the Act.

Mr. Bounsall: That is the way the Act reads. In the application of the Act that in fact does not occur indefinitely.

Hon. Mr. Starr: Okay, then let's look at the disability award. Immediately when that person is given a disability award, and he does co-operate in the same way as though he was on full compensation—he's looking for work and co-operating with his vocational rehabilitation counsellor—he is eligible for that supplementary which brings him up to full compensation. In exactly the same way. That is all I wanted to say. There is no limitation set out in the Act.

Mr. Bounsall: Let me finish making the general suggestions to the board and to the minister—which I hope you will take seriously—and I will cover what happens in the vocational rehabilitation offices around the province as my second point.

Both Manitoba and Saskatchewan have these two components of disability recognized separately—the physical disability and their earning capacity loss. They recognize them and compensate for them separately. I am saying to the Workmen's Compensation Board here, this is now the way you should be operating—or something close to that.

What they tend to do is—I am not sure this is a great idea; that can be thought about more—they give a lump sum settle-

ment for the physical disability side of it, and a pension related to the earnings capacity.

Hon. Mr. Starr: We do also, providing it is 10 per cent or less.

Mr. Bounsall: It needs to be a more widespread situation. Let me just give you two examples.

The researcher who helps me in our caucus on this points out that under the present board situation if she lost a limb at work—got her hand mangled in the photostat machine and ended up losing a limb—her earning capacity would not be endangered one iota. She would continue to function as a researcher for our caucus with no impairment of earnings. Yet she would get a substantial lifetime pension because of the loss of that limb. Yet a typist, in a much lower earning capacity, not able to continue at her chosen profession, would get a permanent disability award which because of her earnings in the first place would be considerably less, and there would be virtually no prospects for her continuing in that profession. That is the general sort of case we have in the province which must be changed in order that that sort of discrepancy is not widespread.

A second instance I have is an individual in the city of Windsor, whose name will go unmentioned here. He is one of those few people who has completely recovered from what would commonly be called a broken back, but his pension rating was given at the time in which it looked as if he had stabilized. Needless to say it was a rather high pension. This person is now fully back to work at the job he has, receiving a very high pension from the Workmen's Compensation Board, because at one point he had this very severe back injury. He is one of those funny examples of now having no back problems whatsoever—

Hon. Mr. Starr: Do you want to give us his claim number?

Mr. Bounsall: No, I don't.

Hon. Mr. Starr: I didn't think so.

Hon. B. Stephenson: If he's old enough his osteoarthritis will take care of it anyway.

Mr. Bounsall: Right, there could be that sort of a problem in the future.

Mr. Lupusella: That is the way the board has been operating for the last two years: "Give me the claim number and we will try and solve the problem." That is completely wrong.

Mr. Warner: Never the general problem.

Mr. Lupusella: We are here to raise certain principles.

Mr. Acting Chairman: Order please.

[11:15]

Mr. Bounsall: All I'm saying is you have a system which should adequately take care of those anomalies which occur more equitably than it does. You have to devise a system which, in my opinion, as the months and years go on is much more subtle and more sophisticated than the approach is now in a whole host of areas.

I just want to touch on, and say it very briefly, it's taking an incredibly long time—this is not to the chairman of the board per se but primarily to the minister—to get this financial study completed, which will result in this long overdue increase in the pensions which are in so many cases badly needed.

Since 1975 the cost of living has increased about 17 per cent by now, the average industrial wage has gone up slightly over 20 per cent, and there should be an automatic provision in this Act to adjust it, I would suggest to the industrial composite average not the cost of living average. There's one area in which you could argue that it should be tied to the job rate or some industrial composite rate. Of all the programs that one has in the province of Ontario, the Workmen's Compensation Board is one area where it would be reasonable so to do, rather than tie it to the cost of living. If you like, relate it to the gross provincial product as a better index, so they share in the ever-increasing wealth of the province rather than the simple cost of living.

I could go on about widows' pensions. In Ontario, they're at \$286 a month. If the spouse has been killed or dies after receiving 100 per cent pension, the sharp drop that occurs needs to be provided for. You have the worker who is killed in the work place and then that widow goes to the \$286 a month with some adjustments if there are dependants. We understand that, but it's an abrupt change in lifestyle and earnings for that person and I think one could get into the transition type period that occurs in both the Saskatchewan and the Manitoba plans and in Australia.

In Saskatchewan, the widow or widower receives the 100 per cent pension for a five-year period, during which time that gives them time to adapt, get back into the work force, at which point the present figure in their Act is a reduction to \$300 a month thereafter. Manitoba pays 100 per cent to the widow or widower, reduced by a factor called the dependency factor. That factor is dependent upon whether that widow or

widower is working full-time, part-time, or what have you, and we need some plan of that sort in order that you don't have that abrupt change. We need something to compensate for that abrupt change that occurs. There should be a transition period.

I suspect that I would opt for a period as long as Saskatchewan's. You may well opt for a period shorter than Saskatchewan's, I suspect. You may well prefer to take the dependency factor approach of Manitoba to it, but something should be done to alleviate that abruptness of change in those very critical and shocking cases where the worker is killed in the work place. The view of the shock of that, plus the loss of income shock which also accompanies it, there's got to be a transition period that gives widow or widower time to adjust.

Just briefly, on the rehabilitation hospital in Downsview, may I just say of your statement of this morning that you have received a class A accreditation from the Canadian Council on Hospital Accreditation for the training of medical and paramedical personnel in rehabilitation medicine, I am not surprised at that because I think you probably do a good job in the training of medical and paramedical personnel in rehabilitation medicine.

Before I give you any more accolades, let me say that you probably have—no doubt have—a deserved accolade in the way in which you have treated, in medical rehabilitation terms, the amputee. You have, in fact, a world-wide, well-deserved reputation in how you handle the amputee situation, and I say to the injured workmen of Ontario who come at the rate of four per Saturday morning into my constituency office, "It's too bad the injury did not result in an amputation, because you would be in a much better position re treatment and pension from the Workmen's Compensation Board than the current state in which you are, in which the board doesn't know how to deal with that particular kind of injury."

The vast majority of them are back injuries—not that I'm saying that their backs should be amputated—but you have not made that much headway ever in the back-injury category. I would say to you that with the expertise you clearly have in medical terms in some areas, with back problems being as big a problem as they are—and it's not an easy one to resolve—you should start making now a major research effort to become the world's best authority on how you treat and how you handle back injuries.

You've done it with amputees; let's now do it for the one category which is so hard to determine, and that is the back injury. Put

your mind to it, do it; start the doing of it. You've probably started the doing of it now, but do whatever you have to do to make yourself the world authority in determination and dealing with the back-injury problem, even if you have to import specialist doctors from other countries of the world.

Hon. Mr. Starr: We are away ahead of them in that respect.

Hon. B. Stephenson: Miles ahead.

Mr. Bounsall: Get at it, because that research will become world-wide research. I guess that simply points out how far the world has to go yet in dealing effectively with back injuries, because it still isn't being done yet to any degree of satisfaction—certainly not emotional satisfaction—in the province of Ontario.

On vocational rehabilitation, we all welcomed the change in the Act in 1974 that got rid of the 50 per cent level and brought in the recommendation that if you're continuing to receive vocational or medical rehabilitation, you would continue on your compensation. That really was a change, a very large step forward in your attitude towards injured workmen. You have to look, however, very carefully at what is going on out there in those vocational rehabilitation offices, because those offices are slowly becoming as big a source of frustration to the injured workmen as other parts of your program have been in the past.

Your guideline to those vocational rehabilitation officers which says to them, again taking the wrong attitude—the completely wrong attitude, I might say—that the degree of retraining, the amount of retraining they will give is going to be related to, and must be related to, the degree of physical disability, irrespective of how employable that person may become if he goes on a certain program, is again an attitude which just blows my mind.

There are all kinds of examples, I'm not going to give specific cases, of people in their twenties who, if given two or three years of training somewhere, would be a useful person employed in the work force, and you say to that person, "Your disability is only 10 per cent, therefore this qualifies you for only eight months of retraining and that's it. We don't care what you need to be retrained for, or what Manpower says you're capable of taking."

Hon. Mr. Starr: That's not a question, it is a statement.

Mr. Bounsall: I'm sorry. That has been my experience—and it's not just the Windsor rehab office.

You had better look at your guidelines which those rehabilitation officers have in front of them in black and white to follow in that regard. They are instructed to do that. Less than 10 per cent, no training. Ten per cent, eight months. Twenty per cent, a year and a half. That is what they have in front of them. I had it read to me over the phone by one of those officers. That is what is happening out there.

Mr. Wildman: If he is an older man forget it.

Mr. Bounsall: That's relating it directly to the degree of disability, not to their employability nor their loss of income, which is again an attitude which must change.

Interjection.

Mr. Bounsall: I don't have a copy in my possession. I suspect I can get one that has that down in black and white.

I want to go into the attitude that is increasingly frustrating the persons who go to rehab. Let me just say that there are some excellent vocational rehabilitation officers in the province who, when injured workmen go to them, try and plan a program of vocational rehabilitation. On those workers' contacts with those officers of the board and the programs they get into there is absolutely no complaint. The workmen have only praise for them. But let me tell you what some of the others are doing.

They say to them, "Well, before we try sending you to school; before we take that step"—and I quote—"as the last resort we want you to see if you can't get back into the work force." Fair enough. They say, "You must have 10 job searches a week. Come back and report to us on them." And the chap with the injured back, a 22 per cent disability, says, "Who is going to hire me?"

We still haven't passed the changes to the Human Rights Code or Employment Standards Act or whatever, which causes employers to hire back some of their injured workmen or those who are disabled, which would be helpful in this regard. They go out there and when asked, "Have you ever been a Workmen's Compensation Board recipient?" which appears on virtually all employment application forms in this province, that is ball game over. Let alone the back injury, even if they have lost the tip of one finger on their left hand and they are right-handed, it's ball game over for that person's getting a job.

That's not your problem, but it means that the vocational rehabilitation person who says, "You go out and get 10 job interviews

a week," is in essence, under the current situation, putting that worker through one hell of a hassle. When the worker comes in after they have gone through this six and seven weeks of trying to look for a job when unemployment in this province is hovering around 10 per cent comes back into the rehabilitation officer and says, "Look, I just don't see any sense in this." The rehabilitation officer then says, "You are not co-operating with me," and they just cut off compensation.

That's what's happening out there. It is completely unrealistic and should not be allowed to continue.

Mr. McClellan: The awful thing is that this seems to be news to the chairman.

Mr. Bounsall: I might say of another part of the report that I certainly welcome the move to the decentralization which has occurred and the management study you have done which will probably result in decentralized claims adjudication by September of this year. However, I don't, I suppose, have to caution the board to be exceedingly careful in who you have in those local offices so they do have sufficient expertise and we are not involving ourselves in more problems with variation around the province.

Let there be some means by which the claims adjudicating group out in the field is able to meet regularly so there are not large disparities between one part of the province and another. The major key to that is being very, very careful in your hiring and in your training so that you have very bright, capable people out there in your local offices. You may have to pay higher salaries than you are in order for that to occur, but I would say be very careful of your hiring.

[11:30]

I want to talk about one person—and this is one time I will personalize it—one medical doctor at your Downsview hospital; actually I am not exactly sure where she is located but she comes into contact with injured workmen, both while they are at the rehabilitation hospital in Downsview and from time to time out in the local community. I am going to be personal at this point because of the type of attitude which I think existed far too often in the board under the previous chairman and a lot of which has been alleviated under this chairman.

I would say of this person that, unless the board wants to perpetuate the totally unfeeling attitude which seemed to exist under Chairman Legge rather than the more personal sympathetic attitude and atmosphere that has existed under your chairmanship, that this person should be shifted to a posi-

tion where her medical background can be used but one in which she contacts no people whatsoever—no injured workmen at all.

I'll give you examples of what she has done in two of my cases. A woman with a back injury—actually she finally had three discs fused in December,—and we've now just fought an appeal case for her in Windsor to establish her claim back to when she was cut off last July. These details aren't important. I might say at this point, though, that I ran into the most sympathetic claims adjudicator in that case that I have ever run into; and where accolades are deserved, they should be given.

He is a Mr. C. Wellman, who understood everything about the case from the start. It was one of the shortest hearings they've ever held; it lasted all of about 12 or 13 minutes. Actually it should never have gone to that stage. If there had been more efficiency at the board level when I put my initial queries through on her case, it should have been adjusted at that board level.

At the end of June, when she left the Downsview rehabilitation hospital, to which in her desperation she finally asked to be admitted last May, she was told by this particular person, "I do not care"—and I can remember the phrases because I dealt with the case just on Monday of this week; I don't need the documentation to look up what was actually said to her—"I do not care how much pain you have. I do not care whether you have to take 20 pain pills a day. I am saying to you, 'You get out there and work.'" And she said: "I don't want to hear of you going to see a specialist to see if anything further can be done for you."

That's what she said. By chance, in September her own family doctor had an injury himself and was in hospital. Her own family doctor's replacement had a look at her and said, "My God, what's my colleague been doing all these months?" referred her to a different specialist, put her on therapy for three months and on December 13 had the fusion.

In June, this particular doctor at the rehabilitation hospital told her, "Don't dare go and see a specialist." When she finally got to one, she found she was going to have her major back problem resolved.

In the second case, this same person came to Windsor to establish the permanent disability rating of a particular person in Windsor. I won't go into the details of the injury, except to say it is a rather unusual one; the back muscles are all pulled away from various locations in the back and all grouped up at

various other places. It is rather an unusual injury and difficult to treat; one doesn't know quite how to treat it. When he walked in, she said, "Undress for the back," pulling off his shirt and undershirt and so on, and when he was pulling off his shirt and undershirt, he winced. He's still in considerable pain.

She said to him, "Stop the overreacting!" When undressed—and this person has a large accumulation of the muscles on his left shoulder grouped in a knot, an obvious lump—when he had his shirt off, she grabbed that muscle lump on his back and when he winced at that she said, and I quote: "If you don't want to co-operate, get your clothes on and go. I'm being paid by the board to examine you people and get you back to work. Do you know what pain is? I've had a back operation and that's pain." That's the quote I was able to get.

There was more, as you can imagine, on which I haven't got direct quotes, through the rest of that interview to establish that permanent pension. You might say to me, "Look, these are injured workmen who string you along, who really aren't telling you exactly what that person said."

I will attest to the absolute honesty of both of these persons. If you want to know a little bit about—if this is any influence at all upon it—the honesty of this last case I quoted, his likely honesty in reporting to me, he happens to be the nephew of a former Speaker of this Ontario Legislature, M. C. Davies, who was the Speaker in the 1950s in the Legislature. This is the Reverend M. C. Davies's nephew, and he is an extremely honest person and one not given to overstating the case. In fact, he appeared in my office the next day in disbelief as to what had happened when he went to have that interview for that permanent disability rating.

How long is this person going to be allowed to come into contact with injured workers in this province? Give her something else to do that makes use of her medical skills, but not contacting injured workers in this province. That's the kind of attitude and kind of performance that should never be occurring in the province of Ontario.

I'm taking up far too much time. My other caucus members will be champing at the bit to get in, but let me just say another couple of things here. I would like this figure from you. Could you get for me—and you may not be collecting data in this way at all—the number of schedule two employers in the province and the breakdown as to whether they pay their workers their net pay or their gross pay; these ones that you reimbursed, the city or the school board or what have you? I

would like to know if you have statistics on what percentage of those who, in paying their workers, normally pay their workers their gross pay or their net pay.

One other thing, very briefly, on that is the whole area of the payment of 75 per cent of gross earnings non-taxable. In discussing the report two years ago there was one person from your board—I'm sorry, I haven't seen him since then and I've forgotten his name—one person in the board who understands the problem; that is, that you have a basic unfairness again in your system by paying 75 per cent non-taxable.

What this does is it allows a single person to receive higher benefits than a person who has dependants and earns the same salary. Also, and this is because of the income tax deduction, it works to the benefit of the person who is at the highest level of the board. You're being discriminatory against the low wage worker and the worker who has a large number of dependants because of that straight 75 per cent of gross non-taxable which you pay as compensation.

It's understood by this one person, but let me say you've got to now start to be a little subtle and a little more sophisticated in terms of how you base your compensation so that those kinds of discrepancies do not continue to exist. Manitoba and Saskatchewan have pensions that are calculated on net rather than the gross. That's my information. Sorry, that's a recommendation to them both.

Hon. B. Stephenson: That's a recommendation. It has not been implemented.

Mr. Bounsall: Yes, those are recommendations all right, but do it. It requires a little bit of work. You have people capable of doing financial calculations at the board. Get them on it. Let them spend a week or two on it. It is not going to take that much more. I know you have one person who is fully aware of the problem. Put him on it for a while and get that proposal worked out for yourselves.

I would suggest that the level should be roughly about 90 per cent of net or 80 per cent of net if you include both the UIC and the CPP coverage. Let me tell you an interesting thing about that. Dealing with schedule 2 employers in Windsor, both the city of Windsor and the school boards, that both pay the net pay to the worker while they are on compensation, the net regular 40 hour-work-week pay, in that payment they pay for that worker not only his OMERS throughout but his UIC and his CPP, and there is absolutely no flak from the Unemployment Insurance Commission nor from the Canada Pension Plan.

They pay that on their total earnings. There will be no objection from UIC or CPP at the federal government level, if you should decide to do that at the Workmen's Compensation Board as part of that compensation amount. I suspect it depends how you ask the question. If you want them to say no, you ask the question one way. If you want them to say yes, you ask it in another way. I would suggest you do that.

I think I have covered all the points in principle I would like to cover and I will leave some of the other very interesting areas to the rest of my colleagues.

Hon. Mr. Starr: We will convey the response to your question later.

Mr. Lane: Before I pose any problems, I would just like to say that I think Mr. Bounsall was a little confused when he started. He said that he had to have a recess from being the critic for his party because he could only stand the board so long at a time. I think maybe it was the other way around. The board could only stand him so long at a time, but in any case, so much for that.

Mr. Laughren: He said he would avoid personalities today.

Mr. Lane: The other thing I think rather unfair is to expect the chairman to be responsible entirely for the actions that may be done or the various phrases that may be said by some member of the staff who may work under him at some point in time. I think that's just as unreal as to think that your leader would be responsible for everything you guys would do or say or that Premier Davis would be responsible for everything that I would do or say. I think it's very unreal to expect that.

Mr. Bounsall: You don't know how our caucus operates.

Mr. Lane: I wouldn't want to have to be responsible for everything you guys do or say. All I would just like to say is that as far as I am concerned I have had nothing but courtesy from the chairman and from the members of the staff I have dealt with, not necessarily because they have done what I wanted them to do, but at least every time I approached the chairman or members of the staff I was treated in a very courteous manner.

I do have some concerns other than what have been reflected by my colleague this morning. I brought this up before and maybe there's nothing that can be done about it. The 75 per cent of wages to the injured worker, seeing that it's not taxable and so

on, seems to be reasonably fair to me at the outset. But in many cases we find that that worker eventually gets to the point where there has been some improvement and he's now maybe classed as 40 per cent totally disabled. So he gets 40 per cent of 75 per cent. Maybe I am speaking to the Act more than I am to the board because I think probably the Act doesn't allow for this. Really what he settles for is 40 per cent of 75 per cent rather than 40 per cent of 100 per cent. Especially if this happened to be some years ago when wages and the cost of living were so much below what they are today. It means that the person is really not getting very much help from the board. I would just like to think that we might look at that to see if there is any way we could correct that problem.

[11:45]

The other thing that concerns me a great deal is that in many cases a worker is on total disability for a period of time and then he starts to make some recovery. At some point in time he or she is advised that they can now do light work, and their pension is cut to a minimum; in some cases, discontinued. Yet, a person might have no work to do; and there is very little chance of getting light work, especially in the industrial area such as Elliot Lake where there is mining and heavy construction going on. There really isn't much opportunity for light work. We find that person being confronted with a loss of income; yet, there is really no other possible source of income.

The other thing I'm concerned about and it hasn't been brought up is that it seems so often, especially among older workers, that a portion of the body is injured in an accident. I'm not a medical person by any stretch of the imagination so certainly I'm not qualified to make any proposals. But maybe the shoulder is injured and, subsequently, there is trouble with the arm or with the neck. The members of the board seem reluctant to feel that this is a part of the original accident. I think it's only reasonable to assume, especially with an older person, that a person will have some troubles with other parts of the body if he has a severe injury in any part of the body. I think we should not necessarily be concerned only with the location of the injury—whether it was the shoulder, the knee or whatever. I think there are many, many cases where the injury causes other problems in parts of the body that were apparently not damaged at the time of the accident but which are now suffering from the effects of

the injury. I think that's a valid situation we should look at.

There is only one other matter I'm going to raise, Mr. Chairman, because I realize there are other people who have a lot of concerns. I have a lot of concerns too, but I think they're being dealt with reasonably well.

The other thing that I know has happened occasionally is, I feel, difficult to pinpoint. Again, taking Elliot Lake, we have some pretty tough guys up there; they don't give in easily, because they're in a tough business. I know of certain circumstances where injuries have occurred and where the injured person didn't lay off work. He went to first aid, had some treatment and kept on working. There was no claim set up but, subsequently, difficulty set in and there was a serious problem resulting from the injury. It just seems pretty near impossible to get that recognized as a case that should be covered under the Workmen's Compensation Board. With one particular person I assisted it took three efforts before the board before we finally convinced them that this really was a claim even though the record showed that he went to first aid and so forth. We just couldn't seem to get it accepted as a claim. So some of our people who are tough and don't want to lay off if they don't have to but who subsequently find they have to are probably finding it very difficult to justify a claim at some later date.

I won't take you time any longer, Mr. Chairman. I do think those are valid concerns and I shall listen with interest to other people.

Mr. Haggerty: On December 16, 1976, the standing resources development committee carried a resolution directing the Workmen's Compensation Board to establish a comprehensive study relating to the accumulation of the many programs available to employees, and measures of integrating all the present programs of assistance to provide a measure or means of economic security to injured persons and survivor's benefits; and it was regardless of injury caused in industry or off the job.

On April 12, I believe it was, I raised a question with the minister concerning this study, and I think she advised at that time that the first stage of the study would be completed in June 1977. The minister was kind enough to forward to me a letter indicating the terms of reference. The first stage of it was: "to determine the present value of the following items: (a) current funds; (b) the future payments of existing claimants; (c) the portion of future assessment rates specifically earmarked to meet future payments on existing claims.

"The financial review consists of the following tasks: (a)(1) review the Workmen's Compensation Act with emphasis on benefits, provisions and the board's legislative responsibilities; (a)(2) review invested assets; (a)(3) valuation of actuarial liabilities for claimants; (a)(4) the actuarial deficit funding philosophy; (a)(5) consideration of questions of equity among employers; (a)(6) review administrative cost; (a)(7) review the claims administration procedures; (a)(8) valuation of accrued liabilities for benefits for employees of the board; (a)(9) specific concerns for schedule two employers; employers classified as schedule two under the Act are individually liable for claim costs of their own employees, whereas schedule one employers are collectively liable to the employees in schedule two to include municipalities, et cetera."

What part of this first stage is now completed?

Hon. B. Stephenson: The interim report was submitted at the end of November or early December. I am aware that the terms of the study have been broadened for the secondary portion of the report. I anticipate that it will be available to us at the end of March.

Mr. Haggerty: What is the name of the company?

Hon. B. Stephenson: The Wyatt Company.

Mr. Haggerty: That is the only one involved?

Hon. B. Stephenson: Yes. It will be available to me then.

Mr. Haggerty: When will it be available to the lowly "us"?

Hon. B. Stephenson: I make no such distinction.

Mr. McClellan: When will it be available to the members of the Legislature?

Hon. B. Stephenson: As soon as we have the completed report and we have had an opportunity to study it in conjunction with the report of the recommendations of the joint consultative committee.

Mr. Lupusella: When will the report be completed?

Hon. B. Stephenson: I believe the report of the joint consultative committee is available now.

Mr. McClellan: That's very clear.

Mr. Haggerty: The second stage of the terms of reference was: "to review the benefit levels available to workers from insurance schemes providing coverage for industrial accidents and diseases, including workmen's compensation, Canada Pension Plan; (3) to

review the inequities if any resulting from the fact that Workmen's Compensation benefits are non-taxable." I'm sure that the minister and the chairman have heard the comments of some members this morning concerning this particular area, where there is inequity. "(4) review the benefits available to the dependants of workers; (5) review alternative approaches for establishing the level of benefits for permanently disabled persons.

The benefits review consists of the following task: (b)(1) comparison with other provinces and countries; (b)(2) the interrelationship of workmen's compensation with other sources of benefits; (b)(3) taxation of benefits includes inequities between single and married workers and between low- and high-wage earners; impact of taxation policy on the relationship between total after-tax benefits and after-tax disposable income from employment; (b)(4) the philosophy of benefit design; (b)(5) the alternatives for benefit design; (b)(6) related problems in present legislation."

It covers a rather broad area; but I thought that perhaps this report, as important as it is, should have been available to the members of the Legislature, and members of this particular committee, who could perhaps review it before pending legislation comes forward; hopefully, it is going to come forward. The member for Sudbury East says "No."

Interjection.

Mr. Haggerty: I can see some merit in this report, but I am amazed at the delay in finally bringing it into the Legislature. There was an article in one of the newspapers—I think it was the Welland-Port Colborne Tribune—which suggested that perhaps there was a leak out on the financial conditions of the Workmen's Compensation—

Hon. B. Stephenson: A what?

Mr. Haggerty: A leak—a report that perhaps got out to the press somehow. I think that is what the heading of it was.

Hon. Mr. Starr: But the report was based on the financial report we issued publicly for the year 1976.

Hon. B. Stephenson: That's right.

Mr. Haggerty: For 1976? But this indicated a further study on the financial conditions or constraints that the board is finding itself in presently.

Hon. Mr. Starr: That was set out very explicitly in the 1976 report. That is where the story came from—as a result of reading the report.

Hon. B. Stephenson: I am informed that the second portion of the report would have been available at an earlier date had there not been a number of submissions to The Wyatt Company or the people carrying out the study by both employers and unions. There have been a very large number of submissions made which had to be taken into account in writing the report.

Mr. Haggerty: Were these inquiries sent out to specific unions, or were they advertised? How were they informed?

Hon. B. Stephenson: There was a statement in the House and a press release—

Mr. Haggerty: That's right. Yes.

Hon. B. Stephenson:—and unions and companies which were related to the Workmen's Compensation Board inquired of the availability of the study group to hear their concerns and we referred them to the study group.

Mr. Haggerty: But there were no invitations from other areas of the province except, say, the core of Toronto. I don't know. It seems to be a hidden report and we have been waiting for it.

Hon. B. Stephenson: If I may say there were no invitations at all. But indeed there was some widespread information about that program regarding the establishment of the study. I have responded to everyone who has corresponded with me, informing them, making them aware they could make submissions to The Wyatt Company. But there was no request for submissions to anyone.

Mr. Acting Chairman: Before we continue I would like some guidance from the committee as to when we will adjourn for lunch and whether we will sit this afternoon, et cetera. I have quite a list of speakers here.

Mr. Martel: I have something to say about the minister's health, Mr. Chairman. She doesn't appear to be well. I don't mean that to be off-colour in any sense, but if you would prefer to try to reschedule I would be prepared to accommodate the minister.

Hon. B. Stephenson: Having managed to get the chairman back from his holiday and the staff of the board here today I would rather that we completed it today. I'll survive, thank you. It may take a few more pills.

Mr. Bounsall: I would suggest that we either quit at 12 noon and come back at 1:30 pm, or go to 12:30 and come back at 2 p.m. I am easy on whichever we do.

Mr. Haggerty: We'll adjourn at 12 and come back at 1:30 p.m. then.

Mr. Acting Chairman: Is that satisfactory to the committee?

Mr. Haggerty: Is that satisfactory to the minister?

Hon. B. Stephenson: I would be back shortly after 1:30 p.m.

Mr. Acting Chairman: Then we will recess at 12 and come back at 1:30 p.m., if that is satisfactory to the committee.

Continue, Mr. Haggerty.

Mr. Haggerty: I would just like to know when we can expect this report—within a couple of months?

Hon. B. Stephenson: I hope we will have it within a shorter period of time.

Mr. Haggerty: And when can we expect legislation to follow then?

Hon. B. Stephenson: As rapidly as we can possibly develop whatever it is necessary to develop.

Mr. Haggerty: I am sure there is room for improvement in the Act. Hopefully we can get on with it then, bringing forth amendments that will improve the workmen's compensation.

Mr. Chairman, I am deeply concerned about the recent layoff of a number of employees at Inco in Port Colborne due to the huge inventory there. A number of employees who had a number of years service and who, through some injury in the past, had some slight disability have been included in that layoff. I find now that a number of these employees are not too happy with some of the decisions that have been handed down by the board. They have been told there's no light modified work within the company.

[12:00]

This started almost a year ago. I'm sure the chairman has received a letter from Mr. Moreau, president of Local 6200. I can recall letters, his and your letter in reply, concerning this problem. I think the president could see it was going to run into some difficulties in the months ahead. I believe it's coming to a head now. These men who were employed by Inco have now been placed outside of the plant and have no jobs and I don't think many of them will ever find a job due to their disability. There are a number of them with back problems. Some have had surgery that has provided some assistance for them.

When they have to go out and apply for a job, as the rehabilitation officers who have been in the area tell them, when they apply to Manpower, as Mr. Bounsall also stated,

they have to show just cause, where they have been and what jobs they have been looking for. These persons have been pensioned off from Inco with a small pension. They received a small pension from Workmen's Compensation that could vary from \$60 a month to \$120 a month, which is not sufficient income to support a family, particularly for these men who are around the age of 35 to 50.

There's little hope of them obtaining gainful employment. One of the reasons is their educational background. A number of them perhaps are of ethnic background, particularly those persons who came from Italy. They have provided a good service to the industry, and have worked hard, but they now find difficulty obtaining employment with their degree of disability and educational background. There's very little hope they will be gainfully employed.

I've appealed it on section 42 and 42(5) of the Act with little result. I've tried to inform the chairman of the appeals that this is a difficult area and that further consideration should be given to these particular employees of Inco. I'm sure the member for Sudbury will have the same problems in that area up there in that a number of these persons have lost their jobs through disability. I've known cases, and you can talk to Manpower, of persons who have applied seeking employment through Manpower. Manpower has a file they call a dead file. For any person coming in there with a degree of disability, a person who has problems with workmen's compensation, that's where his application form is placed—in a dead file.

As I said, there's no hope of these persons being gainfully employed. Rehabilitation is not available for them or upgrading in education. I don't know what we're going to do with them. I can tell you that these persons can't survive and maintain a family, particularly a young family going to school, with about \$240 to \$345 a month to pay for their home, et cetera. I think an injustice is being done here by the industry and by workmen's compensation. I don't think it's right.

It's wrong that the company should say their services are no longer required and shove them out the door. The board accepts its responsibility by saying "Your degree of disability is 10 per cent or 15 per cent or 20 per cent. You could have a benefit of about \$60 to \$120 a month." That's not good enough in our society today. I think Inco has an obligation to these men and so does the Workmen's Compensation Board when one looks at the impairment of wages.

These men don't want to be lying around home complaining of back problems, et cetera. They want employment and many of them can't obtain employment because of the degree of their disability. I feel the board has to improve compensation benefits to this particular group of employees.

The committee recessed at 12:02 p.m.

The committee resumed at 1:35 p.m.

Mr. Haggerty: Mr. Chairman, I'm just trying to place my notes together here. I mentioned previous to the lunch break the matter of the persons employed at Inco. There is another plant in the city of Port Colborne, Algoma Steel, that has phased out its operations, and I find a number of employees who were previously injured are now having difficulties in trying to survive on what little benefits and what little pension there is available through the companies that had dismissed them through lack of employment within the industry.

I was hoping that the board would give consideration to these particular circumstances when an appeal is made to the board. Often we get the same old answer, the same reply, "Refer them to light modified work." That's an area that's very contentious. Some industries may be able to adapt to light modified work while in other industries a person who is disabled is automatically put right out the door. I think Mr. Bounsall mentioned the Workmen's Compensation Act, in particular section 42. I would like to have another interpretation of that particular section, regarding the manner in which the board interprets section 42 where there is an impairment of earning capacity.

That's a question I usually ask every year and one of these days I hope that I'm going to get the right answer that I'm looking for. I would sooner have it come from the chairman. I don't want it to come from any of these other gentlemen out here. I want it from the chairman or somebody that's higher up the ladder there.

Mr. McClellan: Play "stump the chairman."

Mr. Haggerty: Yes, this is right. I'm sure that you've encountered the same difficulties there.

Mr. Lupusella: The hon. member must like a ping-pong game.

Mr. Haggerty: That's right. I want to go right to the top.

Mr. Laughren: Where is the minister, Mr. Chairman?

Mr. Acting Chairman: She said she'd be a little late but she'd be here as soon as she could. I recall her saying that.

Hon. Mr. Starr: Would you repeat the question?

Mr. Haggerty: I would just like your interpretation of section 42, and perhaps all the way right straight through to subsection 5, where you can add a supplementary amount but it depends upon the nature and degree of his injury. Let's have a clear understanding of the interpretation of that particular section there and how the board interprets it.

Hon. Mr. Starr: If a person is able to perform some sort of work, based on the medical certificate that is provided to him by his doctor, he's now able to perform certain work other than what he had been able to perform because of his injury, and he has a disability pension, then if he, in the same circumstances as if he was on full compensation, is available for that type of work suitable to his ability, is out looking actively—much in the same way as unemployment insurance; you can't draw unemployment insurance unless you are available for work—if he's actively engaged in trying to find that suitable type of employment and is co-operating with his vocational rehabilitation officer, then he gets what is, under section 42(5), the difference between his pension and what was his total, full compensation—at least 75 per cent of his earnings.

Mr. Haggerty: So he has to be registered with Manpower.

Hon. Mr. Starr: That's right, that's the first step.

Mr. Haggerty: I suppose if he can get any letters from other industries telling him the reasons why he cannot be hired—

Hon. Mr. Starr: He has to co-operate by reporting to his vocational rehabilitation officer that he had actually been at these places and he has to have the signature of the employer that he was there for that purpose. The vocational rehabilitation counsellor does not necessarily leave it up to him. He also is out knocking on doors on his behalf trying to see if he can place him, or he should be.

Mr. Haggerty: He should be. Where do you think the industry has a responsibility in this particular area where they have dismissed an employee through an injury, said he is no longer required in this particular industry and shoved him out on the labour market under today's circumstances looking for employment? Don't you think the industry has a further obligation here, if a person has been maimed, particularly in that industry?

Hon. Mr. Starr: As you know, Mr. Haggerty, there is no compulsion in hiring these

people. I have had experience as Minister of Labour for Canada when the older worker was not hired and I wrote to all the employers because there was no legislation forcing anybody to hire anybody over 45 years of age, and this applies the same way now. There is no legislation forcing these people. If they refuse to hire him, it would be pretty difficult to prove he was not hired because of his disability. All we can do is I hope that if a person gives service to a particular industry for a great many years that that industry will feel obligated on its part from a compassionate and human-caring standpoint to take the man back on again in some capacity he can perform.

Mr. Haggerty: In this particular incidence when the layoff happened at Inco when it phased out one particular operation in Port Colborne, many of these persons had 20 years or more service. Some had 10 years service. Normally it's over 10 years service, and that's quite a period to be working for a particular industry. I feel the industry and the Workmen's Compensation Board have an obligation in this particular area so that these persons just can't be cast aside by saying to them, "We have paid our share of responsibility at \$60 a month pension." I don't think that is justified today, but that's what's taking place even within the board.

Hon. Mr. Starr: We have augmented that vocational counselling aspect, particularly in the area where these people go out to the employers and tell them they have a man who is able and willing to work to do the type of work they have there. They ask the employers to hire him. We only had one or two. Now we will have as many as five or six this year who will be doing this to try to help the injured worker.

Mr. Haggerty: Hopefully the board will consider a number of these appeals that have been presented to the board and perhaps others that will be coming forward.

Hon. Mr. Starr: We are grateful for any good suggestions that come forward.

Mr. Haggerty: I suggest that you read my letter to the board concerning an appeal. The claim number is C6394609. There is about a three- or four-page summary. After looking into the medical evidence. I have summed it up in the letter, I said: "I have also checked with Canada Manpower in Port Colborne. They have advised that Mr. So-and-so is registered for employment but it is also indicated to me that any person who has a degree of disability has his application put into a special file with little reference made to that particular application."

This is what goes on. I get a little put out or disgusted with some of the decisions or some of the discussions over an appeal that referred them to Manpower for employment opportunities when many of them on the board know full well that these persons have less chance of obtaining full employment or any decent income.

That's the reason why I look at section 42. My interpretation of that is when a person has lost his job through a disability and there is an impairment of earning capacity, then he should be compensated at full benefits until he is either rehabilitated through vocational—

Hon. Mr. Starr: He gets a pension plus the supplemental, which is equivalent to full compensation.

[1:45]

Mr. Haggerty: In many cases even with their pension, and in some cases Canada Pension combined with workmen's compensation, this doesn't reach anywhere near 75 per cent of his earning capacity before the accident. That is where the person is being shortchanged. I know that you are getting perhaps some comments from the other side of the bargaining table, let's say from manufacturing, that they feel they are carrying their load, but in some cases—the cases I presented to the board—I feel that they have been shortchanged.

Hon. Mr. Starr: We even give consideration, in cases in your riding, for example, or in Oshawa where a person has been employed by General Motors or by International Nickel in your area, for say 15 to 20 years, they have developed a seniority there, and the company is still carrying them on in sick benefits, et cetera, or at least are paying their premiums. We have to consider that aspect. We just can't rush in and take this man and say, "You have to take this other job and lose all these other things you have developed over the years."

Mr. Haggerty: But in this particular instance, where this last layoff occurred in the city of Port Colborne at International Nickel Company, they were given one alternative—I think it was by October 28, 1977—"Either you accept what we offer you or you get nothing." Some of them went on that basis, on early retirement over their disability.

Hon. Mr. Starr: We have no jurisdiction over the decisions of the company.

Mr. Haggerty: Now they find out that they are being shortchanged, not only by Inco but even perhaps through the decisions of the Workmen's Compensation Board.

Another matter of concern that I want to discuss with you is the matter of the cancer claims in the industry in Ontario, and I think I have a copy here given to me by I think it is Peter Kovacich, who represents local 6200 in compensation claims and in making representation to the board.

I notice in 1973 you had a total of 173 claims allowed for lung cancer, 39 claims for sinus cancer, and nothing here for larynx at all. Has the board given any consideration to a change in its attitude towards persons who have come down with cancer of the larynx?

Hon. Mr. Starr: So far the medical profession has not found that there is any connection between one and the other; that is, the exposure that these people are working under to the cancer of the larynx.

Mr. Laughren: Are you speaking quietly in this particular issue because you are ashamed of your response—because you should be—and I can't hear what you are saying. We have a right to hear the response.

Mr. McClellan: You could send him a note.

Hon. Mr. Starr: You are asking me something that is in the medical field and I readily admit that I am not a medical man, nor am I able to give you the answers that you might like to hear. I stand to be corrected, but it has not been as yet established—

Mr. Haggerty: Why has it not been?

Hon. Mr. Starr: It is being studied now, and we expect to have some reports on this and some decision within a matter of months.

Mr. Laughren: You have made a political issue out of something that is not—

Hon. Mr. Starr: We haven't; you have.

Mr. Laughren: You certainly have. You've ignored the medical evidence.

Hon. Mr. Starr: You have been very cruel to the people who are suffering with this; this has not been accepted as a compensable decision.

Mr. Mackenzie: We have been cruel to them? My God, that's terrible.

Mr. Laughren: That is obscene, you know that.

Hon. Mr. Starr: The only thing that is obscene is you.

Mr. Chairman: Order.

Mr. Haggerty: The reason I raise this question is that I am sure the chairman is well aware of the problems in the nickel industry in Ontario where a number of persons have come down with larynx cancer—

Mr. Laughren: You have been sucked in by the minister.

Mr. Chairman: Order.

Mr. Haggerty:—which can be related to their occupation. It's an occupational health hazard. I am sure he read the latest revised amendment to the Bill 70 that relates to occupational health and employee safety. Will there be any changes made, that perhaps will coincide with the intent of that particular piece of legislation, to schedule 3 of the Workmen's Compensation Act?

Hon. Mr. Starr: We certainly can't tell you ahead of time, Mr. Haggerty, what might happen in this case, but certainly we are not going to be left behind in recognizing any industrial disease of any kind that is compensable as a result of the exposure of the workman.

Mr. Haggerty: I know this much: There have been a number of old claims allowed as a result of the decision of the Workmen's Compensation Board as it relates to lung cancer and sinus cancer in the case of certain deceased employees of Inco in Port Colborne. I believe some of the awards were given in the past six months. After about seven years of struggle by local 6200, Ray Morrow, myself and Pete Kovacich I guess, with the Ministry of Health at that particular time—I think it was Dr. Mastromatteo in the environmental health section there—we've finally been able to obtain additional awards. I am particularly concerned about the matter of cancer of the larynx. Sinus cancer now has been established as an award or a claim; why the delay in the matter of larynx?

Hon. Mr. Starr: It's medical research. We have to depend on medical research to ascertain whether the exposure of the work and how long an exposure is necessary as a result of this cancer.

Mr. Haggerty: A heavy cigarette smoker inhales smoke through his mouth; he could come down with cancer of the larynx or of parts of the respiratory area, such as the lungs. So why wouldn't you allow a claim for cancer of the larynx in industry?

Hon. Mr. Starr: Just as soon as we have a report from the medical scientists on this matter, we certainly will abide by that recommendation.

Mr. Haggerty: But there are studies and reports now that indicate that this is related—

Hon. Mr. Starr: Not made to us.

Mr. Haggerty: I'm talking about Europe, and particularly of Britain, where some of

the information I have read over the years has indicated that, even in the nickel industry, this is attributable to their occupation or work environment. How close is the board to bringing in a decision?

Hon. Mr. Starr: I think it's a matter of months now, Mr. Haggerty.

Mr. Haggerty: A matter of months.

Mr. Mackenzie: In what year?

Hon. Mr. Starr: There are 12 months in a year; and if it's a matter of months, it will be just—

Mr. Mackenzie: In what year?

Hon. Mr. Starr: It will be soon enough, without your help.

Mr. Haggerty: But you are working at it? Who is working at it?

Hon. Mr. Starr: There's Dr. Ritchie—and Dr. Miller?

Dr. McCracken: It's Dr. Tony Miller, who is the director of the epidemiological unit of the Ontario Cancer Foundation, who is the person responsible for the case control study that we initiated in February of last year.

Mr. Haggerty: Is there anybody in the health sector of the Ministry of Labour dealing with this same topic? Would you know?

Dr. McCracken: I'm not aware of it.

Mr. Haggerty: Not aware of it, eh? Nobody there at all. I notice in the report too there are 12 cases related to Consumers' Gas. Could anybody give me some information on that particular area? It relates to lung cancer, I guess.

Hon. Mr. Starr: I think Dr. McCracken might be able to enlighten you on that one.

Dr. McCracken: Those were 12 old cases that occurred back in the 1940s, involving persons who worked on a gassing process of the Toronto Consumers' Gas when they were supplying gas from coking operations to industrial and residential services in Toronto. These people developed lung cancer and it was recognized that there was a relationship between what they were doing and their cancer, and these cases were allowed some number of years back.

Mr. Haggerty: And then there's one noted case here. I believe it is for lung cancer; it just says "coke oven." What industry does that relate to?

Dr. McCracken: Any lung cancers listed in the report that are not identified as the twelve from Consumers' Gas and are listed as "coke ovens" would be with one of the three current steel producers in the province.

Mr. Mackenzie: One of the old coke ovens that they used to produce gas in Hamilton?

Dr. McCracken: Yes, that's right.

Then there were the claims we evaluated relating to the old Hamco operations in Hamilton where they were coking for gas there; that operation was phased out.

Mr. Haggerty: You have five cases pending now. Have you arrived at a decision?

Dr. McCracken: I can't tell you whether those specific five have been decided upon or not, because in each month's report there's an update of new cases that are pending and previous cases that have been resolved, so it's an ongoing affair. For instance, as of December of 1977, there was one case of lung cancer from coke ovens that was pending at that stage. Prior to that, of course, there were originally 22 and they worked their way down through the group. So 22 were originally pending in the coke oven group.

Mr. Haggerty: How many were awarded disability claims?

Dr. McCracken: The final tally as of the end of December 1977 showed that during the year there had been 11 claims accepted; six claims had been rejected; one pending.

Mr. Mackenzie: Will you allow a supplementary on that?

Mr. Chairman: Go ahead, sir.

Mr. Mackenzie: What was the date that the nine cases of lung cancer at the Consumers' Gas in Toronto were established? You said they were established some time ago.

Dr. McCracken: Yes, we have them listed that they came to our attention in 1946 to 1950.

Mr. Mackenzie: That's when they were established?

Dr. McCracken: To my knowledge, yes.

Mr. Mackenzie: You can see, then, that there's no relationship between those cases and the fight to establish the cases at the Hamco operation in Hamilton?

Dr. McCracken: I don't believe there is any question about right of establishing, because we already had our guidelines in place for allowance of lung cancer for coke ovens. It was just a matter of these people being found and claims being set up by Mr. Kerr's division, and obtaining the medical information that was required.

Mr. Haggerty: When were these claims found then? You said 1946 and 1950. When was the decision brought down that they would be compensated for their disability?

Dr. McCracken: I don't have that information, I'm sorry.

Mr. Haggerty: You said that you found them. Were you out looking around throughout the province.

Dr. McCracken: Presumably, this was when they were brought to the attention of the board, because our data shows that they were listed as occurring between 1946 and 1950.

Mr. Haggerty: So I presume you do have a follow-up, particularly in occupational health where you feel that there is a risk involved? Do you follow up on all the persons employed at International Nickel Company, Falconbridge and Elliot Lake?

Dr. McCracken: Do you mean does the Workmen's Compensation Board do that? We have carried out follow-up operations in several areas. Mr. Kerr and the claims services division have carried out follow-up operations relating to asbestos exposure and to some of the coke ovens related to the Hamco operations.

Mr. Mackenzie: That took quite a bit of pushing though.

[2:00]

Mr. Haggerty: In the area of uranium I guess there are five cases pending. You have allowed or accepted six in 1975. How many new cases are there before the board waiting decision?

Dr. McCracken: As of December 31, 1977, there were 14 cases of lung cancer pending.

Mr. Haggerty: How many awards were granted?

Dr. McCracken: During 1977 there were 14 lung cancer claims allowed for uranium mining. The total that had been allowed right up to the end of December, going back to the beginning of our records, is 40.

Mr. Haggerty: Is that from any particular mine?

Dr. McCracken: No, that includes the old Bancroft operation and Elliot Lake. It also includes the one case from Eldorado Refining.

Mr. Haggerty: You had only one asbestos claim pending in 1975 or 1976?

Dr. McCracken: At year-end 1977 I have listed two cases of lung cancer pending related to asbestos fibre dust exposure.

Mr. Haggerty: What about silicosis? I see nothing in this chart that indicates any decision brought down for awarding claims under the silicosis section.

Dr. McCracken: No, that is not included in that particular report. Those are malignancies.

Mr. Haggerty: Have there been any awards granted to persons who have come down with silicosis?

Dr. McCracken: In 1977? Yes.

Mr. Haggerty: How many?

Dr. McCracken: I haven't got those figures at the microphone. As I recollect there were 17.

Mr. Haggerty: Have you come to any conclusion on the agreement between the province of Quebec and the province of Ontario that relates to silicosis, the reciprocal agreement that is supposed to be there?

Mr. Harding: No. We have pursued it with them and as yet they are not in a position to enter into an agreement.

Mr. Haggerty: This has been going on for a number of years now.

Mr. Harding: That is true.

Mr. Haggerty: Where is the difficulty?

Hon. Mr. Starr: It is on their part. We have pursued an agreement with them but they have not taken any action.

Mr. Haggerty: What happens to those employees who are caught between the province of Quebec and the province of Ontario in this matter that relates to the mining area?

Mr. Harding: Could I answer that? There are no cases that have been caught like that. We have had two cases in which Manitoba, Ontario and Quebec were all involved. In those cases, for the purposes of the agreement, Quebec remains in status of being outside of Canada, since they haven't signed the agreement. Therefore the provinces of Manitoba and Ontario shared the total cost between them. The workmen were not deprived of their benefits. Full benefits were paid. They were shared by Manitoba and Ontario under the Manitoba-Ontario agreement.

Mr. Haggerty: That is perhaps a recent complaint; I am talking about something else.

Mr. Harding: That was about two years ago.

Mr. Haggerty: I am talking about those persons who have worked in the province of Quebec within the last 15 or 20 years and have come to Ontario.

Mr. Harding: There are no claims, to my knowledge, that have been filed with the Ontario board that have been turned down on that basis.

Mr. Haggerty: You said the province of Quebec was outside of Canada even at that time?

Mr. Harding: No, for the purposes of the agreement, the way the agreements are writ-

ten with the provinces with which we have entered into agreements, is that the cost of the claim will be shared by those people who have signed the agreement. Any exposure outside the jurisdictions that have signed the agreement is deemed to be outside Canada. For instance, some people got exposure in Belgium, some got exposure in the United States, some got exposure in Great Britain, and we ignore all of that exposure. In terms of the agreement, if any province has not signed the agreement we ignore that exposure as well, and we divide the cost of the claim between the provinces which have signed the agreement.

Mr. Haggerty: Do you have agreements outside of Canada?

Mr. Harding: No, sir.

Mr. Haggerty: But you do recognize the areas of employment before though, do you? Do you take that into consideration?

Mr. Harding: We note that on the record but we don't take it into consideration. We discount that.

Mr. Haggerty: There's no possibility that you could have an agreement with, say some other country to assist—

Mr. Harding: No, sir. Frankly, if the man is a resident of Ontario and has had at least two years exposure in Ontario, we accept the total cost of the claim regardless of where else the exposure might have occurred.

Mr. Bounsall: It isn't impossible to get it with the other countries, you just decided not to though?

Mr. Harding: It isn't possible to get it with the other countries.

Mr. Bounsall: Have you tried it?

Mr. Harding: They don't have the same kind of system and they don't have the same kind of legislation.

Mr. Haggerty: Those are all the questions I have, Mr. Chairman.

Mr. Laughren: It's quite a few years now that I've been attending these hearings. I'm always impressed by the knowledge that the MPPs have of the compensation Act and the Workmen's Compensation Board and the problems of injured workers; and that's of course, because they're so intimately involved in their problems, which is a comment itself on how the system is being run.

I was impressed by John Lane's comments this morning on the problem where the worker injures one part of his body and it can affect another, and yet the board doesn't see that link there. Medically it's probably very hard to see it but there's no

doubt, I gather, in his mind or in mine—those of us who work with workers in the heavy industrialized areas like mining or lumbering—that this occurs.

I think the one thing that's bothered me a little bit was since we now have constituency offices—and the board may find it strange that I would raise this—MPPs don't spend as much time dealing with individual problems as we used to. I know that last Friday I was in my constituency office in Chelmsford just outside Sudbury and it was a very good experience, because when you get away from dealing with individual cases you escape some of the frustrations, and that's not a good thing for a legislator.

By the end of the day, I was just about climbing the wall on compensation problems. I guess if I was there five days a week I would indeed be climbing the wall, I don't think there's any doubt about that. I don't know how the constituency assistants live with it so consistently, day in and day out. It's an extremely frustrating experience. We have to be very careful that we don't allow ourselves to think that the problem isn't there just because we're not dealing with it as directly.

I'm disappointed in the time allowed for this discussion. It was very difficult scheduling time to get the board before the standing committee this year. I don't think this one day is quite enough, but I guess we'll have to live with it.

My colleague from Windsor-Sandwich talked about not personalizing the debate, and I agree with what he said. I too can remember refusing to comment when Mr. Legge left the board, and refusing to comment when Mr. Starr was appointed chairman, because even though I know it's an important position it's one that doesn't determine everything that goes on at the board, and indeed can't. That's one reason I, as critic of the Workmen's Compensation Board and for occupational health for a number of years with the NDP, never got into calling the chairman of the board names or commenting on his integrity, because I felt that that just clouded the issue, when it's the compensation system that's the problem.

But I'll tell you something, Mr. Starr is making it increasingly difficult to be objective about him in the role of the chairman, for a number of reasons. One is that he has insisted on injecting himself into the political arena, both last spring when we as a party established a task force to go around the province, to talk to injured workers and draw attention to the problem and to satisfy

ourselves that there was a common set of problems out there that needed to be resolved and that it wasn't just localized where we had elected members.

It wasn't just some kind of NDP hobby horse that we were riding. I was somewhat offended by the chairman's comments at that time that the NDP was engaged in a political exercise, and he implied a self-serving political exercise. I thought that was unfair for someone whose primary responsibility is to serve injured workers.

I was then further bothered by his continued involvement in the Aimé Bertrand laryngeal cancer case which Mr. Haggerty just mentioned. Third, I was very bothered this morning when the chairman indicated he had not asked for a committee to look into the need for an increase in the level of benefits for injured workers, in spite the fact it's been more than two and a half years—

Hon. Mr. Starr: I didn't say that this morning. I didn't make any mention of that this morning at all.

Mr. Laughren: I am sorry. I thought you did.

Hon. Mr. Starr: You are trying to make up stories.

Mr. Laughren: No, I am not trying to make up stories now. I am trying to be objective about the whole thing, but I am really worried.

Mr. McClellan: Speak up, Mr. Starr. If you have something to say, just speak into the microphone.

Hon. Mr. Starr: I don't need your coaching, Mr. McClellan.

Mr. Laughren: I will tell you something else I am worried about. I started to talk about the Aimé Bertrand case. The issue has become not one of compensation, it has become rather pathetically and tragically a political issue. I think the compensation system and the political system have been debased by what the Minister of Labour and the chairman of the Workmen's Compensation Board have done. There's no question in my mind but that they have dug in their heels. They are saying that we are not going to allow the NDP and the United Steelworkers of America to turn us around on this particular issue. They are not going to allow Aimé Bertrand to become a living symbol of what the board is doing to people like that. Some time when Aimé Bertrand is not here and not around, laryngeal cancer will be recognized, there's no doubt in my mind whatsoever about that.

I am worried at the chairman's attitude towards members of this committee. This is a legislative committee of the province of Ontario and as such it has a right to be critical and to inquire into the operations and policies of the board. I get the distinct impression that the chairman resents this. He resents coming before this committee. He resents comments that the NDP members of the committee make concerning the board. I think he's not serving the system well and it's his system that he's not serving well. If it was my system, there wouldn't be a compensation board like we have in Ontario.

Hon. Mr. Starr: I wonder if Mr. Laughren would allow me to say something at this time.

Mr. Laughren: Certainly.

Hon. Mr. Starr: He just said a moment ago that I resent coming to this committee.

Mr. Laughren: Yes.

Hon. Mr. Starr: Prior to 1974 there was no such opportunity for a committee to sit. It was on my request that an amendment was made to the Act to bring us forward to this committee on the basis of our financial report.

Mr. Laughren: Yes.

Hon. Mr. Starr: There is no indication that I resent coming to this committee, but I do resent the abuse which I have taken.

Mr. Chairman: Order, please.

Mr. Laughren: It's interesting that the chairman feels abused by the committee.

Mr. Mackenzie: Seeing it was your word.

Mr. Laughren: I thought Mr. Bounsell's presentation this morning was objective.

Hon. Mr. Starr: It was excellent and you should follow in his footsteps.

Mr. Laughren: I haven't made a presentation yet. Your attitude is snarly, defensive and objectionable.

Hon. Mr. Starr: Offensive, not defensive.

[2:15]

Mr. Laughren: And do you know what? You have become a political pawn of the Minister of Labour. That's a sad commentary to make about the chairman of the Workmen's Compensation Board, but you simply have. You have allowed yourself to get into a position where if the New Democrats recommend a change in the compensation Act or pursue the cause of an injured worker, either with an illness or an injury, your objectivity is no longer there. That's not fair and you are not doing the job that you are supposed to be doing and that bothers us a great deal.

I don't know what to do about it at this point. I have always firmly believed that ask-

ing for the chairman's resignation would not solve any problems because we would still be left with the same compensation system that we have now. That was the problem with replacing Bruce Legge, with Michael Starr, but I tell you that with your lack of objectivity, you are simply not serving the cause of injured workers in the province of Ontario. I do not know what else we can do except ask that someone replace you, someone who is not so plugged-in to partisan politics in the province of Ontario, someone who judges the cause of injured workers on their merit and extends some benefit of doubt to injured workers without always putting it on a partisan-politics scale to see where the balance is. That's what you do.

Mr. Lane: That's not fair.

Mr. Laughren: Well I tell you something, John, I wouldn't say it if the evidence wasn't there.

Mr. Lane: That's not a fair statement. You should retract that statement.

Mr. Laughren: I will not retract the statement because Mr. Starr has created this atmosphere himself. We did not create this atmosphere. We have a right to raise the problems of injured workers and when he responds the way he does, he leaves us no alternative but to draw those conclusions.

Look, John, we don't have the problem with the Unemployment Insurance Commission that we do with the Workmen's Compensation Board. There is no agency in the province of Ontario, or indeed there is no federal agency, that gives us the heartache of the Workmen's Compensation Board. Now why is that? Well the answer is obvious.

Mr. Lane: Are you asking me to respond to the question?

Mr. Laughren: Sure, you go ahead and respond.

Mr. Lane: Well, I don't pretend to be any authority on unemployment insurance—

Mr. Laughren: No.

Mr. Lane: —but I do know that I have as many compensation claims as maybe any member in the room, because I represent a riding that has that kind of industry, and I do know that I get a fair and objective type of a hearing when I come before the board.

Mr. Laughren: Well that's the whole point.

Mr. Lane: I don't think that I get treatment any different from what you people get.

Mr. Laughren: Oh, oh.

Mr. Lane: I know your colleague from Sudbury East (Mr. Martel) boasts on the amount he settles and settles satisfactorily;

and I think rightly so. I know he works hard at it. We all work hard at it. But I think it is unfair to make the statement that you made regarding Mr. Starr.

Mr. Laughren: I have never before suggested that Mr. Starr should be replaced as chairman, but it really has reached a point where I question his objectivity.

Well I would like to move on—now that we have set the tone—to talk about—

Mr. Warner: Stop being subtle.

Mr. Laughren: —the task force report that the NDP prepared as a result of our hearings across Ontario last spring. We spent a lot of time on that, put a lot of work into it. There were officials of the Workmen's Compensation Board at all of the hearings, I believe, and I hope they learned something from it.

The purpose of our task force was to allow us to make representation to the board and to the Ministry of Labour and to recommend changes. And we said in our report that we presented it in good faith in the hope that the board would be able to make some positive changes.

I suppose that once again, because it was a document presented by the New Democrats, they will dig their heels in and resist it even more strongly than they might otherwise do; and that bothers us as well because it was, indeed, done in good faith.

There were two major themes that we detected as we went across Ontario. One was the need to decentralize the board, and the chairman's comments this morning in his opening remarks were rather strange on the decentralization question. He indicated no commitment, I felt that they were rather too defensive about the whole idea of decentralization.

What bothers me about it is when an injured worker in Sudbury or in Thunder Bay or in Windsor has a problem, he phones the local office. The local office processes the information, gets the information from Toronto. Somebody sitting in Toronto can make a decision without feeling the frustration that's there in the community.

I think Sudbury is a good example. The Toronto office of the Workmen's Compensation Board didn't feel the pressures when the injured workers occupied that building a couple of weeks in Sudbury. I'm sure you heard about it. Can you imagine the frustration that leads workers to get out on a cold morning to demonstrate for a number of hours before the board offices and then go in and refuse to leave? That's not done lightly.

You are removed from that sense of frustration and anger and I would suggest that that is one of the reasons you refuse to decentralize. It's bureaucratically comfortable and convenient for you to make your decisions at Bloor Street rather than out there in the community where the problems are. You really should be decentralizing more than you have. In my opinion it would provide greater protection to workers.

That was one of the key recommendations of our task force. As a matter of fact, it was the number one recommendation. We said: "The Workmen's Compensation Board should be decentralized so that the first level adjudication occurs in the area offices and cheques can be issued without going through the head office in Toronto. Computer hookups can provide for the fast transfer of information into the head office." In other words, reverse the process that is there now. If the head office in Toronto needs information let them get it from the area offices, not the way it is now. It's silly.

"Secondly, a system should be set up which reviews the status of each claim in process on a regular basis so that delays in obtaining necessary information can be avoided and claims can be processed quickly."

I was at my constituency office a couple of weeks ago and the phone rings and it is a woman from the Workmen's Compensation Board in Sudbury and she says, "I am phoning about two claims." She gave me the names and the claims numbers and I said, "Wait a minute now, that second one—what's the problem there?" This man just happens to be a personal friend of mine. That is not why I got up tight about it, but it was why I knew when it was first brought to the attention of the board, and it was around Christmas time, I said "Wait a minute, what's the problem with Mr. Pitten?" "It's a case of we haven't got the medical reports yet." By the way, I don't intend to go into a whole bunch of individual cases, but I said, "What do you mean you haven't got the medical reports?" "Oh, we haven't got the reports from the doctor yet."

This was two months later and the Workmen's Compensation Board has the nerve to phone me and tell me that they haven't got the medical report yet. It's not the injured worker's fault that he hasn't got that medical report. The woman at the Workmen's Compensation Board said, "Well, it's the doctor, don't blame me." I got very excited and I ended up apologizing to the woman because I got so angry, but the point was that the workers are being put in a situation where it

is up to them to do all the chasing. That's crazy.

If you had this ongoing process of review that would not be allowed to happen. Once that claim is put in there is an automatic—I don't know what you would call it but I am sure there is a term for it—where it would automatically be brought to the attention of somebody every week or whatever. In this case it certainly wasn't happening.

"Third, no benefits or pensions should be reduced without at least two weeks notice in writing to the compensation recipient, and the reasons for the reduction or termination must be fully explained." There is a gentleman in the room here who promised that that would happen. It hasn't. It does happen sometimes; I'm not saying it never happens, but a lot of our phone calls are still to say, "I don't know what's happening to my claim," or saying it is reduced without sufficient notice.

Of the administration problems, when the task force went around and visited these communities we got a very strong message from the trade unions that they were spending an inordinate amount of time on compensation problems. I know as an elected member I am supposed to handle all problems that come to my constituency office, but I can tell you I would be doing a lot better job politically on other political issues if we weren't spending most of our time—and I am not exaggerating when I say most—on compensation problems. The unions feel the same thing. They are doing the job of the Compensation Board. In one case, in local 6500 in Sudbury, for example, the compensation and welfare officer handles 80 cases a week. That's 4,000 cases a year. That's crazy that the union has to do that. That is simply not fair; it is not fair financially, 4,000 claims every year. In the Mine Mill union in Sudbury, one person is spending 50 per cent of his time and other unions have one person spending maybe 65 per cent of his time and so forth. So there is a lot of time being spent, and that's the responsibility of the board, not the trade union movement. I know they have to represent the workers, but not to that extent with compensation problems.

That tied in with the whole decentralization thing. We think that if you had proper decentralization you would not have the same degree of administrative problems. The decisions would be made out there in the community rather than here in Toronto. We feel pretty certain about that.

The other area is vocational rehabilitation. We received a really strong message on this, particularly from northwestern Ontario. Vocational rehabilitation has been beefed up in

Sudbury in recent years—quite a bit—and there are a lot more rehab offices there now than there were before. But overall, there is still an enormous gap in what is required and what is there.

It is very difficult for an injured miner who can't go back to that job, to find alternative employment. It's going to get worse in Sudbury, I can tell you that, with the layoffs. It is going to be a very serious problem. Unless you are aggressive about it and prepared to beef up the program, there is going to be increased bitterness in the Sudbury area. A lot of the miners and people in the forestry industry are people who don't have a lot of education, so their employment alternatives are restricted. And that makes it increasingly difficult.

So we recommended, in the whole area of vocational rehabilitation—as a matter of fact that was one of the main areas in which we made recommendations—that the Workmen's Compensation Board must allocate more of its financial and human resources towards improving its vocational rehabilitation services. Further, we stressed that vocational rehabilitation must be related to what the injured worker needs to establish an alternative vocational career; it must no longer be related to degree of disability. In other words, we had complaints that if the degree of disability was low, that affected the commitment to rehabilitation that was offered by the board. For example, they would only put an injured worker on a one-year program if he had a small disability; we had evidence of that as we went around.

"Further, that every injured worker must be informed of his right to vocational rehabilitation when it becomes apparent that a degree of permanent disability has resulted from an industrial accident or disease."

In northwestern Ontario, in particular, there was an incredible information gap. They didn't even realize that rehabilitation of injured workers is a right, not a privilege. There's a big difference between saying, "Well, if you want it pursue it" and "That's your right, here it is."

"A committee of the Workmen's Compensation Board, trade unions, employers and injured workers organizations should establish a committee to investigate the entire problem of back injuries. Obviously medical assistance and advice will be required in the deliberations of such a committee, although the major problem is more vocational in nature than medical. For this reason, vocational rehabilitation experts should be sought out and encouraged to recommend how workers

with back injuries can get back into the work force."

That, I think, is one of the key recommendations. I know you had a committee operating, out of Downsview Rehabilitation Centre I believe, to deal with back problems. I, for one, don't minimize the difficulty of dealing with back injuries. I know it is extremely difficult, but something needs to be done, particularly in the heavy industry areas.

Workers now, when they can't measure the disability, or when the disability measurement is low, just simply can't get back into the work force. I have a classic example I am working with now, and I just despair. It ends up being a psychiatric assessment very often; and in this particular case it certainly is. People are scratching their heads, but a man doesn't go from working for 15 years, a good employee—aggressive, independently-employed for a while, who then worked for Sudbury Hydro and so forth—go from there to being unable to work at all. He can't measure the back injury at all; he is in danger of losing his house because of lack of income. I don't question for a moment that it's not what we used to call "functional overlay"—I think you have a different euphemism for it now—but it's there and it's real. You have still got a lot of work to do in that whole area.

"Further, injured workers who are able to look for light work must not have their pension reduced when high levels of local unemployment preclude their finding a job." And don't think they're not worried about that in Sudbury now. When a worker is told he can go back to work on light duty and the company says, "Sorry, we have no light duty, you can go home." There he is, at 50 per cent disability. I know you have that special—I forget what you call it—special supplement that allows him to stay on full benefits for a while, but there is a time limit on that, I believe.

[2:30]

Hon. Mr. Starr: No, there is no time limit.

Mr. Laughren: I'm glad to hear that, because some workers are being told that they can only stay on that for six months.

Hon. Mr. Starr: No, there is no time limit spelled out at all.

Mr. Laughren: No?

Mr. Bounsall: Except that they do operate on a time limit in actual practice out there in the field.

Mr. Laughren: Yes.

Hon. Mr. Starr: If the person withdraws himself from the labour force and says, "Oh,

no, I am not able to do anything," then, of course, he disqualifies himself under the Act.

Mr. Laughren: That's an interesting comment though. You know what's happening now?

Mr. Bounsall: I'm sure he doesn't.

Mr. Laughren: If the vocational rehabilitation officer is talking to a fellow and the fellow says, "I'm really having trouble making ends meet, so I have applied for Canada Pension disability," the vocational rehabilitation officer says, "Ah, ha!; and he grasps hold of that. He says—and I have evidence of this—"In that case rehabilitation will serve you no purpose, because you'll be totally disabled under the Canada Pension."

There was a high level meeting—if that's the right term—in Toronto among your Workmen's Compensation Board officials to discuss this very problem. I raised it in Sudbury last week—

Mr. Lewis: A low level meeting of high ranking people.

Mr. Laughren: Yes, it's a low level meeting of high ranking people. What they're doing is saying to the injured workers, "If you apply for Canada Pension total disability, you will preclude any further assistance in vocational rehabilitation." That's really unfair.

Do you know the argument that the Compensation Board official in Sudbury raised with me? He said, "Wouldn't you agree that you have to be totally disabled to get Canada Pension?" "Yes," I said. He said, "Then all we're doing is accepting that." I said to that erstwhile gentleman, "Will you then accept other information from Canada Pension? For example, if a man is on 50 per cent disability from the board—he has a work-related injury classified at 50 per cent—if the Canada Pension classified him as totally disabled, will you buff it up to full disability?" "Oh, well no, not automatically like that. We have to do the assessment." You can't have it both ways.

Mr. McClellan: I sat in your office and we talked about that.

Mr. Laughren: And that's fundamentally wrong. I don't see the relationship between Canada Pension and WCB anyway, but you can't use them when it suits your purposes and not use them when it doesn't. That's simply unethical.

Anyway, a committee should be set up to investigate ways and means to require employers to hire injured workers. As a matter of fact, we could start with the Compensation Board. "The recent recommendation by the Human Rights Commission to prohibit

discrimination against the physically handicapped is certainly a positive step but a more forceful requirement to hire disabled workers is necessary."

What we're really saying there is be more aggressive in looking after injured workers. Take a particular interest in them. The task force had the case of somebody who—I think it was in Windsor, wasn't it. Ted; where the person wanted a job? No, it was in Oshawa; sorry. A person was bilingual and wanted a job with the board and was refused. There was no real reason for the refusal. He was an injured worker, and there should be special consideration given to those.

The other area is medical rehabilitation. We made some recommendations there to decentralize that operation too. For example, "Medical rehabilitation centres should be established in several locations other than Toronto and the board should consider such centres in Thunder Bay, Sudbury, Windsor and Ottawa." There is no better example, and you've really thrown a complete wet blanket over the whole question of the Burwash centre in Sudbury. I think you're wrong. I think that was a serious mistake on your part. It would have been not only appropriate for all of northern Ontario, but it would have been an indication you believed in the whole concept of decentralization.

Some people on the board tried to imply that we were saying that you duplicate everything that's at Downsview. We know there is specialized equipment and expertise there. We're not suggesting you duplicate everything, but we're suggesting there is sufficient requirement for injured workers in the north that you should have a rehabilitation centre at Burwash. The gymnasium was there, facilities were there for accommodation—still are there, as a matter of fact, and the government has done nothing with it.

Another thing it would allow would be local expertise, for example, in hearing problems. A very serious unit could be developed in the Burwash centre to look after hearing problems in the Sudbury area because of the enormity of the problem there. I like to think we could build something that was known in North America as the area for looking after hearing disability problems. I am sure the same could be done in Windsor on problems for assembly-line workers and in northwestern Ontario on dust effects of grain elevators and in lumbering perhaps as well projects could be undertaken.

Another thing is the level of benefits. That has been raised by my colleague from Windsor-Sandwich, so I won't go into great detail on it, except to say—and this is why I

go back to my statement that the chairman has become a political pawn—that I don't know how a chairman of a Compensation Board in Ontario can agree to continue as chairman when the Minister of Labour says for two and a half years, and pushing three now, no increase for injured workers.

I would like you to tell me how much the cost of living has increased in that time and what has happened to the industrial wage composite since July 1, 1975, to now? Can you tell me that?

Hon. Mr. Starr: I think it has increased by about 17 per cent.

Mr. Laughren: Which?

Hon. Mr. Starr: The cost of living.

Mr. Laughren: And the wage composite?

Hon. Mr. Starr: About 20 per cent.

Hon. B. Stephenson: About 20 per cent for the industrial wage.

Mr. Laughren: You are low. I suspect you will react in a typical way and say I am being political and so on, but I am really serious. I don't know how you can continue as chairman. So help me, you should have said by now to the Minister of Labour: "Get somebody else to do your hack political work on the level of benefits for injured workers. I won't do it anymore. I won't be party to it." It debases you, Mr. Starr—it really does—as chairman of the Workmen's Compensation Board to tolerate that for two and a half and pushing three years. Honestly I don't know how you do it.

You came into this job with a lot of goodwill on the part of a lot of people. I think you would agree to that. It has eroded because you have not taken highly principled, tough stands in defence of injured workers against the Ministers of Labour. I think that is the problem. For the life of me I don't know how you can continue to sit there in that position and do that to injured workers. The level of pensions for widows is \$286 a month. You used the word obscene a while ago.

Hon. Mr. Starr: I didn't; you did.

Mr. Laughren: You said I was obscene.

Hon. Mr. Starr: No, you said it is obscene and I said the only thing that is obscene is probably you.

Mr. Laughren: That is pretty close to saying I am obscene.

Hon. Mr. Starr: But you said it first.

Mr. Laughren: I said the decision not to recognize laryngeal cancer was an obscene decision. It really is; grotesque and obscene,

I said. And you said: "The only thing here that is obscene is you."

Mr. Bounsaill: I might tend to agree with you on some parts on that statement.

Mr. Lewis: Mr. Chairman, just by way of quick addendum to the position Mr. Laughren has been taking, I agree, as the chairman knows and the Minister of Labour knows, about the position of the board on laryngeal cancer. I have in front of me yet another ruling of the board, flowing this time from Johns-Mansville in Scarborough—a laryngeal cancer case—in which the board has made statements that are neither fair nor true, which bothers me.

But, leaving that aside for a moment, Mr. Starr, all of our political confrontations apart, are you not supremely uncomfortable as the chairman of a board which has allowed for no increase for injured workers since July, 1975, when even the Anti-Inflation Board during that period has permitted 18 per cent, where the cost of living increase has risen 20 per cent, where the industrial composite wage in Ontario, averaged on a weekly basis, is up over 22 per cent?

Do you not find your position untenable, sir? I mean, you are not simply a lackey to government, yours is a position of honour and trust. You are there to serve the injured workers of Ontario. How is it possible to reconcile that capacity with the clear, discriminatory, prejudicial truth, that all over the province, because of the policies of the government, injured workers are receiving less than any comparable group in society?

You should resign, Mr. Starr. You should resign in protest against a policy that you are forced to implement. Where lies self-respect? I ask you. How long can you, as chairman of the board, tolerate a position where you see the people to whom you give benefits, discriminated against by a policy which you must surely find intolerable? You can't approve of that. You're not there simply to continue the discrimination against workers. Doesn't it bother you?

Hon. Mr. Starr: My self-respect was established a long time ago, Mr. Lewis, and neither you nor anybody else can undermine it now.

Mr. Lewis: Let me ask you to re-examine it—

Hon. Mr. Starr: So whatever words or chaff you throw around—

Mr. Lewis: Now just a second—

Hon. Mr. Starr: —does not in any way affect my feeling for you.

Mr. Lewis: Oh, well, I thank you very much.

Hon. Mr. Starr: If you had been reading the newspapers, Mr. Lewis, you would have seen that I have expressed, on a number of occasions, my sympathy for the purpose of the cost of living to the injured workers; but I am not the legislator.

Mr. Lewis: No, you're not. You're not the legislator. I understand that.

Hon. Mr. Starr: The Act is there before us, and we will administer it the way it reads.

Mr. Lewis: Well, let me tell you that you are administering legislation which is prejudicial to your own injured workers, whom you allegedly look after. I'm sure your self-respect is intact. But don't you have the occasional sleepless night? Doesn't it bother you on occasion?

Hon. Mr. Starr: My interest in injured workers, Mr. Lewis, is far greater than yours is or ever was.

Mr. Lewis: I have no doubt—

Hon. Mr. Starr: And it's not alleged, by any means; it's a true fact.

Mr. Lewis: Look, Mr. Starr, I'm not going to—

Hon. Mr. Starr: I'm not here to be abused by you, Mr. Lewis, or anybody else.

Mr. Lewis: You're not being abused! I'm asking you—

Mr. Mackenzie: You're chairman of the damned board.

Hon. Mr. Starr: You're using a great amount of oratory, which means nothing, to try to pull a person down. And you haven't got the background for it, I can tell you that right now.

Mr. Lewis: I want to tell you something—I refuse to be unduly provoked by you—I want you to know that in the community at large the performance of the board is not one which is lavishly respected, despite the fact that you're refining your public relations and communications operation in order to do a better job of persuading the public.

Hon. Mr. Starr: I find it entirely different from what you say.

Mr. Lewis: I know that the Act and the board have an alleged public prominence, but in terms of the recipients and in terms of the way those of us in the Legislature who are dealing with them view it, we are not overawed, Mr. Starr. Whatever you do as chairman of the board is your business, but let me tell you something: If I was chairman of a board—God forbid that that

should happen, that I should have to report through a Tory government—but if I was chairman of a board—

Hon. Mr. Starr: God forbid that it should ever happen.

Mr. Lewis: It will never happen, and you'll be happy and I'll be happy. But if I was chairman of a board, and I had to administer policies where for two and a half years and more the injured workers I was dealing with had not even received a cost-of-living allowance, I would quit.

I would quit, because it is intolerable for the chairman of a board to persist in being chairman in the face of that situation. If you can't see it that way, then it just shows how qualitatively wide is our difference of view towards injured workers. It is utterly amazing that you can sleep at night with it all, without standing on a barricade somewhere and saying—

Hon. Mr. Starr: I can sleep much better than you can.

Mr. Lewis: Oh, I have been sleeping so well in the last few weeks and months you cannot imagine.

Hon. Mr. Starr: And so have I.

Mr. Lewis: Sloth is my middle name, except when it comes—

Hon. Mr. Starr: I hope you keep sleeping well, because I don't think you ever will—

Mr. Lewis: We have a kind of personal tension between us, some might say.

Hon. Mr. Starr: Obviously. You created it.

Mr. Lewis: Oh, I understand. It always takes one person to create a problem; never two. I was taught that many years ago. When you came into this job, you had our lavish praise—

Hon. Mr. Starr: No, I didn't.

Mr. Lewis: Oh yes, you did.

Hon. Mr. Starr: Oh no, I didn't. Not yours. [2:45]

Mr. Lewis: You had our good wishes. I sat in this legislative forum—you check Hansard; I'll get it for you—and I said I hoped the days of Legge were over and that with Michael Starr, with all of his background, things would change, and look how quickly they went downhill.

Hon. Mr. Starr: No, you didn't. I was there. You said, Mr. Lewis, to refresh your memory and to put the record straight, I was sitting in the legislative floor at the time when you said: "I don't know Mr. Starr. My father knows him. My father says he's a good man. I'll take my father's word for it."

Mr. Lewis: That's right. Exactly.

Hon. Mr. Starr: "But one little mistake like this and we'll come over on you like a ton of bricks."

Mr. Lewis: This is exactly what happened.

Hon. Mr. Starr: That's about all the leeway you allowed me, Mr. Lewis.

Mr. Lewis: We don't allow chairmen mistakes with workmen's compensation, Michael Starr. That's not permissible.

Hon. Mr. Starr: I don't make mistakes purposely.

Mr. Lewis: Well, I'm sure not.

Mr. Lane: Let's not get into a personal hassle.

Mr. Lewis: It isn't a personal hassle. I was hoping that the chairman would take the need for an increase in the cost of living allowance more seriously than he's taken it.

Hon. Mr. Starr: I do.

Mr. Lewis: We don't hear your speeches.

Hon. Mr. Starr: All you have been doing is hollering.

Mr. Warner: What is it you're doing? What is it that you're doing? Not a thing.

Mr. Lewis: What's that? "That stupid fellow," you said?

Hon. Mr. Starr: I was talking about something else.

Mr. Lewis: You were muttering to yourself about a member of the Legislature. You call him a stupid fellow, muttering that. David Warner, Scarborough-Ellesmere? You should only devote times to working people that David Warner devotes. You sit there and mutter "stupid fellow" under your breath. What kind of a chairman are you? Are you a Pierre Trudeau, uttering epithets quietly?

Hon. Mr. Starr: I have done more for the working people of this country than you ever will do.

Mr. Lewis: Oh come on, Michael Starr, it is a farce. It is a farce.

Hon. Mr. Starr: I've done more for the working people of this country than you ever will.

Mr. Lewis: This sweet young innocent.

Hon. Mr. Starr: You stopped working for the working people—

Mr. Lewis: Imagine saying that about a member of the Legislature whose name you didn't know 30 seconds ago.

Mr. Lane: Mr. Chairman, I move that we adjourn this debate.

Mr. Lewis: Mr. Chairman, on a point of order. Do you think it's appropriate that the

chairman of the Workmen's Compensation Board, who didn't even recognize the member, when the member's name is pointed out to him by the Minister of Labour says "Oh, that stupid fellow"? I mean do you think that speaks to an intelligent chairman of the Compensation Board? Come on, Mr. Chairman. Come on. What's wrong with you, Michael Starr?

Hon. B. Stephenson: I was right here, Mr. Chairman, and I did not hear the words.

Mr. Lewis: My ears are better than yours.

Hon. B. Stephenson: They may be.

Mr. Lewis: You'll notice that Mr. Starr didn't deny it when I drew it to his attention.

Hon. Mr. Starr: I didn't have a chance; you were continually talking.

Mr. Lewis: Oh come off it. You view this world, Mr. Starr, in glasses that have a squinted tint.

Hon. Mr. Starr: You know, you haven't done anything yet for the working people of this country, let alone Ontario.

Mr. Lewis: I understand not a thing, but I'm trying, I'm trying. Anyway, the Minister of Labour is not well. I saw that when I walked in. Sorry, Floyd Laughren had the floor. That was just a minor diversion.

Mr. Laughren: We were talking about the level of widows' pensions—\$286 a month. That level is particularly bad because of the emotional problem associated with—I think Dr. Bounsall talked about this—the problem when suddenly there's a death in the family and an incredible reduction in income and it's compounding the problem that makes it so serious. It's just as serious as the level of benefits. That's not something that would bankrupt the board. You could do that quite nicely.

Mr. Bounsall: You don't have very many widows or widowers receiving benefits. The numbers are small. It wouldn't bankrupt you to pay them.

Mr. Laughren: I'd like to give you the recommendations of our task force report on the level of benefits, because I think it's a very rational, very objective set of recommendations. "The Workmen's Compensation Act should be amended immediately to provide for an increase to reflect the cost of living increase since July 1, 1975, and a provision must be inserted allowing for automatic semi-annual increases indexed to the cost of living or the average industrial wage increases in the future."

The reason that that second part of indexing is so terribly important is that it takes it

out of the political arena, and we've seen the necessity of doing that in the last two and a half years. It's crazy that the Minister of Labour sits there in judgement on what that level of income should be for injured workers. She should have no say whatsoever. Once a fair level has been established, it should be indexed, and the only time she should enter is when the indexing has fallen behind the cost of living. This is crazy, the way it is now. It makes no sense whatsoever. So we feel very strongly about that.

A comprehensive study should be initiated immediately to review the basis for setting all WCB pensions. This review would focus on the following aspects of pension payments and recommend amendments to the Workmen's Compensation Act. I won't read all the specific, individual recommendations that that study could do, but once you had that study established, there are a number of things that you should look at. For example, how you arrive at a fair level of pensions, how you relate it to disability and to widows and so forth; and what about the continuing contributions to Canada Pension—that kind of thing needs to be looked at.

The next area that we looked at—and which the chairman of the board found strange—had to do with accident prevention. We said: "The board must no longer view its role as passive administrator of claims. It must take an active role in the forefront of occupational accident and illness prevention." I remember the chairman was interviewed and he said we obviously didn't know what we were talking about because the board played a very active role in prevention. We've never felt that way. We still feel that the board needs to be integrated more closely with accident prevention, and indeed, with the Ministry of Labour's health and safety department.

Finally, the last recommendation to the board—the last recommendation, but probably the one that says more than all the others combined; it really is where we have our trouble with you—is a very short recommendation: The board must operate under its motto, "Justice Humanely and Speedily Rendered." Period. End of quote. End of recommendation. End of the task force report.

That's really the crux of the whole matter. We think you've allowed yourself and the board to operate in other than the best interests of the injured workers of Ontario. That's unfortunate. It really is. You've lost a lot of good faith that you had. The Minister of Labour, of course, must bear a major responsibility. I sometimes think we heap too much abuse on the chairman, but the reason we do is that you have allowed yourself to

get sucked into the political vortex. You've allowed that to happen to yourself and that's really sad, because you could have retained your independence from the Ministry of Labour. You could have and you should have; but you have not done it. Your public statements are most clear on that.

What I would really like to do is make a deal with you—that you come to Nickel Belt and enter the political fray and we may even change jobs. If you were to win, I would seriously consider taking over the board and doing what will inevitably happen, and that's abolish it.

Mr. Lewis: But you should run as a Tory because it would make you feel so much better.

Mr. Laughren: Oh, yes.

Mr. Lewis: That's what's happened to the board.

Mr. Mackenzie: I think he did last election.

Mr. Lewis: You've become a political instrument.

Mr. Laughren: It would get away from the innuendo that you're a political pawn. Then we'd know it for sure. What I would like to do is be chairman of this compensation board; I really would. Over the years I have worked very hard at establishing some very warm relationships with the senior people on the board. Just look at them. There's a veritable glow when I speak about the compensation board. I'd like to do it in order to abolish the board and to establish the kind of system that I know the chairman believes in as well. The chairman said himself, not too long ago, "We need in the province of Ontario a comprehensive social insurance system which means the board would no longer exist." Am I right?

Hon. Mr. Starr: We said that in the task force.

Mr. Laughren: Absolutely.

Hon. Mr. Starr: It wasn't anything new, you know.

Mr. Laughren: No, of course not. No, nothing is new.

Hon. Mr. Starr: We said in 1973.

Mr. Laughren: It's already there in other parts of the world. They've recommended it in Saskatchewan.

Hon. Mr. Starr: Let's all work towards it.

Mr. Laughren: Work towards it? If I was there, we would get there faster. I assure you.

Mr. Warner: Let a stupid fellow like me run it.

Hon. B. Stephenson: All the employers in the province would be bankrupt as well.

Mr. Laughren: That really sums up your philosophy. That's the same reason the workers don't get an increase—because of your belief that that's true.

Hon. B. Stephenson: No, I don't. I am concerned if I may say so, Mr. Chairman—

Mr. Acting Chairman: Please do.

Hon. B. Stephenson: —about the economic viability of industry in this province and the capability of industry to provide job opportunities. I hope we will never in any of our deliberations ignore the necessity for ensuring the economic viability which provides jobs.

Mr. Bounsall: That's why you haven't raised the rates.

Hon. B. Stephenson: I am not sure that New Zealand is doing it as a matter of fact. I am interested to read the various reports that come out of New Zealand.

Interjections.

Hon. B. Stephenson: Have they decided yet who is going to pay that first period of time? I think there is still a major battle about the first two weeks or the first month. I really am very much concerned that we do whatever is necessary as responsibly as we possibly can without impairing the livelihood of those individuals who are compensated or those individuals who are still working.

Mr. Mackenzie: We are talking about the viability of those injured workers too, though, seriously.

Hon. B. Stephenson: I am talking about the viability of those injured workers.

Mr. Mackenzie: But the emphasis seems to be on the viability of industry.

Hon. B. Stephenson: No, the emphasis is not in either direction or the other. It is a balanced emphasis.

Mr. Laughren: I notice that your first interjection has been towards the problems of employers and their kind of viability not on the problems of injured workers coping with the increased cost of living.

Hon. B. Stephenson: No, that's only because you choose to put that interpretation on it.

Mr. di Santo: You have been saying that all along since June 18, 1976.

Mr. Laughren: I shouldn't have raised it in perhaps that way. I am very serious about that kind of compensation system for the province of Ontario. I think you will always have an adversary system. You will always have bitterness under the present system. It can't work any other way. It simply can't. The onus is on the worker to establish, plainly

and simply, that his problems are related to an injury on the job. The benefit of the doubt simply doesn't go to the worker.

Further, under a comprehensive system, you would still have someone deciding whether or not an injury was related to the job, but in the meantime the workers' benefits are paid out of either an auto insurance fund, a sickness and accident fund or the workers' compensation fund, one of those three. The worker isn't the one who then is caught in the squeeze of determining and providing irrefutable evidence that it occurred on the job. That's what's wrong with the present system. It's by definition adversarial. You can't change that. It doesn't matter how good-willed Mr. Starr is, he can't change that. That's an adversarial system. It's impossible to change it.

Only by this other kind of system that we are talking about can you do away with that. It makes good sense. The employers would still be assessed their fair share, as would the automobile drivers, as would people who pay into the section called sickness and accident. There's nothing complicated or difficult about that. I am afraid you are locked into something that has become obsolete and you are reluctant to change it. The idea of that kind of change frightens you.

Hon. B. Stephenson: I am not locked into anything. Why on earth do you think we commissioned the study of the situation of the Workmen's Compensation Board, its relationship to other kinds of insurance programs, the potential for change within that system? I think this has to be done before any decisions are made.

Mr. Laughren: I tell you that we are suspicious of your committee and your studies.

Hon. B. Stephenson: I am aware of that. I am aware of the fact that you have a pathological suspicion of any human being.

Mr. Acting Chairman: Order, please.

Interjections.

Mr. di Santo: It's your performance. We see your past performance.

Mr. Lewis: It is pathological.

Hon. B. Stephenson: Yes, it is pathological.

Mr. Lewis: When I see a Tory sitting as chairman of the board and acting as an extension of the cabinet, I get pathological about it. It's a neurosis. I really get concerned.

Hon. B. Stephenson: It's a psychosis.

Mr. Lewis: No, don't tell me about psychosis or I'll take out your chart of primary childhood behaviour disorders.

Interjections.

Mr. Lewis: It does make me pathological when I see a chairman becoming an adjunct of a political party. That's not what it was supposed to be.

Mr. Warner: An agent of management.

Mr. Lewis: That's not an independent board. We have got to have an independent Workmen's Compensation Board and the chairman has become a provincial Tory. You promised me you would only be a federal Tory. Then Joe Clark became leader and you became a provincial Tory.

Hon. Mr. Starr: I ran provincially in 1951. I can't shed it off.

An hon. member: Don't forget 1977.

Mr. Lewis: That's right, but you know that's also wrong.

[3:00]

Hon. Mr. Starr: There's nothing wrong with it.

Mr. Lewis: You can't be a card-carrying large-T Tory acting as an extension of the cabinet and be an independent arbiter of workmen's compensation. It is not possible. A small-t Tory perhaps.

Hon. Mr. Starr: I suppose if the NDP came into government they would appoint a Tory as a chairman of the board?

Mr. Lewis: You would do much better with us than with them. We would make you a claims adjuster. And I'll tell you something: There would be a three-month probation to make sure you were able to handle that.

Hon. Mr. Starr: All the NDP fellows would be on six months probation.

Hon. B. Stephenson: No, a year.

Mr. Lewis: Or a year.

Mr. Laughren: I have lost my identity.

Mr. Lewis: I want an apology to David Warner before this is over, in ashes and sackcloth.

Hon. Mr. Starr: I'll apologize to you, David.

Mr. Lewis: He's the loveliest, sweetest fellow in this House.

Hon. Mr. Starr: Do you know what he made me mad about? He said, "You never do anything," and yet he had two cases on which he phoned me and I corrected them for him right away. Yet he sits there and he doesn't tell the truth.

Hon. B. Stephenson: The member for Scarborough-Ellesmere is a disgrace and should resign.

Mr. Warner: As a point of privilege, Mr. Chairman, to put the record straight and in context, my remark that the chairman of the WCB does nothing was entirely in keeping with the discussion which was taking place about raising the workers' level of compensation.

Hon. Mr. Starr: You didn't elaborate.

Mr. Warner: And I said that you do nothing on that—

Hon. Mr. Starr: You said, "you do nothing."

Mr. Warner: —for almost three years. You do nothing about increasing the level of compensation for injured workers. That was what the remark was about, Mr. Chairman.

Hon. Mr. Starr: That's what you intended to say.

Mr. Warner: That is exactly what I did say, and I certainly accept the apology from the chairman.

Hon. Mr. Starr: All right, and you can phone me again if you have a tough case. I'll look after it for you.

Mr. Lewis: Let me tell you, he's angelic. You should only get others as decent.

Hon. B. Stephenson: Just like Stephen does.

Mr. Lewis: That's right. I save the bon mots for the bonne personne.

Mr. Laughren: I am trying to—

Mr. Haggerty: You were at widows' pension at \$265 or \$275 a month.

Hon. Mr. Starr: \$286.

Hon. B. Stephenson: \$286.

Mr. Haggerty: The minister just increased it.

Mr. Laughren: I appreciate the assistance of my colleagues here, having been diverted by one of them. One of the things at the board that bothered me a great deal, and I don't want to talk much longer, but one of the problems had to do with one of your doctors, Dr. Stewart, who is known to most of us. There is a program at the board called Code 4, which has to do with—for lack of a better term; I know it's not a medically accepted term—presilicotics who work in dust conditions at Elliot Lake and so forth. I was going through a case file at the board and I came across a memo from Dr. Stewart and this is what the memo says:

"I think we should realize that there are probably dozens and dozens of Code 4s scattered across the province in the surface and mining industry whose existences are not imperilled by continuation in their respective work place because they are Code

4. If there was any reason why this would be so, common to them all, it would probably be because they are no longer in significant exposure or the exposure is low enough to create an acceptable risk which overrides the disadvantages of moving or changing jobs.

"I presume that we will never encourage these individuals to take part in the program and hopefully we will make it difficult for them to do so. If, on the other hand, anyone or even all of these individuals present themselves to us with varying incapacities, let's say heart attacks, strokes, back problems, orthopedic disabilities, et cetera, would we then feel compelled to offer them the program? I can hardly conceive of us doing so under these circumstances.

"The point is that it will be up to us to decide ultimately what is what is not hazardous exposure and what is and what is not a bona fide claim. We cannot tailor this kind of threats from management union or politicians. All in all the program is easy to administer in Elliot Lake but presents us with horrendous problems elsewhere if we do not maintain a credible approach to it. I remind you that we are now in fact facing such a situation at Canadian Johns-Manville, where we will have to decide what is and what is not hazardous exposure, and it is already apparent that unless we are firm about this, our problems will be big ones.

"Recommendations: I suggest that a meeting be struck in the near future with the appropriate individuals to discuss this matter. Meanwhile, I can say nothing more about the Charbonneau case than what I have already said. With this kind of disability at his age, his life expectancy is much reduced and his chances"—well, I would prefer to leave out the next sentence in case it is distributed widely. "The rehab department should keep this in mind." I can certainly show you the note if you want to see it.

That is the kind of attitude that bothers us a great deal. You established a program specifically designed to help people who are in a hazardous condition. Then you don't make an announcement, you don't put it into—what do you call it, your corporate book?—the book with all the rules that are not in regulations or in legislation. You have a corporate book up there—and it has never been delivered to me, by the way. The point is that you don't make an honest public statement so that all injured workers are aware of the difficulties they will have if they apply for this program. You set up internally the kind of obstacles that will make it impossible for them to become enrolled in it.

That's not fair. It's not fair to us as legislators who get involved in trying to help these people. It's not fair to the injured workers who think they have got hope in this program and then you pull the plug out. It's already pulled beforehand.

Hon. Mr. Starr: Which program are you talking about?

Mr. Laughren: Code 4.

Hon. Mr. Starr: What program, though?

Mr. Laughren: The program to get—

Hon. Mr. Starr: The Elliot Lake program?

Mr. Laughren: Yes.

Hon. Mr. Starr: I didn't know there was any problem there at all. I thought it was a program working well.

Mr. Laughren: What do you think of that kind of memo?

Hon. Mr. Starr: Everybody who was connected with it or could qualify knew all about the program. This is news to me. I have had no complaints about the program whatsoever.

Mr. Laughren: There's a letter here somewhere from—well, it's this kind of problem: What would you do, Mr. Starr, if the board doesn't agree with the physician, who says a miner should leave underground because of the evidence of dust effects? I spent a lot of time on one like this myself. If his personal physician says, "You shouldn't continue to work in dust effects," and the board says, "That's tough. We don't think that you're in jeopardy," you put the guy on the horns of a dilemma.

Hon. Mr. Starr: I don't think it would be that simple a decision—not at all.

Mr. Laughren: It's happening; and the question is—

Hon. Mr. Starr: If it's happening, why don't you bring it to our attention?

Mr. Laughren: I have; I have. We appealed it—

Hon. Mr. Starr: To whom?

Mr. Laughren: To the board—through the formal appeal procedure. There is correspondence here between you—

Hon. Mr. Starr: And it was a case where the physician said he should get out and we said he wasn't supposed to?

Mr. Laughren: Yes.

Hon. Mr. Starr: And it's an appeal board decision?

Mr. Laughren: Yes. It's a year old now. And I've got one here from a letter that Mr. Wildman wrote to you, dated March 10,

1978; which is just this week, so maybe you haven't seen it yet.

Hon. Mr. Starr: No, I haven't.

Mr. Laughren: I understand that; it's very recent. But it's the same kind of problem.

Hon. Mr. Starr: About this same person, is it?

Mr. Laughren: No, it's not the same person; it's just a similar kind of problem.

I'm trying to say to you that, when there's a conflict between what the board says and what the worker's physician says, the worker doesn't know what to do; he's not supposed to work underground, yet the board won't recognize the problem.

Hon. Mr. Starr: I'll certainly look into that.

Mr. Laughren: It's a policy problem at the board. That memo from Dr. Stewart is an indication—that memo that was in the file—is an indication that there are obstacles being deliberately set up within the board. Honestly, it says—

Hon. Mr. Starr: All right; I'll look into this. I don't believe any obstacles are being set up purposely—or they shouldn't be.

Mr. Laughren: The name is Charbonneau, if you want to pursue it. I could easily give you the claim number.

Hon. Mr. Starr: That's all right.

Mr. Laughren: That's one that I've dealt with personally. The one that Mr. Wildman's dealing with has to do with Serrano, and they're running into problems. We don't understand why we're running into problems, the worker doesn't understand why he's running into problems and then you come across an internal memo like this and suddenly you know damn well why he's running into problems.

Mr. Lewis: It's the policy.

Mr. Laughren: Because it's been set up deliberately.

Hon. Mr. Starr: What kind of memo is that?

Mr. Laughren: This is a memo that was in Mr. Charbonneau's file. Okay? It was a memo that the board had put in his file up there, and I copied it down verbatim because I thought it was a very bad thing for the board to be doing. I read you everything except that one line for personal reasons.

Although I wouldn't agree with your policy, you would be more honest if you made that kind of statement publicly than hid it in the file. That puts the blocks to an individual worker.

Hon. Mr. Starr: That's not a board policy.

Mr. Laughren: In effect it's a board policy.

Hon. B. Stephenson: I think it's questions that are being raised by Dr. Stewart which obviously are going to have to be looked at.

Mr. Laughren: All I'm trying to say is if the people in the board, if they see that letter, that memo from Dr. Stewart, they're not going to Mr. Starr and say, "Mr. Starr is this—" They'll take that as their guidance and their direction in the file. Surely they can't go to you every time.

Hon. Mr. Starr: They can.

Mr. Laughren: Anyway, I'll stop there.

Mr. Mackenzie: I don't intend to be very long, because a number of the things that I would like to have got into really have been covered and there's not a heck of a lot of point in going over them. I suppose to some extent the couple of points I do want to make are covering some of the same material. I was interested in my colleague Floyd Laughren's comments that you can get away from the everyday problems if you're not into your constituency on a fairly regular basis. John may have the heaviest caseload, or one of the heaviest on WCB, I don't know, but there's a hell of a lot of them that come into my office as well that we're dealing with.

I had a call just yesterday afternoon from a chap who wanted to know what was going on with the chances of an increase in his pension. He's at the maximum. It's a pension established back in 1952. He's drawing \$400 a month. We had a chance to get into a bit of a chat and I told him I couldn't tell him when there might be an increase in his pension. The chap happens to be paralysed from the shoulders down. I had gone to bat for him a year ago in a long fight—which we didn't win—to get a hospital mattress on his particular bed.

A couple of interesting things came out of it, including one of his comments. He is very cynical, and when you talk about what people think about the board and about the activities or the possibilities, let me tell you the atmosphere is not as good as you may think, Mr. Starr, out there. He said, "Take a look at the letter I got from Mr. Starr back on February 25, 1977. Isn't it at least an indication that we might get an increase in my pension?"

I looked through the letter, which deals with a number of things, including the fact that his maximum pension is \$400. The second to the last paragraph says, "At the present time the joint consultative committee to the board is studying the possibility of adjusting present pensions as they relate to the overall cost of the workmen's compensation system.

I understand a report will be prepared at a future date. In the meantime, however, no increase can be made in Mr. May's present pension." He at least took that, as most people I think would, as some hope. Mind you, that's back on February 25, 1977. Just look at the cost of living increases since then.

He called me, incidentally, with one small satisfaction, and that was that his wife's allowance—some time ago she had to stop working and is looking after him—was going up from \$210 to \$225. That at least was the first good news in some time in this particular case.

[3:15]

Hon. Mr. Starr: That could be done by a board policy.

Mr. Mackenzie: Why it's taken this long I'll never know. In any event, I'm really thinking of his basic pension, because I happen to know his wife and I know that she's feeling the strain of what's happening in that house. I'm wondering, what happens, for example, if something happens to her? He's having trouble hanging on to the house as it is now. I'm wondering if \$400 a month, which is what we're putting in here, is going to come anywhere near covering this chap, who obviously then, because there is no other family there, is going to have to go into a nursing home of some kind.

I don't know how you maintain a house if you're paralysed from the shoulders down as a result of an accident. I wonder why we have such a hassle, as we did in this particular case, over getting him, for example, because every doggone cent is important in this particular case, a particular mattress for his bed.

I'm going to read a paragraph in it and part of your reply to him on this particular issue, Mr. Starr. I was not writing to you at this time. I was writing to Ernie Philpiew, one of the counselling specialists of the board, and I said:

"I have been contacted concerning the above-noted claimant relative to his pension allowance and the attendance allowance. He also has a problem with some equipment he needs. First, the equipment he needs: It is my understanding that Mr. May suffers from spasms which make him thrash about violently on his bed. I believe that someone from the board proposed that he get a hospital bed with metal sides that could be raised and lowered and this would prevent him from falling out of bed and injuring himself further." There had been a number of cases of this happening.

"Apparently this is not practical for Mr. May because he cannot manipulate the sides of the bed once he's in it and, in essence, is trapped in the bed." Incidentally, I have both his and his wife's permission to use the name.

"He has been using his own bed, which is reasonably close to the floor, but the spasms have caused considerable wear and tear to his mattress. He now needs a new one of good quality. It would be appreciated if you could look into this matter with a view to providing him with the mattress that he requires." Then I went on to deal with the request for an increase in pensions at that time.

In your reply back, Mrs. June Lytten, who is in charge of prosthetic and paraplegic services, assured me that "a field counsellor will visit Mr. May at his home and look into the present needs for attendance and the mattress situation. Ordinarily, we do not provide new mattresses for injured employees who are not confined to a hospital bed. However, the whole situation will be explored and I'm sure everything will be done for your constituent that is necessary and comes within his entitlement under the Medical Aid Provisions Act."

She went on then to talk about the allowance and the comments you made about the joint consultative committee looking at it, which certainly gave him at least the hope that maybe somewhere down the road he was going to see an increase.

That was on February 25, 1977. I sent him a letter—a little tardy myself, I guess—on March 9, sending him a copy of your letter and telling him that I expected he'd hear soon. On April 21, because he hadn't written back to me, I sent him another letter stating that I hadn't heard anything further from the board as to whether or not it had acted and would he inform me as to where the situation stood. He wrote back to me on May 1 as follows:

"In reply to your letter of April 21 regarding the Workmen's Compensation Board, they did send a man to see me. It was about two months ago in response to the home allowance, the new mattress, et cetera, but I have not heard a word back from them since. Thank you for your interest. Yours sincerely."

I followed that up on May 5 with another letter concerning the fact that we hadn't heard back, and with a copy of his letter enclosed. On May 19 I contacted the board again, because there was still no word on this particular matter. Then, on May 20, I got a letter from the board simply stating that the attendance payment is \$210, medical reports had been requested from the attending physician and there were comments about the

checks that had been done on visits to the hospital.

Then it said: "Your request for provision of a standard double bed mattress has been referred to the senior medical consultant and it has been determined that this type of mattress is considered to be a standard household item and under the medical aid regulations there is no allowance for this type of provision. A standard hospital bed mattress is provided only in cases where a hospital bed has been recommended and provided by the board and it is understood that you do not wish provision of this type of a bed."

I really think if anything was cheesy it was that particular action, given the circumstances this person was in and that kind of response.

I was interested, however, one week later, in getting the following letter, also from the board, and if you wonder why I sometimes wonder about the efficiency of your operation: "Dear Mr. Mackenzie, re this individual, the attached is for your information and records. In reference to our recent letter, we regret that we were corresponding in reference to two different injured employees at the same time and the letter which you received was in error in reference to the difficulty in obtaining a doctor's report." I don't know what the heck that's got to do with it but I thought maybe in the second one I was finally going to get some action or they were going to take a look at your particular situation.

This gentleman called me yesterday and I had quite a talk with him and his wife about it. No action. He did say that he hasn't got it, but he understands he is getting an increase in the \$255 allowance his wife will get to look after him. But certainly, better than a year later, still no change in that \$400 pension. They are still trying to maintain that house and the two of them there on that kind of money, and if you take a look at the taxes and some of the other things together, I ask you how he can do it.

He referred to your letter specifically. "Didn't that mean anything, that letter from Mr. Starr? Weren't we going to see some action?" That's only February 25, 1977, Mr. Starr, so if you wonder why I was agitated about what you are doing or not doing about those pensions too, I think that is just one of many cases we could use that sort of underlines the problem some of these people have who are on a pension set at an income level a long time ago.

The other thing is the little aggravations too. I should, but I won't, read into the record some of the notes, including a couple my assistant made, to some of the comments

in your report but especially in dealing with the 80 per cent claims that are adjudicated and paid all within eight weeks. I don't doubt that a good number of them are. Probably it is only that we see or hear of the ones that aren't, but I would like to read a letter to you just to try to point out to you that while you think that we are harassing you—

Hon. Mr. Starr: Excuse me, Mr. Mackenzie. In view of the fact that you are mentioning these things, that case that you talked about, the mattress, et cetera, when was the original injury? What year was it?

Mr. Mackenzie: In 1952. I would think a person like that has suffered enough these years with that kind of situation. The family is now gone, which is one of the reasons why there is no additional income and there is a real problem whether they will even hang on to the house.

I would like to read another short note to you, because I think it underlines why we have problems out there with people. The point I was going to make, Mr. Starr, is you may think we are railing away at you, but in most cases our assistants and our people, and the job we try to do in terms of the many—and I am talking not about a few but about the hundreds of cases a year that I get as a member—we try to lay it on the line with them and we try to separate the wheat from the chaff and we try not to go for what we may suspect is a phoney claim and, quite frankly, we are a little rougher than you might think in many cases with the claimants, and that's always easy as a member.

That's why this kind of letter really underlines the frustrations out in the community. I received this letter March 8 and I want to read it to you. It is in response to a letter I just sent them. I won't go through all the letters back and forth but there is quite a little file in this particular case as well.

It's a lady writing back to me and she writes: "To Bob Mackenzie: Dear Sir, your letter of March 3 was received today and contents noted. I am left wondering if you really know the true story of the struggle to get this claim through. Perhaps you will not be interested, but after six months, I, as the wife of a sick man, would be glad to get the frustration of this struggle off my mind. I will try to be brief. On the day my husband"—changing it slightly because her English is probably a little worse still than mine in this letter, but I am giving the actual words—"on the day my husband came off work we had a small amount of money in

the bank, enough to see us through till the WCB came up with his claim. This was September.

"October saw us, after three interviews with the welfare visitor, granted welfare. Many phone calls later, long distance both from our phone, which we paid for, and from Toronto WCB, from which nothing emerged, we contacted your office in November, which friends assured us would get us help. Again, many phone calls later, nothing emerged. At one call, your clerk was clearly on the side of the WCB." I want to let you know that that's not factual, and if you will read the letters you will see it, but this is the frustration of this person showing, and she has put in a quote: "Well, it's not their fault if your doctor doesn't complete the form properly."

Let me tell you, we try to go through the procedures and try to see that we are getting the right information passed on. "The first welfare cheque was lost in the mail. My husband, a sick man, had to go down to welfare office for a paper and take it down to the court to give an oath to the JP to say he did not receive same, so back to welfare to receive cheque. True to life, we then tried the sick man's legal aid, which friends said would be sure to help us. Nothing emerged from this. We have one child, 13 years old, by the way. Christmas—we had real frustrations, problems and fears; really, forget it. Then we got a \$20 bonus from welfare, \$7 from the Salvation Army and a small package—peas, cake and fruit and a bag of potatoes which contained five potatoes—which we did appreciate; something did finally emerge for our family.

"Okay. January 18 I blew my temper, phoned WCB in Toronto and asked for general manager. We have sent in doctors' notes, answered questions, phone calls, given explanations, gone to frustration and frustration and back again. Also my husband could not have his operation until the WCB gave permission, and permission could not be given because claim had not been accepted." We are now at January 18, and we started this in September.

"I was passed through a few people but no manager. Finally, I spoke to Mrs. Snell, coordinator. I told her if I did not get a cheque in the Hamilton office that same day, I was going to contact the newspapers. I asked for manager again. She says: 'You are getting close.' I made the remark that perhaps I should speak to God instead. She thought this was funny. I told her I wanted some money and was fed up with the treatment. We were now receiving \$350 per month

welfare for the family. No wonder the welfare rolls are up. What choice do we have? It is these people and their kind who are just making it to be like this. She agreed to phone me back, and I said, 'That is the usual answer and you never phone back.' However, I said I would give her until 4 p.m. and then I would contact the Hamilton Spectator.

"About 3:30 she phoned me. What a change in attitude. I could have the money—any amount up to what was due. A decision had been made. (Previously she had said in the phone call that maybe a decision is taking a long time because it is going to be unfavourable.) So the claim had been allowed and, if I like, the whole amount due—\$1,500—would be at the Hamilton office in the morning. I accepted, and my husband picked it up finally at 9 a.m. in the morning.

"Then, a few days later, the letter from Mr. Brown: 'Notice,' it says 'this will now be dealt with in the usual manner.' He was quite right. We were relieved. The tension was gone. We could pay our bills. We could eat. My son got his winter coat, finally. We cancelled welfare. My husband had his operation January 27. Four weeks later—no cheques. Two doctors' notes sent in. My husband phoned February 14, 15 and again on the 20th. Each time the clerk had no record of any further payment being due; then she said the cheque is in the mail. Same run-around. Their attitude to me was unbelievable: If the computer says it is, it is.

"Finally, the cheque was delivered February 21, by hand, by a neighbour. It had gone to the wrong address; so I can't blame them for that. February 24, we actually received a single cheque up to date. We had caught up—but it only took us six months.

"I am now looking for a job. If he takes sick again, I can say 'nuts' to the WCB. I hope you read this. I hope you understand this and the strain we have been through.

If you are not sick when you start dealing with these people, you certainly are sick when you finish.

"My summing up here is that every person involved in this is to blame from the top man to the last woman. All along the way it has been pass-the-buck. No wonder the economy is like it is. Time is wasted, money is wasted and someone is not doing a proper job. I could not count the phone calls involved and the number of different people we dealt with."

She signed it "Sincerely," and at the bottom she said: "For your reading, a little quote of my feelings about the board: 'Your file is out; the clerk is out to lunch; we will call

you back; I didn't handle your claim; the computer says; explain your sickness; it's the post office; it's the doctor; it's being processed.'"

In effect, she has taken us on in that too. Not that we hadn't tried to help. As I say, there is a long list of the letters that have gone back and forth; some copies are here in this case. I don't know what in blazes is wrong that to this day—because this was sent to me dated March 8—we still are going through this kind of procedure at the board. But, in my opinion, something is wrong, Mr. Starr, and it doesn't speak very well to the management of the board.

Hon. Mr. Starr: Mr. Mackenzie, it sounds terrible when you read this one-sided story. But it isn't fair when you read that part of the situation without having the file here and telling you exactly what happened. She does admit at one point where the cheque went to the wrong address.

Mr. Mackenzie: On February 21; the thing started in September. That's still some six months later.

Hon. Mr. Starr: All we are hearing now is her side of the story, Mr. Mackenzie. My experience is that there are always two sides. [3:30]

Mr. Mackenzie: Mr. Starr, I want to tell you, I brought that letter down not only because I had just received it, but because my frustration is also showing. I am in my constituency office almost every Wednesday night and every Saturday morning, and I usually can't get out, as I'm scheduled, at 1—it's usually 2:30 or 3 o'clock—and a hell of a lot of the cases are WCB cases. We're really having a problem with these doggone cases, still.

Hon. Mr. Starr: But, Mr. Mackenzie, we paid out \$392 million to injured workers in the province of Ontario. To tell me that all of these—

Mr. Mackenzie: Mr. Starr, one of the problems is that all of your reports deal in those kinds of figures, and nothing seems to be getting face-to-face with the people problems that are involved. There is something wrong somewhere.

It doesn't satisfy me just to have you quote what we're paying out, because even if you were right about 80 per cent being paid within eight weeks—and you may be right, although I find it hard to believe; but suppose you were—that other 20 per cent that are having some real problems, where they are established, is a hell of a lot of people in this province.

Hon. Mr. Starr: What I'm really trying to say is that in those complicated cases that you have the problems with—and I had those same problems when I was a member of Parliament; they brought them to me, even though I was a federal member. But I looked after them because there were always two sides to the story. There was some complication of some kind that did not enable us to pay immediately and be one of that 80 per cent and maybe 85 per cent of those paid promptly. That's the problem.

Mr. Mackenzie: Somewhere along the way, I want to make one thing fairly clear. I think there's a problem—and I'm sorry; once again, I'm not trying to be vindictive—I think there's a problem somewhere at the top in this board, because I have to tell you, and I say it seriously, that in my office we do get a hell of a lot of co-operation from most of the lower-level people in the board. While there are a lot of frustrating cases here, we seem to have worked out a fairly good relationship and we seem to be able to solve a fair number of the problems. But there's something wrong when there is this a continuing problem with people and their deals. There's certainly something wrong with the size of the pensions we've established, which also creates an awful lot of the problems.

I had another chap in—I just want to raise this as an issue with you. It might be something you're considering. I know the problem of money is raised perennially; and I guess I understand that. I had a chap in the other day who didn't want me to do anything but did want to voice some of his frustrations with the board. He's operating on a pension of \$198. He has a small private pension and now part of his CPP as well. He said to me: "You know, I was just sitting down and calculating what I lost as a result of my injury. In effect, I lost \$40 a month off my CPP when I wasn't working and paying, and I lost \$86 a month off my company plan that I would have had if it wasn't for the period of time that I was involved and injured. Why could there not be some provision that funds are found or allocated or that arrangements are made that we can maintain both the CPP payments and the private pension payments when we are injured?"

If a person is going to be injured and he loses through that, it seems to me there is some real merit in taking a look at how we allow him, or even assist him—which ever combination of methods we have to do—to continue those payments so he doesn't end up being doubly handicapped down the road when he retires and is out X dollars a month

because of an injury which we're supposed to be taking care of. We may be taking care of part of that immediately. We're sure as hell not taking care of what it may do to him in terms of his future earnings, when he's reached retirement age down the road. That's something that I'd like you to take a pretty good look at.

I want to go back to that case for a moment. In the quick checking we've already done today in the case of the letter I just read out, I did run into one of the problems—in this case it is a matter of communication, and part of it is your board people—in trying to find out what in blazes was holding this all up. Somebody was trying to chase down whether or not there had been any change in his job or his work, as it was a foot injury that was involved in the case of the chap I'm talking about. He's a security guard.

They kept asking him if there was any change. Now, whether they suspected there was a change they kept asking his wife, in many cases—I don't know. But he said, "No, it's the same job." The excuse I got, which I think was fairly lame—or one of the excuses further down the road—was that there had actually been a change in his job. The change in his job, in effect, was that he was still a security guard but they had put him on a route in the plant that covered about an extra half a mile; so there was a little more walking and it was a foot deal.

That didn't register with him at all. He was still a security guard. He was still on the rounds. The fact that had changed the particular route, and he had about a half a mile more walking a day, hadn't even entered into his mind. But that's one of the excuses that we got from the board. I find that pretty damn weak, let me tell you, for the amount of time that was spent on that case.

In the report that you've given, there are just a couple of comments that I wanted to make. First, I still think your rehabilitation counsellors complement is inadequate and I am hoping you are doing something about that. I find the comment on the 80 per cent interesting. We are certainly not running into many of them in my office. On the decentralized adjudication, another study, I can't understand if what I am reading in your report here is that you want to commission another independent analysis—

Hon. Mr. Starr: We haven't had one yet.

Mr. Mackenzie: We talk about the need for money. This is taking more money out of operations and I really wonder if we don't know that this is a problem and we don't need another study on it.

Hon. Mr. Starr: We haven't had a study on it yet.

Mr. Mackenzie: The strengthening of your communications. Quite frankly, in spite of the minister reading, in response to one of the other questions, some of the instructions in one of the little booklets and so on, I am not sure that you really need that much re-organization of your public affairs division unless it is specifically designed to tell workers what the board is all about, because quite frankly the workers still don't know the workings of the board and what and who to ask for, in spite of what you have done. That is what I hope we are going to do and not some kind of a PR job for the board which, quite frankly—and there I suppose my paranoia shows—I'm afraid of.

Mr. Haggerty: I want to deal with a matter concerning the report and it deals with the notes and financial statement for the year ended December 31, 1976.

Hon. Mr. Starr: What page is it?

Mr. Haggerty: Page 5. It's from the annual report 1976. Paragraph 4. Investments. It says, "During the year the board determined its desirability to continue to restructure its investment portfolio, in order to increase the effective yield on its investments, by selling certain investments and using the funds to purchase investments with higher effective yield. A loss of \$4,942,000 was recorded on the sale of the investments. There were no losses on Schedule 2 investments. The benefits on this restructuring will be spread over the life of the purchased investments in the form of higher investment income."

The question is, you've lost roughly \$5 million—

Hon. Mr. Starr: Five hundred million dollars unfunded.

Mr. Haggerty: Five hundred million dollars, is it?

Hon. B. Stephenson: No, it's a loss on investments.

Hon. Mr. Starr: I'm sorry.

Mr. Haggerty: I hope I am correct when I read this. The question is, you have sold the investments, whatever they might be, debentures or something which were yielding a small interest rate, and you've gone out and purchased something with a higher yield. How many years will it take to pick up that \$5 million loss?

Mr. A. G. MacDonald: It varies with each investment. The purpose of this investment program is to take the investments that have low interest yields and extend the term and get them into a longer-term security which

will increase the board's investment earnings in the long run in total. In most cases the term of this particular investment was probably two or three years and the recovery will be over quite a longer number of years. But in every case I emphasize there is absolutely no loss to the fund and to the board over the long haul.

Mr. Haggerty: There isn't? You are going to pick up that \$5 million then, are you?

Mr. A. G. MacDonald: And more.

Mr. Haggerty: What were the bonds, or whatever you were selling, yielding at that particular time? Three or four per cent?

Mr. A. G. MacDonald: Three and four per cent. We have the investment fund manager here. He could speak to this point if you wish.

Mr. Haggerty: I'm concerned about this. It's just like putting pension funds away and I think we should be looking for the highest return on it.

Hon. Mr. Starr: Mr. Cook, will you come up here?

Mr. Cook: Basically when we sell a bond that has a low coupon, we try to—we do, not try to, recover any loss. If we're selling a bond maturing in 1983, any loss from the sale will be recovered by that time from higher-coupon bonds being purchased.

Mr. Haggerty: When you're purchasing these bonds, what area do you look to buy? In Hydro?

Mr. Cook: Basically, we try to reinvest. If we sell a bond, say an Ontario Hydro bond, we will probably in most cases buy another bond of equal quality, which could either be a government of Canada bond or Ontario bond, and in some cases we'll probably buy a high corporate bond like an Imperial Oil bond or a Bell Canada bond or things like that, one of good quality.

Mr. Haggerty: You do feel that you will derive sufficient return on the money then?

Mr. Cook: Oh, yes, there's no doubt about that, because the income in the fund for the last few years has gone up each year substantially and it's all worked into the actual cash return we receive from the investments each year.

Mr. Haggerty: What do you do with the money that comes from the investment? The interest that you accumulate? Does this go into any particular fund within the Workmen's Compensation Board?

Mr. Cook: All investment income is geared into a separate account in the Workmen's Compensation Board and we have it broken

down by income from bonds, mortgages and short-term investments. We know specifically where the income is from each form of investment we carry.

Mr. Haggerty: What would you say the return was now if you're buying in the market today? What return are you getting on your money?

Mr. Cook: Government of Canada bonds maturing in 2001 came out at par the other day and they were 9½ per cent.

Mr. Lupusella: Before the gentleman leaves, can I, with the permission of the hon. member, ask just a simple question which is related to the questions which you have already raised about the investment income which is coming from the Hydro bonds? The Workmen's Compensation Board has a number of dollars invested in Hydro bonds and two years ago it seems it was around \$500 million. Do you have an up-to-date report on how much money is invested in 1978 in Hydro bonds and how much investment income those bonds earn?

Mr. Cook: Yes. If you would excuse me for just a moment, I have my papers at the back.

Mr. Haggerty: That's a good question.

Mr. Cook: This is as of December 31, 1977. If you wish it as of last week I can give it to you also, but I assume that December 31 would be adequate. Ontario Hydro bonds as at the end of December 1977 totalled at par value \$315 million. They are yielding to the fund an average of 7.82 per cent.

Mr. Lupusella: You're talking about the interest which is coming back to the Workmen's Compensation Board. What's the total budget invested, the total budget, the total investment of the Workmen's Compensation Board?

Mr. Cook: You mean the total portfolio, sir?

Mr. Lupusella: Right.

Mr. Haggerty: And return on the money, the interest.

[3:45]

Mr. Lupusella: The figure you gave us, \$350 million—

Mr. Cook: Fifteen; \$315 million.

Mr. Lupusella: Is that the interest which returns to the funds of the Workmen's Compensation Board or is it the total amount of money invested?

Mr. Cook: As of the end of December the book cost of all investments in the portfolio, including short term, was \$1,014 billion. The yield on that total portfolio—and that includes

short term investments—is 8.57 per cent. What we do at the board is we have a large portion of the fund in short-term investment because rule one at the board is that funds have to be available for the injured workers on a daily basis.

Mr. Lupusella: Right.

Mr. Cook: So we basically look at our portfolio totalling the long-term investments, excluding the short term, and that total book value is \$795 million, and that yield is 8.85 per cent as of the end of last year. The reason it's a little lower in the total portfolio, as you know, short-term investments are yielding roughly at this time around 7.5 per cent.

Mr. McClellan: What's that in dollars?

Mr. Haggerty: What's the total interest?

Mr. Cook: Basically last year the total investment income was \$72.3 million.

Mr. Lupusella: Mr. Cook, if I may, the figure which I got from the Minister of Labour some time in 1976 or 1977, of the total figure of \$500 million invested in Hydro bonds, it seems through this explanation it includes the total investment and also the interest involved on the total figure of \$500 million. Is that correct?

Hon. B. Stephenson: You're talking about two different things. You're talking about the value of the total portfolio.

Mr. Lupusella: Yes.

Hon. B. Stephenson: We're talking about the interest income on that total portfolio, or the value of the long-term investment portfolio and the total interest from that, and then the total interest from the short-term investment portfolio.

Mr. Lupusella: That's correct. There are two issues involved. I'm particularly concerned about the issue which relates to the investment of the Workmen's Compensation Board in Hydro bonds.

Hon. B. Stephenson: Which is \$315 million.

Mr. Lupusella: What's the interest involved each year on this amount of money? That's my particular question.

Mr. Cook: Okay, right.

Hon. B. Stephenson: You want to know the amount of money?

Mr. Lupusella: Right.

Mr. Cook: What I do is take \$315 million and multiply by 7.82 over 100. My mathematics isn't too good today, but it's about \$23 million or \$24 million.

Mr. Lupusella: Every year?

Mr. Cook: That's the earning rate at this point in time. We could wind up at the end of the year with more Hydro bonds or less Hydro bonds. If you want, I'll give you a comparison of a couple of years ago.

At the end of 1975, we had in the portfolio \$340 million in Ontario Hydro bonds, so as you can see there has been a reduction of about \$25 million in Ontario Hydro bonds in the last two years. To be quite honest about it, the majority of the lower coupon bonds were Ontario Hydro bonds. Two years ago, the portfolio was yielding 7.37 on Ontario Hydro bonds and this past year yielding 7.82. So there has been a substantial improvement in the portfolio in respect to Hydro bonds in the last two years.

Mr. Lupusella: I see. Do you have budgetary estimates in relation to the year to come, 1978? Do you think the return on that investment will increase or decrease? Do you have any estimate for 1978?

Mr. Cook: Of the portfolio?

Mr. Lupusella: The Hydro bonds.

Mr. Cook: No, I have no specific estimate on what we will hold in Hydro bonds at the end of this year. The reason for that is twofold: We will be selling discount bonds this year, but at the moment the yield on Ontario Hydro bonds is very narrow in comparison to that of government of Canada bonds; basically, they are about 25 basis points apart, which is fairly narrow. What will happen is that as the yield on Ontario Hydro bonds is fairly close to Canada bonds, we will probably wind up buying more government of Canada bonds this year than Ontario Hydro bonds—unless we get a bigger yield on Ontario Hydro bonds.

Mr. Lupusella: What about the estimate of the total portfolio in relation to the year 1978? Do you have any estimate figures about the budgetary assets?

Mr. Cook: Yes. In the forecasts we have made to date for 1978, unless there are some legislative changes in the benefits to the workers, we expect that the portfolio probably could grow up to a maximum of \$1.3 billion. But that's just a good estimate on our part.

Mr. di Santo: Can I ask a supplementary, Mr. Chairman? Is it true, Mr. Cook, that in 1975 and in 1976 some of your investments were liquidated at a loss respectively of \$4.5 million in 1975 and \$5 million in 1976? If that is true, can you tell us why it happened?

Mr. Cook: The reason for that, I believe, is that they set up a program basically to restructure the portfolio in higher-income securities in the hope that the cash flow would

increase. You might be interested to know what the income from the portfolio was in the last three years which will help back up why we're taking losses. In 1975 the portfolio earned \$49 million in investment income, \$63 million in 1976, \$73 million in 1977, and this year we expect it will be close to \$90 million in investment income. Those are two factors. We hope that by selling out the lower-coupon bonds—and we have proven this—that we will get more income into the fund; and that's the name of the game as far as the investment department is concerned.

Mr. Lupusella: Considering these budgetary estimates are for 1978, it seems that the increases are going to take place around December 1978. Is this interpretation right about increases in pensions for injured workers, or are you expecting that those increases will take place before December 1978?

Hon. B. Stephenson: Yes.

Mr. Laughren: The third anniversary of the last increase.

Mr. Lupusella: So what is your answer?

Mr. Cook: Yes.

Hon. B. Stephenson: I said yes.

Mr. Lupusella: Okay.

Mr. Haggerty: The return on this money in 1978—\$90 million—looks very promising. Is this put into any special fund? Is it set aside for any special fund, say for increasing pensions for workers on permanent partial disability pensions or anything like that?

Mr. Cook: I can't answer that, but I know it is kept separate and that goes in—maybe Mr. Starr or Mr. MacDonald could answer that.

Mr. Haggerty: What I am trying to get at is, when a decision is made and an assessment is made for a disability award—for example, supposing a person is injured and there is a permanent disability award there that sets back off into a fund, say, of \$15,000—is there a direct charge to the industry for that personal injury to that person and is this the money that's accumulated that you are setting aside?

Mr. A. G. MacDonald: A large part of the funds that are in this investment fund are for the pension fund, for disability pensions and for dependency pensions, and in each case there is a capitalized sum based on the age of the individual at the time of the award and on the size of the award which determines the lump sum of money that is charged to the individual employer's classification and to his actual individual account.

Mr. Haggerty: You see, apparently you are receiving a pretty good return on the investment—almost nine per cent, or 8.5 per cent, and maybe higher than that in some cases. What I am trying to find out is how you arrive at a permanent partial disability pension when you say an award is given at 10 per cent and that 10 per cent may mean an award of \$60 or \$100 a month, while in the background, if a person wants a commutation, there's about \$15,000 sitting there. Actually what you are paying that person, when you apply an award to a person who's injured, works out to about maybe six per cent on that \$15,000 you may have set aside on this particular claim. Is that not true?

Mr. A. G. MacDonald: The interest rate which is involved in this calculation varies from time to time and is a function of the investment earnings at that time, and it has been going up in recent years. It is something less than the current investment yield, because the actuaries recommend a rate about one or two per cent below the current investment yield. The fund has to be revalued on a quinquennial—five-year—basis, and at that time it may be necessary to have additional money put into the account.

Mr. Haggerty: I don't know. I can only assume the way the board arrives at a decision on a degree of disability is based upon, say, an award of \$15,000 or something like that, and then you break it down and say every year that person will get a permanent partial disability award. He can be totally disabled, but you are only giving him just about the interest of what he would get on that lump sum that's set aside in this particular claim, say \$1,200 or \$1,300 a year. All you are giving him is about six and a half per cent return for that lump sum that you have set aside there. There's no doubt that it's charged to the industry; there's a special assessment charge there for him—

Mr. A. G. MacDonald: Could I have our actuary, who is here, explain it to you? I think he could give you a better answer than I would. I don't agree with your assessment.

Mr. Haggerty: I am trying to find out how you arrive at a decision there. I have appealed cases, and I notice that in a number of cases the awards will be increased by about three per cent. Going back to the original injury, you say, "The money was worth about five per cent at that time and we will give you eight per cent"—

Mr. A. G. MacDonald: That really has nothing to do with it.

Mr. Haggerty: But I think that's the game that you are working there.

Mr. Neal: The first decision is made by the claims adjudication area, where the percentage disability is determined. Where the actuary comes in is to say, having awarded an amount of money of X dollars per month for life—with contingencies, if it's a widow, for remarriage—the actuary comes along and says, "The amount of money to be set aside today should be X," where that amount includes the actuary's anticipation of future investment income.

There is no relationship whatsoever between the worker's entitlement to benefit and the board's ability to earn income on its investments. There is no relationship whatsoever.

[4:00]

It is perhaps relevant to say that the board's liabilities are determined with a full recognition of the future investment income, and without future investment income, our liabilities, instead of being \$1.4 billion, would be well over \$3 billion. In other words, we need that investment income in order to meet our future obligations.

Mr. Haggerty: I'm not convinced on that. I'm going by what's before me here. For example—and I have a number of cases here—one says: "The full cash value of the commutation of your pension is \$14,144." If you can go back and look at the assessment that has been awarded to the claimant, it comes out to about 10 per cent. If you look at it, it works out to about six or seven per cent of that total. So that's the game you're playing with these persons.

Mr. Neal: Okay. You're discussing the question of the amount of money that the board will offer to an injured worker in the event that he requires cash today to meet a specific situation—and normally we're dealing with a rehabilitation issue, which of course Dr. McCracken will be—

Mr. McClellan: Commutation.

Mr. Neal: But the commutation of the pension is determined at the present time upon the board's own mortality experience of its workers and an interest rate of seven per cent is used in the present tables. The reason one uses a lower rate of interest is because, in part, one is having to disinvest at a time when yields may be high and, therefore, one takes a capital loss such as the \$4 million or \$5 million that you're seeing disclosed.

If one has to disinvest when one didn't expect to, one may have to take a loss; therefore, it is obviously prudent that you should not use the current yield, which we all hope is at a historical high and that in-

flation will be lower in the future; and, as inflation goes down, obviously our yields will go down. To compare the yield on the capitalized value with today's assets on their own is not a fair or reasonable comparison. You have to look into the future. We're not on a single-shot concept.

Mr. Haggerty: I'm not totally convinced about that, but you're the expert in the field. All I'm saying is that, from what I can assume from the awards that have been given to a number of claimants, this is the way you've chosen to award a claim.

Mr. Neal: He isn't forced to take his lump sum.

Mr. Haggerty: No, he isn't forced to take his lump sum; that's one of the problems. He has difficulty in getting a lump sum. That's what I'm saying. If he had the lump sum, perhaps he could get a return of 10 to 11 per cent on his money.

Mr. Neal: Depending upon his tax situation.

Mr. Haggerty: Well, I imagine he could.

Mr. McClellan: Could I clarify something? I'm not sure I understand it. On a commutation, is the amount that is given back to a pensioner on a full commutation equal to what you call the present value of future payments on that pension?

Mr. Neal: On that individual pension.

Mr. McClellan: It is equal?

Mr. Neal: It is equal on the basis of a seven per cent per annum long-term average investment return, yes.

Mr. Lupusella: Mr. Chairman, again I would ask the indulgence of the Liberal member since we are getting more deeply involved in the questioning of financial liability of the Workmen's Compensation Board. It appears to me—and perhaps in the course of my presentation I will dig out more information about that; you might correct me if I'm wrong—that the Workmen's Compensation Board cannot meet its financial liability. In my opinion, it seems there is some kind of relationship between the board's financial liability and the way in which the Workmen's Compensation Board assesses the percentage of injured workers' pensions. By taking into consideration that the board draws a certain amount of money from each employer, in the province of Ontario, you are looking at this amount of money for future investment, and the return from that investment, to meet the financial liability of the Workmen's Compensation Board. Is that a correct interpretation? And that is why pensions in the province of Ontario are too low when the

board assesses the percentage of personal disabilities. Can I have an answer to that? Is it just an interpretation that I can easily see some kind of relationship?

Hon. B. Stephenson: Are you suggesting that the awards which are made are based—

Mr. Lupusella: Right. That's what is happening.

Hon. B. Stephenson:—on the future financial liability of the Workmen's Compensation Board and not upon the medical situation of each individual?

Mr. Lupusella: Right: That is my allegation.

Mr. Neal: I guess the only thing I can say to that is that I cannot see how that could possibly be true, as Mr. Kerr and myself have never had any discussion on that sort of subject; and as his division makes all the decisions on entitlement, if he were to make his entitlements on that basis, he would have to communicate with me.

Mr. Lupusella: Well, policies are policies; you don't have to communicate.

Hon. B. Stephenson: There is no such policy.

Mr. Neal: There are no such policies that I am aware of.

Mr. Lupusella: That is my own interpretation about the whole affair.

Mr. Hamilton: Just a minute. We might as well make this clear: There is no relationship.

Mr. Neal: I certainly assume there is no relationship.

Mr. Lupusella: Well, Mr. Chairman, to conclude these short remarks, I would say we can be clear that there is some kind of a relationship between pensions of injured workers and the financial liability of the Workmen's Compensation Board in the province of Ontario. There is no doubt about it. This kind of relationship is clear in the sense that the Workmen's Compensation Board cannot increase pensions of injured workers at the time when the board has to meet its financial liability each year. Is that not correct?

Mr. Neal: The board does not—

Mr. Lupusella: Will you please answer "yes" or "no" to my question?

Mr. Neal: I cannot answer "yes" or "no," because I would have to define your question in order to give an answer. I am not fully sure I understand it.

Mr. Lupusella: It seems that my question was really clear. Of course you have to carry on the study; otherwise, from where do you

get the money to increase injured workers' pensions? The whole operation of the Workmen's Compensation Board is going to be in jeopardy.

Hon. B. Stephenson: It is my understanding that the changes which have been made in the level of pension funds provided by the Workmen's Compensation Board have been done in the past entirely autonomously, without any relationship to an examination of the financial or actuarial situation of the board. I have to tell you that I felt it was time we knew precisely what that financial and actuarial situation was, and that was why a portion of the study was commissioned.

It was because of the necessity to look at the questions which were raised by Mr. Haggerty, and supported by this committee last year, about the relationship of the workmen's compensation benefits to other benefits and to other insurance programs, that it was decided that the study should be broadened to encompass that as well.

But, traditionally, there has never been any relationship at all between modifications of the levels of benefits under workmen's compensation in the province of Ontario and whatever the investment income or anything else was.

Mr. di Santo: You are contradicting yourself right now.

Hon. B. Stephenson: I am not. I am saying that, traditionally, that has never been done. What I said was that I felt there should be some knowledge of the actuarial situation of the board—

Mr. Lupusella: They know every year. There is no problem in that. They make provisions from one year to the next.

Mr. Chairman, the last remark I would like to make is that if such a relationship does not exist, why is the Minister of Labour not tying the pensions for injured workers in the province of Ontario to the cost of living?

Hon. B. Stephenson: That is exactly one of the things which is being examined to see—

Mr. McClellan: It took three years to examine.

Mr. Lupusella: Three years, and pensions haven't been raised yet.

Mr. Acting Chairman: Order, please. Mr. Haggerty has the floor.

Mr. Haggerty: I was seeking more information, but to sum it up I can say that based upon the information I have before me the interest that is applied to a permanent partial disability pension is 7.5 per cent and no doubt through the Workmen's Compensation Board

you are getting close to nine per cent; or perhaps you can get more than that on the market today if you look.

Hon. B. Stephenson: This year and last year and the year before it was closer to five per cent.

Mr. Haggerty: Well, there's a two per cent difference anyway and I thought that not enough of a return on that was given to the injured workers.

Hon. B. Stephenson: I don't know whether that is actuarially sound, though.

Mr. Haggerty: What I'm saying is that it is an area that should be open for further discussion by members of the Legislature and the minister and the Workmen's Compensation Board and hopefully this report will shed some more light on it.

Hon. B. Stephenson: I think it will. That was one of the purposes of the report.

Mr. di Santo: I think that in examining the report of the Workmen's Compensation Board we have, as far as I am concerned, four major problem areas we are dealing with. One of them is the level of benefits and pensions. I think that everybody realizes that it is unfair and unjustifiable that after almost three years the government is unable to raise the rate of the pension for the injured workers.

If what the minister said two minutes ago is true—that there is no relationship between the financial situation of the Workmen's Compensation Board and the medical assessment of the injured workers—then I would assume that the study she has ordered has only one purpose and that is to postpone the increase of the benefits to the injured workers. I want to tell you, Madam Minister, that two years ago on June 18, 1976, in answer to a question in the House, you said that the reason why you couldn't raise the benefits was because you hadn't received recommendations from the board.

Hon. B. Stephenson: That was true.

Mr. di Santo: Okay. Have you received recommendations from the board? Because the chairman of the board said before, in defending himself, rather poorly—

Hon. Mr. Starr: I wasn't defending myself.

Mr. di Santo: Yes, you were defending yourself, rather poorly also. He said he had publicly recommended—and it was in the press—that the level of the benefits be raised.

Hon. B. Stephenson: Publicly recommended?

Mr. di Santo: Yes. It was in the newspaper.

Hon. Mr. Starr: I said I was in sympathy.

Hon. B. Stephenson: He is not alone.

Mr. di Santo: He is not alone. That tells us what kind of a chairman we have at the Workmen's Compensation Board. If you said in June 1976 that you were waiting for recommendations from the board, would you tell us why it is that the board didn't give you the recommendations that supposedly you had asked for, and if not, why didn't you press the board to present your recommendations?

Hon. B. Stephenson: The board was at that time examining the results of the change in benefits which had been established in 1975, and because they were relatively major—

Hon. Mr. Starr: It was 1974 and 1975. They were very major ones.

Hon. B. Stephenson: It was 1974 and 1975, and they were major changes in those levels of benefits. The actuary of the board felt that they needed time to assess the levels of benefits at that time and I am sure that when they felt that there would need to be a change they would inform me. As a matter of fact, the joint consultative committee which was appointed in 1976 has had all of these questions referred to it and it made a series of recommendations to me in the late fall of 1977 which I have looked at and which I am hoping to bring in with some modifications as soon as we have the Wyatt study completed as well.

[4:15]

Mr. di Santo: In other words, the joint consultative committee was unable to make recommendations to you.

Hon. B. Stephenson: They made them to the board and the board has referred them to me.

Mr. di Santo: What were the recommendations made by the joint committee?

Hon. B. Stephenson: I don't have them with me, as a matter of fact. There are some recommendations regarding the level of benefits.

Mr. di Santo: You thought that you couldn't take any action.

Hon. B. Stephenson: No, I did not say that I thought I could not take any action.

Mr. di Santo: Well you didn't take any action.

Hon. B. Stephenson: I said that I shall take action on those as soon as I have the report of the Wyatt study as well.

Mr. di Santo: Well, okay.

Mr. Mackenzie: Those recommendations, Madam Minister; can they be filed with us or given to us?

Hon. B. Stephenson: If they are board recommendations given to me, they can be. I can't remember whether I have that, I don't know what I've got, as a matter of fact, but I've seen a copy.

Mr. McClellan: Are you saying yes or no?

Mr. Mackenzie: Could we ask for the recommendations that they have made?

Hon. B. Stephenson: Eventually, yes, I'm sure they can be made available.

Mr. Mackenzie: Eventually?

Mr. di Santo: We are looking forward to seeing those recommendations.

Hon. B. Stephenson: They will be a part of the background information available, as you know, when any recommendation is made to the Legislature. So you most certainly will see them.

Mr. Mackenzie: Some time before December 1978?

Mr. di Santo: That was in June 1976 and in three months it will be June 1978. The injured workers have been waiting two years. In the meantime, we understand, the board has been able to lose almost \$10 million by liquidating their investments; but the minister cannot find money to increase the benefits of the injured workers.

Hon. B. Stephenson: That's not true and there isn't any relationship between those two statements either.

Hon. Mr. Starr: There isn't a loss, either.

Hon. B. Stephenson: No, and, as a matter of fact, there's probably an increase this year rather than a loss.

Mr. di Santo: Mr. Cook said 10 minutes ago that in 1975 and in 1976 the board lost respectively \$4.5 million and \$5 million by liquidating—

Hon. B. Stephenson: I don't pretend to understand high finance, Mr. di Santo.

Mr. di Santo: Well, neither do I.

Hon. B. Stephenson: It is my understanding that these were investments which were sold because they were low-yield investments, and they were sold at a book loss of something over \$4 million. And since they have been sold, the yield from the new investments has been such as to overcome that book loss. Is that not correct, Mr. Cook? Yes, that is correct.

Mr. di Santo: Well, in other words, they were poor investments that resulted in a loss for the Workmen's Compensation Board.

Hon. B. Stephenson: They weren't poor investments at all. They were low-yield investments. You were complaining about the fact that the computations were based on a seven per cent interest rate. I would remind you that two or three years ago a five per cent interest rate was a very high interest rate for some kinds of investments. You know you have to be aware of what is going on.

Mr. di Santo: They were invested at six per cent—mortgages at six per cent. Okay. This is not a major point.

Mr. McClellan: May I ask just one question to put this discussion in context for me? Can I know what the status of the unfunded liability is as of 4:15 today?

Hon. B. Stephenson: As of 4:15 today? No, I can't tell you.

Mr. McClellan: Seriously, can somebody on your staff advise me on what the unfunded liability will be at December 1978?

Mr. A. G. MacDonald: The final liability as of the end of last year has not finally been determined because our outside actuary, the Provincial Auditor and others have not reported yet.

Mr. McClellan: Yo don't even know what it is for December 1977?

Mr. A. G. McDonald: Yes, we quoted it.

Mr. McClellan: Sorry, I misunderstood what you just said.

Mr. A. G. McDonald: I should have said December 31, 1977, rather than 1978. That particular liability has not yet been determined because those agencies have yet to report to us.

Mr. McClellan: Can you not give us a projection, a ball park figure, even if it's out as much as \$100 million?

Mr. A. G. MacDonald: We don't expect a great deal of change on what we reported a year ago.

Mr. McClellan: From \$900 million.

Mr. A. G. MacDonald: Pardon?

Mr. McClellan: From \$500 million, I'm sorry.

Mr. A. G. MacDonald: We expect a slight reduction in that liability, but nothing substantial.

Mr. Hamilton: I think it is safe to say that we are committed to the long-range program of a reduction of that liability and we would be hopeful that at the end of this year, it would be indicated in that program. That's the target that we are aiming for, to liquidate that liability.

Mr. di Santo: Mr. Chairman, the point I want to make is that the government has been unable to raise the pension benefits while, as has been pointed out, the cost of living and the wage composite index have gone up 20 per cent since 1975. I think the government has no moral justification for that, even though now they can give as an excuse the actuarial study ordered by the minister.

That's intolerable because the injured workers are the only group in our society which has no organization. They have no ability to exert pressure on the Workmen's Compensation Board or the government or the Legislature, even though the chairman of the Workmen's Compensation Board, in one of his political outbursts, called them professional protesters. I think that adds to what the member for Scarborough West said before about the impartiality of the chairman of the Workmen's Compensation Board.

The second aspect of the Workmen's Compensation Board that I'd like to criticize is the rehabilitation department. No matter what you say or what figures you mention, we are talking about human beings who happen to have had an accident and whenever they need rehabilitation, don't get that from the Workmen's Compensation Board. Actually, the rehabilitation department of the Workmen's Compensation Board lately has become a policing court in order to ensure that the workers don't get the supplement which was approved by this Legislature in July 1975.

As has been pointed out before, the major effort of the counsellors today is to make sure that the injured workers—partially disabled—get out and get signatures from companies who are unwilling—and you know they are unwilling—to hire injured workers. This is not only because of the unemployment situation today, but because there is no law in this province that compels the companies or any other employer to hire injured workers.

As a matter of fact, I challenge the board to give us the figures on how many people who are in that situation are getting employment. I have dozens and dozens of workers who are knocking on doors, and in many cases, they don't even get the signatures because the companies refuse to play that game. It is a farce and it's disgraceful for the board and it's humiliating for the workers who are subjected to that daily practice.

The amendment that was passed in 1975 doesn't say that workers have to go out in the snow knocking at doors when they know already, and when the Workmen's Compensation Board knows, that there are no jobs available, in order to prove that they are co-operating with the board's rehabilitation de-

partment. You, as the minister, have the moral responsibility to stop that practice, because it's inhuman and it's stupid.

Mr. McClellan: It's just harassment—malicious harassment of workers.

Hon. B. Stephenson: It is not harassment. It is an attempt to assist the workers to find alternative employment.

Mr. Lupusella: If I may, Madam Minister—

Hon. B. Stephenson: No, you may not right at the moment. It's Mr. di Santo speaking. He's been interrupted enough already.

Mr. Lupusella: He leaves me the floor, Madam Minister.

Mr. Acting Chairman: Mr. di Santo.

Mr. di Santo: Mr. Chairman, I want to denounce this practice of the Workmen's Compensation Board. I hope that the minister has the sensitivity at this point to instruct the board to stop this practice. Today the rehabilitation department directs that unless the workers produce two signatures a day they won't get the supplement.

Hon. Mr. Starr: They have to prove, as I mentioned earlier—

Hon. B. Stephenson: Do they have to get two signatures every day?

Hon. Mr. Starr: We ask them to go around and see more than just two employers, but they have to be actively engaged in looking for work—

Mr. di Santo: Madam Minister—

Hon. Mr. Starr: —to qualify for the supplementary, of course.

Mr. di Santo: I know that you are reluctant to believe what I was saying, but now that the chairman has confirmed what I said, I hope that you will take action immediately. Because otherwise we will keep fighting on this. The rehabilitation department doesn't mean that we must have people employed at the Workmen's Compensation Board policing workers to see that they go out getting signatures from companies. The companies will not hire them because there is no work available for injured workers, as there is not for workers who are young and healthy.

I hope that you take action on that because that's really disgusting and it's humiliating.

Hon. Mr. Starr: I didn't realize that looking for work was a humiliating process. It wasn't in my day.

Mr. Lupusella: Especially when there are one million people unemployed around the country. It seems to me—

Mr. McClellan: Without any chance of getting a job?

Mr. Acting Chairman: Mr. di Santo has the floor, please.

Mr. McClellan: When there is no chance of getting a job at all?

Mr. di Santo: Probably the office of the chairman of the Workmen's Compensation Board is on the 20th floor—

Hon. Mr. Starr: We're placing injured workers now with employers.

Mr. Cook: You're harassing a lot of them too.

Hon. Mr. Starr: The employers so that they would hire these people. Yes, we do harass them.

Mr. Lupusella: I hope the Minister of Labour—

Mr. Cooke: Your rehab offices—

Mr. McClellan: There should be a placement process—location of jobs and placement—not sending people out with little pieces of paper to fill them up for months and months and months. It's stupid.

Mr. di Santo: If that means rehabilitation, I leave it to the average intelligence of a normal person.

Hon. Mr. Starr: You can only help those who try to help themselves.

Mr. di Santo: Then Stephen was right when he said that you should resign.

Hon. Mr. Starr: Stephen is never right.

Mr. di Santo: Because you don't understand—

Hon. Mr. Starr: Stephen is only right in your mind and his mind.

Mr. di Santo: People in those conditions cannot help themselves, because today in Ontario we have 326,00 workers unemployed—

Hon. Mr. Starr: We have proof that many—

Mr. di Santo: —and employers are not going to give work to injured workers.

Hon. Mr. Starr: We have proof that many injured workers are getting jobs.

Mr. di Santo: I challenge you to prove how many workers have been employed through that process. I challenge you, yes.

Hon. Mr. Starr: We can give you the charts. Of course we have. Yes, we have.

Mr. McClellan: Where is it?

Hon. Mr. Starr: They're working.

Mr. McClellan: Where are the figures?

Hon. Mr. Starr: Right there.

Mr. di Santo: I thought, Mr. Chairman, that there was—

Hon. Mr. Starr: Do you want the figures?

Mr. di Santo: Now that I have the floor, Mr. Chairman, can I continue?

Hon. Mr. Starr: He doesn't want the figures. Go ahead.

Mr. Acting Chairman: Your colleague would like to have a—

Mr. Cooke: The only reason I'm here is to make one point. I wanted to ask about this job search because I have had constituents in my riding who say that it's just been completely sickening the way the rehabilitation officers have gone after them.

I know two 62-year-old people on workmen's compensation who are being forced to look for three jobs a day. They're 62 years old and they're in back braces and they're being forced to look for jobs—three a day, 15 a week. We have a city where there is 11.5 per cent unemployment. I'd just like to ask you whether you think that is proper or whether you think that's harassment, I'd put it as harassment.

Hon. Mr. Starr: Do you think that just because there are a million people unemployed now in Canada that a person should not go out looking for work?

Mr. Cooke: I'd like to ask you what the role of the rehabilitation officer is?

Hon. Mr. Starr: The role of the rehabilitation officer—

Mr. di Santo: He doesn't understand this.

Hon. Mr. Starr: —is to try to help an injured workman get back into the labour force, perform the type of job that he's able to perform—

Mr. Cooke: How are they—

Hon. Mr. Starr: —and it should not be stopped. It should be a continuous process until some job is found for him.

Mr. Cooke: How do they help the worker? What methods are they supposed to use—

Mr. di Santo: By policing them.

Mr. Cooke: —in order to help the worker get back into the work force?

Hon. Mr. Starr: Job training with the rehabilitation?

Mr. Cooke: No, I didn't ask that. I said what methods are the rehabilitation officers supposed to use to get the worker back into the—

Hon. Mr. Starr: He goes around knocking on doors of employers and telling them and asking them and cajoling them or doing anything to see if he can get a job for them. That's the way it should be done.

Mr. Cooke: But that's not what I asked you. What is the role of the rehabilitation worker? Not the worker. You keep telling—

Hon. Mr. Starr: To assist the claimant.

Mr. Cooke: How are they supposed to assist them? That's what I'm asking. [4:30]

Hon. Mr. Starr: They go around knocking on doors of employees trying to get them jobs in addition to the workers themselves.

Mr. Cooke: The rehab workers do that?

Hon. Mr. Starr: Yes, sure.

Mr. Cooke: They certainly don't do that in Windsor.

Hon. Mr. Starr: They don't?

Mr. Cooke: No, they don't. I've talked to rehab officers. I wrote a letter to the rehab supervisor in London and had him come down to Windsor, because I had such a complaint about one of the rehab workers who talked down to the individual who was receiving the workmen's compensation benefit as if he was a piece of dirt. He talked that way to me about the worker on the phone. I complained about that individual. I had the supervisor come down from London and of course it was a complete defence of the rehab worker. I have asked for a job description of what a rehab worker does.

Hon. Mr. Starr: You're talking about one person, you're not talking in general about the whole policy. Isn't that what you are talking about?

Mr. Cooke: I'm talking about the Windsor office.

Hon. Mr. Starr: You're talking about an incident in one situation.

Mr. Cooke: No, I'm not.

Hon. Mr. Starr: Yes, you are.

Mr. Cooke: If you will be quiet and let me talk about the rest of it—

Hon. Mr. Starr: All right. If you want to bring it to someone's attention to see it does not happen again, then you should tell us.

Mr. Cooke: I have. I wrote a letter, and it is still happening. They are harassing these workers. I call them senior citizens because they are 62 and 63 years old. They are out of work and they've both back injuries. The only suggestion the rehab worker is able to come up with is that they should get a security guard job. There are only a certain number of security guard places in Windsor where you can go and look for employment. You can't make three applications a day. I tried to explain that to the rehab workers. They said once they finish those, then they go back to the same employer again. They are cut

off their supplement. They are down to \$100 or \$120 a month which they are expected to live on. I think it is completely ridiculous to expect—

Hon. Mr. Starr: Maybe we should re-amend the Act to what it was prior to 1974.

Mr. McClellan: Never mind the threats, Mr. Starr.

Mr. Cooke: We are talking about progress.

Hon. Mr. Starr: There are no threats. I am just trying to tell you right now that this is a very fair and generous amendment that was passed in 1974—the best ever. No other province has it. If the person is actively engaged in looking for work with the help of a rehab officer, he is entitled under section 41 to full compensation or under section 42(5), if he has a pension, it is supplemented.

Mr. McClellan: We're telling you it is not working.

Hon. Mr. Starr: All we're asking for is that he try to look for work. That is not asking too much.

Mr. Cooke: I'm suggesting to you that for some individuals, especially in a city like Windsor where there is 11.5 per cent unemployment, it is unrealistic, and you should be looking at it. You can't force someone to find work.

Hon. Mr. Starr: Are you suggesting they should stay home?

Mr. Cooke: You're damn right I am.

Mr. di Santo: On a point of order—

Mr. Cooke: I'm suggesting they shouldn't have to go to look for three jobs a day.

Hon. Mr. Starr: They did.

Mr. Cooke: Let me explain what I said. Control yourself, please.

Hon. Mr. Starr: I am in complete control.

Mr. Cooke: You don't act like it.

Hon. Mr. Starr: You're saying you didn't say what you said.

Mr. Cooke: Let me explain. You didn't let me elaborate. I am saying they should not have to look for three jobs a day; it's unrealistic.

Hon. Mr. Starr: How many? What's realistic then?

Mr. Cooke: I don't think that continuously looking for work in a city where there is 11.5 per cent unemployment is realistic at all.

Hon. Mr. Starr: Nobody in Windsor should be looking for a job?

Mr. Cooke: Not 62- and 63-year-old men who have back injuries. They should be given benefits—

Hon. Mr. Starr: In other words, they sit at home?

Mr. Cooke: You tell me what the hell your rehab officers do because I can tell you what they do. They're useless.

Mr. di Santo: That's the typical Tory mentality. They should not be sitting at home; they should be actively helped and they are not. I would like to have the figures of how many people have been placed through the rehabilitation department, as was promised.

Dr. McCracken: The 1977 figures show the total is 23,072. Of that group, 4,800 returned to employment as a result of vocational rehabilitation activity; 117 cases retired from the labour force; and 17,827 were referred for further resolution. This means training programs; upgrade in training, on-job training, courses in the various schools, and learning new trades. There were 328 of the 23,072 who were considered as not rehabilitable. These included people who were completely disabled from a physical standpoint; people who, because of their geographical location or because of personal insufficiency, it was realized they could never return to the work force.

Mr. di Santo: Mr. Chairman, can I ask a question? Of the people who in 1976 were referred for further resolution, how many of them were employed subsequently?

Dr. McCracken: I believe that from 1976 to 1977, there was a carryover at that time of approximately 6,000 plus cases. In other words, at the end of 1976, there were that number of cases that were still active; namely they were on upgrading programs, they were receiving vocational rehabilitation counselling, they were engaged in all the other types of vocational rehabilitation activity. Incidentally, if the meeting would like, since the question was raised as to what vocational rehabilitation counsellors do—

Mr. McClellan: Well, let's stick with this figure for a second. Out of the 23,072, only 6,000 are carryovers from 1976?

Dr. McCracken: No, those were 1977 figures, but the question that was asked was how many cases were carried over into 1977 from previous years. It was a figure of slightly over 6,000. Each year, as you can appreciate, at the beginning of the year—

Mr. McClellan: Out of your caseload in 1977 of 23,072—

Dr. McCracken: Then you add on the other 6,000, so the caseload is over 32,000, yes.

Mr. McClellan: Okay. There is a little bit of loss here, a little bit of slippage you might say; about half.

Dr. McCracken: At any given time, if you have 30,000 cases and they are divided equally among every month of the year, at any given time you are carrying a caseload of around about 6,000 to 7,000.

Mr. McClellan: Could you give us the complete figures from 1975 until the end of 1978, maybe table them so that we can have a chance to study them?

Dr. McCracken: Of course, we don't have 1978 figures.

Mr. McClellan: I am sorry. I meant to the end of 1977.

Dr. McCracken: To the end of 1977? I don't have them here.

Mr. McClellan: Right, that's what I said. If you could table them, then we could do an assessment.

Mr. di Santo: Would you have by any chance the carryover from 1977?

Dr. McCracken: Again I don't have that figure; but it has been running fairly consistently between 5,800 to about 6,600.

Mr. di Santo: Okay, since we don't have the figures, I cannot make the argument, but I will when the figures will be made available to us, because it seems to me that a very high percentage of the people who should be rehabilitated are not, in effect.

Going back to the remark made by the chairman of the Workmen's Compensation Board, which I find really insulting, that the workers should be at home, I would like to bring to the attention of the minister that there are other ways and means of helping injured workers to get back to the job. I presented a private member's bill last year for compulsory rehiring of injured workers, those partially disabled. If she or the chairman of the Workmen's Compensation Board had the time and the patience to look at an Act passed in 1944 in England, which is called the Disabled Persons Employment Act, at that time in England they had already solved the problem of—

Mr. Hamilton: It hasn't worked since the day it was passed. Anybody in England with any knowledge of it will tell you so.

Mr. di Santo: Well, it hasn't worked—

Mr. Hamilton: It's a paper program that has never worked in England. If you ask anybody in the rehabilitation field or the social or economic field, that particular legislation in England has never worked from the day it was passed, unfortunately, I might state.

Mr. di Santo: I have the Act in front of me. I don't have the actual results of this

bill, but I can tell you of a different jurisdiction of which I am aware where the program works and works well. I'm speaking of Italy.

Mr. Hamilton: I've discussed it at great length in England. I've discussed it in the international arena at the ILO and I've discussed it with a lot of people that are knowledgeable in the field and they tell me that it has never worked.

Mr. Harding: It's a disincentive, in fact.

Mr. Hamilton: I say to you, unfortunately, because I think it was well-intentioned legislation.

Mr. di Santo: As I said, I cannot speak for the results obtained in England because I don't know, but I can tell you in Italy the results were pretty good. Of course, between our situation and that situation there is a gulf in terms of legislation. Last year the minister created a committee—correct me if I'm wrong—or had a person in charge of looking for opportunities for employment for handicapped people within the Ministry of Labour.

Hon. B. Stephenson: Yes, it was in my ministry.

Mr. di Santo: I don't know what the results were because when I asked the question in the House, the minister said that there were no results yet. I hope there will be results and that probably we can set a pattern also for the Workmen's Compensation Board.

As for the level of the supplement, the chairman of the board said before that the pension plus the supplement amounts to full compensation. Am I right? I have several cases where the amount of the supplement plus pensions does not amount to total compensation and that applies to people who are close to their retirement age. I think that's a discrimination which goes against them.

Hon. Mr. Starr: Give us the particulars and we'll look into them and report on them.

Mr. di Santo: We go through this game every year. I can give you the particulars and I will. I want to read it into the record. This is claim C10193139. The injured worker is getting \$82.50 a month for 24 months, a 10 per cent pension. In addition, he is getting \$150.25 a month for 18 months, dating from January 29, 1978. It's very recent. Altogether, it makes a total of \$232.75. This person was getting \$216, the maximum benefit. The only reason he's getting \$150.25 is that he's 63 years old.

I can mention another case if you want. There are several claims. This one is getting a

33 per cent supplement and a 10 per cent pension.

Hon. Mr. Starr: I think you're entitled to an explanation. That's why we would want to give you that explanation.

Mr. di Santo: Sure. That amounts to 43 per cent while full benefits amount to 75 per cent. In both cases, we have people who are older people. One is 63 and one is 62 years old.

[4:45]

Hon. Mr. Starr: We will send you an explanation if you give us the claim number.

Mr. di Santo: Yes, it is several claims. I noticed that happened in other cases where people are close to retirement age. I think the supplement is a right to which the injured workers are entitled regardless of age, because if that is the case I think it is a violation of the human rights code. We are discriminating against people because of their age.

I actually had a letter which, very incautiously, the board wrote to an injured worker saying exactly that—"Because you are approaching the retirement age we are," et cetera. I will find the letter and I will send it to the chairman of the board.

The last point I want to make is that whenever the board members come in front of this committee they always make a point of saying that all the cases are solved within a few days.

Hon. Mr. Starr: We don't say all the cases.

Mr. di Santo: No, let me qualify my statement, that the easy cases are solved within a few days and the more complicated cases take a longer time, but I can tell you that I have been confronted with cases that are absolutely unjustifiable, like this one that I want to mention to you. We had a hearing of the board on August 23, 1977, and the decision was made on December 7, 1977, after four months. During this period of time I had to write and ask the board repeatedly to make a decision, in many instances without even having an answer.

Hon. Mr. Starr: Do you want an explanation on that one too, as to why it took so long?

Mr. di Santo: Yes. There was no medical examination involved. There was nothing involved.

Hon. Mr. Starr: Then you are entitled to an explanation.

Mr. di Santo: Sure. Okay. I am having problems with the board every day because of the time it takes in making decisions, because of the way it answers the injured work-

ers involved, and no matter what you say—and probably you make that statement in good faith, you may think that the board has a good image—I want to tell you that the injured workers are really angry at the board.

Hon. Mr. Starr: Yes, those who haven't received a decision.

Mr. di Santo: Dozens and dozens.

Hon. Mr. Starr: You see, the only individual, Mr. di Santo, who is criticized is a person or organization that makes decisions, because they never make a decision that satisfies everybody. That is why we have an appeal system and now even an Ombudsman is in the picture.

Mr. di Santo: I am not saying that the board is criticized because it is difficult or because it is complex for the board to make decisions. What I am saying is that there are certain complaints that are legitimate and are general, like the increase of the benefits, and you may tell me that that's not the fault of the board. There are decisions that could be made in a brief period of time and are delayed because of the internal bureaucratic problems that you have, because of the computers or because of the filing system that you have. There is a problem with the doctors, and I cannot understand why it is not possible for the board to make public the names of its consultants. Why is it impossible?

Hon. Mr. Starr: Mr. di Santo, you are an intelligent person and I think you can realize why some confusion would be brought about when you receive 200 new claims every hour of the working day, plus the old ones—as was mentioned today, there was a claim here that dated back to 1952; it is still an ongoing claim—in addition to what we have to handle. You know, they are only human beings working there. They are subject to mistakes. They make mistakes.

Mr. Warner: That's not the question.

Mr. di Santo: That's not my question.

Mr. Warner: What's the secrecy?

Mr. di Santo: Because I—

Hon. Mr. Starr: No, no—just a minute now—that was the last of it.

Mr. Warner: Are you going to answer the last part? The last part is important.

Mr. di Santo: I could answer your interjection by saying that it's not the workers' fault if we have more than 400,000 accidents in the province of Ontario every year. It's not their fault if there are so many accidents.

Hon. Mr. Starr: No. Nobody is blaming them. I don't know why you brought it up—

Mr. di Santo: What I want to ask you is why it is that you cannot publish the names of the consultants of the Workmen's Compensation Board?

Hon. B. Stephenson: All you have to do is get the College of Physicians and Surgeons' list of consultants in the province of Ontario, and every single one of them is used, except for some who are specifically not used—

Hon. Mr. Starr: There are no secret—

Mr. di Santo: Not every single one.

Hon. B. Stephenson: Oh, yes.

Mr. Lupusella: It's always the same people.

Mr. di Santo: Always the same people.

Hon. B. Stephenson: No, it is not always the same people.

Hon. Mr. Starr: But there is no secret about it.

Mr. di Santo: They are always the same people.

Hon. Mr. Starr: They are all out in the open. They are practising every day, these doctors.

Mr. di Santo: As a matter of fact, I asked to refer one of the injured workers to a specific doctor, and the board chose to send him to another doctor.

Hon. Mr. Starr: That happens.

Mr. di Santo: And that happens very often.

Hon. Mr. Starr: That's just a statement. I would like to know more of the facts. How did this happen?

Mr. di Santo: I don't know, but I can tell you what the case was. I can give you the details later on.

Hon. Mr. Starr: I think we should look into it and see what the facts are.

Mr. di Santo: Can we have a list of the doctors who usually work for the Workmen's Compensation Board?

Hon. Mr. Starr: They all do.

Hon. B. Stephenson: All the doctors in Ontario work for the Workmen's Compensation Board.

Hon. Mr. Starr: All the doctors in Ontario work for the Workmen's Compensation Board.

Mr. di Santo: In other words, you don't have a number of doctors who specifically work for the Workmen's Compensation Board?

Hon. B. Stephenson: No; except those who are on the staff of the rehabilitation hospital.

Mr. Lupusella: What about when you refer workers to a certain consultant?

Hon. B. Stephenson: No.

Mr. Lupusella: You don't have a certain number of surgeons on which the board relies for their assessment?

Hon. Mr. Starr: I think we do have a number as specialists.

Mr. Lupusella: You have those?

Hon. B. Stephenson: But they—

Mr. Lupusella: So why don't you make this list public? That's what I would like to know.

Hon. B. Stephenson: The worker can be referred by his family physician or by the board to any appropriate consultant.

Mr. Lupusella: Maybe when I come into the picture, I am going to elaborate my concerns.

Hon. B. Stephenson: The only list we have, I think—is there a list of those to whom the board does not permit referrals to be sent?

Mr. Lupusella: You have a number of specialists on whose judgement the board relies.

Dr. McCracken: Yes.

Mr. Lupusella: So you have the names of those specialists.

Dr. McCracken: We have numbers; there are too many names.

Mr. Lupusella: Too many names. How many?

Mr. di Santo: Okay. That's the excuse: too many names.

Hon. Mr. Starr: It is not an excuse, Mr. di Santo. There is no secret about them.

Mr. McClellan: What is the other list?

Hon. Mr. Starr: I don't know what you are saying.

Mr. di Santo: I asked particularly for that list. Why is it not possible?

Hon. Mr. Starr: I'll send you a list of all the doctors in Ontario.

Mr. di Santo: No. You don't use all the doctors in Ontario.

Dr. McCracken: In 1977 there were 7,268 doctors who looked after injured workers. Coming down to the specialty group, there were 578 general surgeons all across the province; there were 236 orthopedic surgeons; there were 78 plastic surgeons; there were 57 neurosurgeons. What this indicates is that we use all the physicians who, in our opinion, are qualified to treat our cases—and we are very picky about that.

Mr. di Santo: My point is that, in certain circumstances, not all the people who are qualified in your opinion are used. Can we have the names of the people who in your opinion are qualified? That's my question.

Dr. McCracken: It would be all 7,000 of these doctors.

Mr. di Santo: Not the 7,000; the ones that—

Hon. Mr. Starr: Mr. di Santo, would you not want the injured worker of Ontario to receive the best treatment that can be provided by the best surgeons who can perform that treatment? Isn't that what you want? We want that.

Mr. di Santo: My question is that you have 57 neurosurgeons who you think are qualified.

Hon. Mr. Starr: No, who treated injured workmen in 1977.

Mr. di Santo: No, it is not that.

Mr. Warner: Those aren't the people who are employed by the Workmen's Compensation Board.

Hon. B. Stephenson: Nobody is employed—

Hon. Mr. Starr: Dr. McCracken, when you gave us this list a moment ago—I think there is some misunderstanding; maybe it is on my part—did you give the numbers of different categories of surgeons and physicians et cetera, who have treated injured workers in 1977?

Dr. McCracken: Yes, that is correct.

Mr. di Santo: Fifty-seven neurosurgeons in the whole province of Ontario.

Dr. McCracken: Yes, 57 neurosurgeons were involved in treating injured workers last year.

Mr. di Santo: In the whole province?

Mr. Lupusella: Treating. Now what about referral of injured workers to a certain number of specialists on which the board relies—and I am making particular reference to when an injured worker has an appeal and the appeal system decides to refer the injured worker to a particular specialist. How many specialists do you have?

Dr. McCracken: We don't have a list of specialists, I am sorry. Under a situation like that where the appeal board requests that a referral be made for an opinion in a particular specialty, be it orthopaedic surgery, neurosurgery or whatever, it is our responsibility to select from the most senior people available—and these are the professors of surgery, the assistant associate professors of surgery—wherever they are most readily available. Of course, naturally, we tend to be restricted to the areas that have the universities—Toronto, London, Ottawa, Kingston.

Mr. Warner: The minister said there were no doctors employed by the Workmen's Compensation Board.

Hon. B. Stephenson: You said you wanted to know the names of all the doctors who worked for the board.

Mr. Lupusella: Right.

Hon. B. Stephenson: What I am saying is that all the doctors in Ontario work for the board from time to time. There are doctors on the staff at the rehabilitation centre, and there are doctors on the staff of head office.

Mr. Warner: Now we are getting into it; there is a division.

Hon. B. Stephenson: Yes.

Mr. Warner: There is a differentiation between those doctors who are directly connected with the Workmen's Compensation Board and those doctors to whom people are referred.

Hon. B. Stephenson: No, no.

Mr. Warner: When I have a letter signed by a doctor, medical branch, rehab services division, I assumed that person is employed by the Workmen's Compensation Board and that that doctor will render some judgement upon the person who comes to see him. Contrasted in the same situation will be a report from another doctor not employed by the Workmen's Compensation Board, but in general practice or in specialist practice on his own. And that report may be absolutely contrary to the report brought forward by the doctor who is employed by the Workmen's Compensation Board.

That is what I believe to be the essence of my colleague's remarks. And that is where we want to find out what is going on. Why is it that we end up with such contradictory statements about the individual's state of health?

And make no small amount of it. Some of the letters and comments I have had from doctors who have quite a medical reputation in the community, indicate that there is something wrong with the medical judgements that are being rendered by those doctors who are employed directly by the Workmen's Compensation Board. That is the problem we are trying to get at.

In fact the one case I have here that has haunted me for a couple of years now—and haunts the constituent continuously—hinges around that kind of problem where he is told by the doctor employed by the Compensation Board that he is going to be fit for rehabilitation, for some light work, and his own doctor says that is sheer nonsense. That is what we want to get at and we would like the names of those people who are referred to.

Hon. B. Stephenson: I am sorry, that is not the question which Mr. di Santo asked. You

can get the names of all the physicians who are employed by the board because they are employed within the rehabilitation hospital or within head office.

Mr. Warner: Okay.

[5:00]

Hon. B. Stephenson: But the request that Mr. di Santo was asking for was, "Give us the list of all the specialists to whom you refer patients in which there is some difficulty or dispute about the claim." There isn't any list, that's the problem.

Mr. Hamilton: I think there's a conflict here. Mr. Warner, you put the thing in perspective when you said the Compensation Board doctors who are hired give an opinion and the local medical doctor in Windsor or North Bay gives a completely contrary opinion. Once this arrives at the appeal board level, that divergence of medical opinion is sent out to someone on the list of specialists who makes a judgement as between the divergent medical opinions from the board and the local doctor. These are the people that Mr. di Santo is talking about.

Hon. B. Stephenson: But there really isn't any list.

Mr. Hamilton: He's talking about the people to whom we send it out from the appeal level to determine which one of the doctors is right. This is the group he's talking about.

Mr. Warner: And you're saying that the list you use is from the Ontario Medical Association—

Hon. B. Stephenson: The College of Physicians and Surgeons.

Mr. Warner: The College of Physicians and Surgeons.

Hon. B. Stephenson: But in most instances, as Dr. McCracken suggested, the consultant will be the most senior available individual within that field—probably within the teaching program of the university because they are recognized as the senior consultants in that area.

Mr. Hamilton: Let me tell you the dilemma I'm in as of right now. I've got absolutely completely divergent opinion from two top cardiologists, one in London, one in Toronto.

Hon. B. Stephenson: Well, that can happen.

Mr. Hamilton: I am now in the throes of trying to find someone senior to those who can give me a medical referee's opinion. It's getting exceedingly difficult to get someone who will give you a medical opinion who can be accepted as a medical referee.

Mr. Warner: There's something in here that talks about benefit of doubt to the worker. That's the source of our other problems. That section isn't lived up to.

Mr. di Santo: Mr. Chairman, I'm bringing to your attention another point that I think is quite important for me, for social reasons if nothing else. There is an increasing number—actually a very high number—of injured workers who are being referred by the board to psychiatrists for assessment. I'm not a doctor but I'm really worried about this pattern. I cannot believe that, of all the cases I have, 90 per cent of the injured workers, as soon as they have an accident on the job, also have mental problems, psychiatric or otherwise. I can prove that with all my files. They are referred one after another to psychiatrists.

Hon. B. Stephenson: You mean because of an accident? No way.

Mr. di Santo: I'm saying that I cannot believe that once a worker has an accident he becomes mentally sick or has mental problems or has psychiatric complications. So I cannot understand why the board keeps referring a very high number of injured workers with permanent disability to psychiatrists. I will ask you again whether it is possible to know how many people who are permanently disabled, with partial or total permanent disability, are referred to psychiatrists for assessment. Would it be possible to have that information?

Hon. Mr. Starr: Dr. McCracken might have that.

Dr. McCracken: No.

Hon. Mr. Starr: Can you provide that kind of information for Mr. di Santo?

Dr. McCracken: We don't make that kind of breakdown. We have no use for it. I can provide the number of psychiatric consultations, though.

Mr. di Santo: That would not help in determining how many workers with permanent, partial or total disability have been referred to psychiatrists. The number, from my personal experience, is extremely high and it is disturbing. I think that as legislators we need an explanation why this pattern is existing at the board.

Hon. B. Stephenson: What is the number of psychiatric consultations?

Dr. McCracken: I have to keep remembering that, while we're here for 1976, we keep talking about 1977. In 1977, of all the medical treatment carried out on the injured workers in the province, there were 987 consultations

for psychiatry—actually a very low figure. It's not a big item at all on our treatment program, and certainly a very small item on medical costs.

Mr. di Santo: May I ask a question, Mr. Chairman? Because I think there is a misunderstanding. Is Dr. McCracken talking about treatment or people who have been referred to psychiatrists for assessment?

Dr. McCracken: Both.

Mr. di Santo: That's the total figure?

Dr. McCracken: This includes both treatment and consultations.

Mr. di Santo: That is the total figure?

Dr. McCracken: That is correct.

Mr. di Santo: Then something must be wrong with my files. But I'll bring it up in the House.

Mr. Mackenzie: Is that individuals, Dr. McCracken, or is there any duplication in that figure?

Dr. McCracken: There is a certain amount of duplication as well, yes.

Mr. di Santo: I have a very high number of people who are referred to psychiatrists.

Mr. Mackenzie: You're saying your figures show less than 900 people who have had psychiatric treatment.

Dr. McCracken: That is correct.

Mr. di Santo: Okay. Thank you very much.

Mr. Lupusella: I would like to restrain my remarks, taking into consideration that I have my constituency office hours tonight. I would like to refer to a few points which have been raised already by my colleagues.

Let me tell the chairman, Michael Starr, that almost every Wednesday in my constituency office most of the people who are coming to see me are coming with problems related to the Workmen's Compensation Board files. It seems that this pattern started a long time ago among the people living in my area. I am deeply involved with those cases and I am going to get, not into specific cases, but into loopholes which are presently existing within the whole operation of the Workmen's Compensation Board.

Because we were on the subject of surgeon and specialist, and the referral of injured workers to particular specialists, let me tell the minister that I feel a lot of sympathy about her cold. She made me feel miserable today. I would like to tell her to pay quite close attention to it and not be assessed by any board surgical consultant. The decision of some of those consultants might be that she might be suffering psychosomatic cold symp-

toms. Instead of saying that it might be a pathological symptom, they might say that it might be psychosomatic cold symptoms.

Hon. B. Stephenson: Oh, it happens all the time. You don't remember the old song from Guys and Dolls?

Mr. Lupusella: I am suggesting that instead of going to the board's surgical consultants you make your own diagnosis.

Hon. B. Stephenson: I sure as heck wouldn't go to a surgical consultant about a cold, I'll tell you that.

Mr. Lupusella: Because then you might suffer from a psychological overlay in relation to those cold symptoms.

The reason I'm making this particular remark—a funny remark which has some concrete contents about a concrete problem which is particularly related to the old issue of board surgical consultants—is that I would like to say to the minister and to the chairman of the Workmen's Compensation Board how little confidence I have when I see medical assessments on cases of injured workers. Files pass through their hands and the board makes an assessment.

I am particularly concerned about the pre-existing hernia symptoms. I think the policy of the Workmen's Compensation Board is not quite clear. It seems to me, from cases I have had since 1975, that pre-existing hernias are not recognized by the Workmen's Compensation Board.

Hon. B. Stephenson: The board would not be likely to talk about this subject because I have very strong feelings on it.

Mr. Lupusella: Well, I hope they are going to change their policy.

Hon. B. Stephenson: The change in policy, I think, should be to remove it completely from compensable illness.

Mr. Lupusella: I don't think so.

Hon. B. Stephenson: I knew you were going to say that.

Mr. Lupusella: Anyway, to point up the position of the Workmen's Compensation Board, I would like to quote from an adjudicator statement which arrived at my office just a few days ago, and even though the Workmen's Compensation Board might have its own position in relation to this particular issue, I think the way the Workmen's Compensation Board is dealing with this particular issue must be considered—that is until the Minister of Labour abolishes it. I hope she won't because we would raise criticism of that.

I quote from that report:

"The submissions made at the hearing and the medical reports entered into the record were referred to the board's surgical consultant. It is the board doctor's opinion that only if a pre-existing noncompensable hernia condition is caused to strangulate as a direct result of an industrial accident and as a result requires emergency surgery to save the employee's life can the board be justified in accepting repair of a pre-existing hernia as a compensable matter."

That's very disgraceful. Let me tell you in a very blunt and open way that the board's surgical consultants are making those statements in relation to particular, wrong board policies. What about other policies in relation to back injuries, amputations, and percentage of disability? That's why I lost confidence in the board's surgical consultants. They are expressing unfair medical opinions on injured workers based on wrong and prejudiced judgments—I will provide you with an example later on—on which the board and the appeal examiner is supposed to base his decision.

I don't think that the present board policy of relying only on the board's surgical consultant is the right route to follow. It is my strong opinion, and I hope that the Minister of Labour is going to take note of that in the near future. I hope that those doctors are soon going to be abolished and be replaced with an independent panel of doctors on which the board is going to base its decisions; and that they can use their medical expertise without feeling any pressure.

In my opinion, the doctors are directly under such pressures—first of all, because they are working for the board, secondly they are basing their decisions on medical reports coming from other surgeons and specialists, medical reports which are quite negative in relation to the physical conditions of the worker. I hope that this particular situation is going to change.

[5:15]

Hon. B. Stephenson: Who is being negative?

Mr. Lupusella: Let's say that an injured worker got a physical and medical assessment by an outside doctor and a specialist which, in his opinion, was adverse to his real or pathological conditions; and let's say that the medical report itself was not positive in expressing the pathological situation of the injured worker; the board of surgical consultants then takes the opportunity to base its own judgement on those negative medical reports coming from outside. I've been deal-

ing too long with cases of injured workers, and that's what is happening.

I think this situation should change and the board of surgical consultants should be abolished if you really want an independent and a fair medical decision expressed through those medical reports. In this way injured workers will receive an award by the board, which is going to be more fair and more humane and which really reflects the disability of the injured worker. That's the right road which we have to follow if we don't want to maintain the position which the board has been adverse in taking in its own decision in relation to claims related to injured workers. Let's have this independent panel of doctors and specialists to which the injured workers can be referred; they have all the expertise in the medical field. I am sure the situation will then somehow change. I don't think the present system is going to solve the problem.

On the matter of doctors and specialists, I would like to make the complaint that the Workmen's Compensation Board is really becoming, in some way, a political problem. That's why the Workmen's Compensation Board is not willing to make the changes which are required to solve the problems of injured workers in the province of Ontario. There exists an unfairness in medical decisions, especially when a representative of an injured worker is presenting cases before the board or before the appeal examiners. Unfortunately, they are based on the medical opinions of doctors, specialists or orthopaedic surgeons that have been adverse to the physical condition of the injured worker. To be more specific about this particular point, Madam Minister, you are a doctor but you are quite surprised at what I am saying.

Hon. B. Stephenson: I don't understand what you're saying.

Mr. Lupusella: I'm going to the point now.

Hon. B. Stephenson: Good.

Mr. Lupusella: How can the Workmen's Compensation Board make a fair decision when the board is receiving from certain doctors medical reports which are expressing—and I'm quoting from this letter; I don't want to mention the name of the specialist involved or the name of the worker involved in this particular case. I quote: "How can the board make a fair decision when the board is receiving medical reports based on that judgement?" As I stated, I won't mention the name but I will make particular reference to the names by using Mr. or Mrs. X.

"Mr. X is one of the many problems in this country of ours, because the immigration

department allows people in who can't read or write English, so that when they have a relatively trivial disability they cannot be employed because there is no light work available if you don't handle the language. It is terribly frustrating for me . . ." That's a letter which was sent to a Member of Parliament. I would be ashamed if I was in his place. "It is terribly frustrating for me, as it must be for you, to try and place and to satisfy these people." I want to emphasize 'these people'. "I think very often the easiest way to handle it is for them to be transported back to their homeland.

"Mr. X is a very nice guy. I haven't seen him since 1970 and I don't think I can help you very much as to his present disability. I think I should also tell you that in a larger series recently investigated, 85 per cent of people on conservative surgical treatment are re-employable within three years." I notice he said "I haven't seen Mr. X since 1970."

I don't want to disclose the name of this specialist because I have a good relationship with a lot of specialists and a lot of doctors, when I am writing letters on behalf of workers coming to see me. I don't want to denounce the medical association or all the specialists in the province of Ontario. What I would like to tell the minister is that when the Workmen's Compensation Board takes a position and a decision in relation to injured workers, it has to deal with the medical opinions coming from these kinds of doctors and specialists.

I don't think this opinion is a fair one because it is very discriminatory and is racist in the first place. I don't think his opinion should be considered by the Workmen's Compensation Board, either by denying a certain percentage of disability or by denying weekly benefits when the person is on total temporary disability.

That's the kind of problem we are facing. It is not the first one. Because I can't disclose the name, I had an opportunity to show you. A lot of letters are coming into our office on a daily basis. That's how the board is basing its position and decision as well. How can those people involved in those particular problems claim justice when the board is relying on medical opinions expressed by these kinds of doctors and specialists?

Hon. B. Stephenson: You've only mentioned one. I would not think the entire profession was that way.

Mr. Lupusella: No, I made my point very clear that I don't want to accuse the whole

medical association. I am using this particular letter as a tool to emphasize the problems that exist within the Workmen's Compensation Board structure. I don't think the present system is the right tool to use in assessing percentage of disability or awards given to injured workers when we have to deal with—maybe I can rephrase my opinion—a certain number of these kinds of people, these kinds of specialists and these kinds of surgeons.

As I stated before, it is not the first report; I have others. If you want to discuss the matter with me personally, I will do it. I think this issue should be pursued in the Legislature as a basic tool to make sure no discrimination takes place in relation to those people having pathological problems about their physical conditions and the way in which the board thinks. Maybe it's a genuine attitude, that they are basing their decisions in relation to those kinds of reports.

Hon. B. Stephenson: Mr. Lupusella, the board bases its medical decisions upon the medical reports which are submitted.

Mr. Lupusella: That's what I want to point out, that it is influenced by those medical reports, and I don't think you can accomplish a good deal of justice when that person involved in that particular case may never have received any particular word from the Workmen's Compensation Board in relation to the percentage of disability. Those are the kinds of problems which we are facing in relation to the board's surgical consultant.

The paragraph I quoted from the appeals adjudicator or examiner is also an indication of how the whole procedure is falling apart. In my opinion, it is falling apart, and I think it's up to the chairman of the Workmen's Compensation Board and it's up to you, because the whole Workmen's Compensation Board falls under your jurisdiction, to find the new ways and the new methods for improving the system. At least, the Act is under your jurisdiction, and the Act also reflects the kind of structure which presently exists at the Workmen's Compensation Board, so you can't really divide the two issues.

Since 1975, the board has appeared before us—and actually I'm getting into the same situation as my colleague from Nickel Belt, I'm getting into some kind of a political frustration of raising particular issues over the years without seeing any particular action or any particular response from the Workmen's Compensation Board. It seems the

issues and the criticisms which we raise every year reflect the real problem, because we are very close to people coming with great confidence before us in our constituency offices or by phone, and of course we deal with them in a very direct way and we feel their issues, their problems, and when the board appears before us we also show our sense of frustration when we talk about certain problems existing within the present structure.

We have raised a lot of questions in the Legislature. I'm sure the Minister of Labour knows the problems which injured workers are affected by. Since 1975, we have been mentioning the problem of the increase of pensions related to injured workers.

On December 16, 1975, the first such question related to Workmen's Compensation Board benefits was raised in the Legislature. On June 18, 1976, another question was raised to the minister in relation to an increase in those pensions. On May 18, 1976, another question was raised in the Legislature in relation to Workmen's Compensation Board increases. On October 17, 1977, another question was raised in the Legislature. On February 28, 1978, again another question in relation to this particular issue. February 24, 1978, another question was raised in the Legislature. February 27, 1978, again another question was raised, and on February 24, 1978, another question was raised in the Legislature. As a legislator, I don't see the reason why we have to go through this political harassment—that's what it is—of raising questions on the floor of the Legislature and receiving negative answers on what the Minister of Labour is planning to do in relation to those issues.

[5:30]

Just to refresh your mind, on December 6, 1976, I introduced a private member's bill in the Legislature—and which I point out is still there; I am sure it will never be discussed because there are fundamental and philosophical and political points involved—that all pensions of injured workers should be raised in relation to the cost-of-living increase. It seems that Mr. Starr pointed out to this committee of the Legislature that the cost of living has since risen 14 per cent since the last increase if I am not mistaken.

Hon. Mr. Starr: I mentioned 17 today.

Mr. di Santo: Seventeen. So this is an indication of how strongly we feel—not as individual members but as a party. If you want to terminate this kind of question in the Legislature, you have an opportunity to implement this particular bill in order that the

chairman of the Workmen's Compensation Board and yourself and the future ministers won't receive the same criticism in the years to come and we can end this hard political situation.

I don't think that you are going to increase those pensions before December. I would like to know from you exactly when you are going to increase them. We are going to solve the problem. I don't think that the Legislature should be forced to apply pressure for the years to come when you have a simple remedy—to present legislation in the Legislature to make sure that those pensions are going to be tied to the cost-of-living increase.

Mr. Lane: A point of privilege please. Can we figure out the time-frame that we have here?

I was unaware that this meeting was going to go on to this time of the evening. I have another commitment at this point in time. The third party have had 90 per cent of the time this afternoon—all day long, as a matter of fact. Now is there no end to it or what happens?

Mr. McClellan: What do you mean, is there no end to it?

Mr. Acting Chairman: I thought we'd go to 6, Mr. Lane.

Mr. Lane: Was that a foregone conclusion when we started this morning?

Mr. Warner: As a matter of fact, it was my understanding that it would be flexible and we could in fact be sitting this evening depending upon the wishes of the committee. That's my understanding from the government House leader.

Mr. Acting Chairman: That's entirely up to the committee.

Mr. Warner: It wouldn't seem to me to be unreasonable, since my understanding is we haven't sat one day in the last 12 months to deal with the Workmen's Compensation Board. So surely to sit to 6 and then possibly in the evening is not unreasonable.

Mr. Lane: I don't know when we ever sat on Wednesday night before.

Mr. McClellan: Talk to your House leader.

Mr. Warner: The government House leader indicated it's up to the committee to decide.

Mr. Laughren: That was the agreement among the House leaders certainly—that if they wanted to sit this evening they could. Why not?

Mr. Haggerty: They have every goddamned right according to my House leader; normally the procedure is to give it to us in writing.

Mr. Bounsall: This was the announcement also made by the government House leader in the House when the subject was brought up. The agreement worked out was that instead of three different sessions on three different days would Wednesday all day—morning, afternoon and evening, if necessary—be acceptable. That was the question put to the interested people in the caucuses by their respective House leaders. We agreed to that and that was what was presented by the government House leader.

Mr. Laughren: Most people thought that one day was simply not enough for a full debate with the board. That's why the House leaders had the agreement that we could use the evening as well.

Mr. Haggerty: On my thing it says 6 o'clock.

Ms. Bryden: Mr. Chairman, how many speakers are there on your list still?

Mr. Acting Chairman: Mr. Lupusella, Mr. McClellan, Mr. Warner and Ms. Bryden.

Mr. Laughren: Why not ask them how long they'll be, Mr. Chairman?

Mr. McClellan: I have been sitting here since 10 o'clock this morning waiting my turn to speak.

Mr. Bounsall: If I could just say that the Chairman has recognized those persons who wanted to speak.

Mr. Haggerty: There may be others.

Mr. Bounsall: Ray and John, if you wanted to come in, or other members of your caucus were interested, the sittings are here for you to come to.

Mr. Laughren: One compromise might be, if the committee wanted to sit right through rather than breaking at 6 and coming back at 8. I don't know what arrangements these people have made.

Mr. Lane: Mr. Chairman, I have a commitment and I have to go, but I just felt that I wasn't aware that we were going to be sitting here all day and all night.

Ms. Bryden: Mr. Chairman, I would like to move—and I think it is up to the committee to decide—that we close at 6 and then reassemble at 8 until such time as all those who wish to speak have spoken, unless 10:30 occurs before that.

Mr. Haggerty: I am going to go up and check my agenda before I make any commitment.

Ms. Bryden: I don't object to 7:30, but I would prefer 8.

Mr. Acting Chairman: Let's continue then.

Mr. Warner: Mr. McClellan needs about a half hour, I think, and I need about 10 minutes.

Ms. Bryden: I need about 15 or 20 minutes.

Mr. Warner: So we are talking one hour. Unless there are other speakers who are not presently on your list we could probably complete this by 6:30 and then in that way we wouldn't have to come back tonight, and the minister could have some proper rest for her cold.

Ms. Bryden: It depends on how long Mr. Lupusella is going on.

Mr. Warner: What is the recipe—fruit juice, Aspirin and rest?

Mr. Bounsall: Probably the quickest way to wind it up time-wise is just to continue to sit until we conclude. Tony, we know, has to cut it short because he has to leave.

Mr. Acting Chairman: Then we will continue until we have finished. All right?

Mr. Bounsall: A fine decision, Mr. Chairman.

Hon. B. Stephenson: I hope it's not later than 7 o'clock.

Mr. Acting Chairman: I think 7 o'clock should do it. Please continue.

Mr. Lupusella: I would like to make it clear to the minister that old age security pensions, and she is very well aware of this, and pension plans are tied to the consumer price index, and we say as a party, and I strongly believe as an individual, that pensions of injured workers should follow the same scheme. Instead of getting into a political situation in which each party is pushing for those increases, we can end up with the situation by presenting a comprehensive and reasonable bill which is going to end this particular situation.

At the moment, totally and permanently disabled workers are forced into permanent poverty and most totally disabled workers receive the minimum pension of \$400 a month, or close to it, providing them with an annual income \$2,700 below the poverty level. It is really shameful that the government is not taking any particular action to terminate this particular situation. Again, I hope when the minister is going to present this bill in the Legislature it is going to include this particular clause in order that the same situation which took place since 1975 won't happen again.

I would like to make a few remarks in relation to the NDP task force on the Workmen's Compensation Board and I don't want to get into particular details of it because my col-

league from Nickel Belt has been going into it. I want to reserve my criticism, a very respectable criticism, of the chairman of the Workmen's Compensation Board, who especially during the election and before the election was taking an active role in this political arena. I want to suggest, as my colleague from Nickel Belt did, that if he is willing to come down into the political arena, I'm inviting him to come in my riding in Dovercourt.

Hon. Mr. Starr: Don't challenge me. I might do that.

Mr. Lupusella: Why not? You are very welcome.

Hon. Mr. Starr: You wouldn't be able to stop me either.

Mr. Lupusella: That's fine, with pleasure. I would like to face that situation.

Mr. McClellan: You've got to get at least 15 per cent of the vote.

Hon. Mr. Starr: I might run for the NDP.

Mr. Lupusella: What you are going to find in Dovercourt is almost 10 per cent of injured workers who are dealing with the Workmen's Compensation Board on a daily basis because it is a working riding. You are going to find almost 30 per cent of the people unemployed as well. When we raise those kinds of criticism, we really feel that we are putting too much time on it instead of getting deeply involved in the activities of the Legislature. Therefore, I think from now on you should refrain from the kind of criticism which you raised against the NDP that we are trying to use this particular issue as a political posture. That is completely nonsense.

We feel the issue in a very forceful way because we are dealing with injured workers. When I'm spending my time in my constituency office from 6 o'clock to 11 o'clock, most of the complaints are related to Workmen's Compensation Board. When you appear before us I have the right to scream because I feel the issue. When I'm spending time down at the Workmen's Compensation Board, we are not coming for political patronage. We are coming there to present a fair situation about the claim of the injured worker with the complications involved. Once a year we are going to raise those loopholes which are existing within the structure of the Workmen's Compensation Board.

I want to emphasize the point raised by my colleague from Nickel Belt that it is time that the Workmen's Compensation Board should be replaced immediately with a universal insurance scheme. You have been quoted in one newspaper—and I recall it very well—as saying

that our social environment now is ready to accept such a scheme. I hope I am quoting you properly. I guess you have also been quoted as saying that it's time that pensions of injured workers should be indexed to the cost of living.

Hon. Mr. Starr: I said I was sympathetic to them.

Mr. Lupusella: Even with the pensions of injured workers, you have been sympathetic to index those pensions to the cost-of-living increase.

Hon. Mr. Starr: I am always sympathetic. That's the way I have been all my life.

Mr. Lupusella: That's why you should be sympathetic to the criticism raised by my former leader, Mr. Lewis. You sympathize with those particular issues but in the meantime with the Minister of Labour you are playing a ping-pong game; that's what you are doing.

Hon. B. Stephenson: That is an absolutely unfair, unjust and unworthy statement of an individual member of the Legislature. It's somewhat like your stance about workmen's compensation most of the time. It is purely political.

Mr. Warner: You're just a government apologist.

Mr. Lupusella: Then why don't you increase those pensions immediately? Why have you been waiting since 1975 to increase those pensions? Up to now those pensions are not increased. What kind of explanation do you have for not increasing those pensions? We realize today and we find out today that the Workmen's Compensation Board is supposed to meet its financial liability. That is where the problem lies. That is where the great loophole is existing within the whole operation of the Workmen's Compensation Board. Each time you have to raise pensions, of course, you have to take a look at the financial liability of the Workmen's Compensation Board. For how many years are you going to do that? [5:45]

Hon. B. Stephenson: I am not sure it has ever been that.

Mr. Lupusella: You are going to increase the pension this year, one hopes, and then we are going to start again the criticism for another two, three years. How are you going to solve this problem?

You have been denying also my allegation that even the percentage of pensions assisted by the Workmen's Compensation Board pension department has in some way some kind of relationship with this financial liability need.

Hon. B. Stephenson: That is absolutely untrue. It is time that you recognized and realized that it was untrue.

Mr. Lupusella: It is your prerogative to say that.

Hon. B. Stephenson: But it is not your prerogative to make false statements.

Mr. Laughren: It's constructive criticism.

Hon. B. Stephenson: That's not constructive criticism—

Mr. Laughren: Yes, it is.

Hon. B. Stephenson: It's an untruth.

Mr. Lupusella: Let me raise another question then: Would you please tell me how much money the board needs to run the whole operation of the Workmen's Compensation Board in relation to the total financial liability to face all regular activities taking place in relation to all departments, in relation to pensions, in relation to everything.

Hon. Mr. Starr: Seven per cent.

Mr. Lupusella: Seven per cent? I am talking about a total amount of money. It seems that in 1976 you had \$1.4 billion of financial liability. How much would be the total? Seven per cent of what?

Mr. Harding: Seven cents of the income dollar.

Mr. Lupusella: Resulting in total figures, based on dollars—

Hon. Mr. Starr: You are asking, what is the cost of administration?

Mr. Lupusella: Everything. The total operation.

Hon. B. Stephenson: Is it \$600 million?

Mr. Lupusella: It's \$600 million a year. In other words, it seems there is a shortfall. I don't have the figures with me. Do you have any shortfall to meet this kind of provision to run, in a fairer way, the total operation of the Workmen's Compensation Board? I'm talking about dollars and cents.

Mr. A. G. MacDonald: I don't think we understand the question.

Mr. Lupusella: The principle that I am trying to raise is that it seems the Workmen's Compensation Board is facing difficulties in raising injured workers' pensions because, by doing that, it has to meet its financial liability of carrying on all the activities of the Workmen's Compensation Board. Is that correct? Or am I wrong?

Mr. A. G. MacDonald: I don't think it is correct.

Mr. Lupusella: Then what is the problem in raising those pensions? Would you please give me an answer to that?

Mr. Laughren: Good question.

Mr. Lupusella: What is the problem there? Tell me.

Mr. McClellan: Why haven't you raised the rates?

Hon. B. Stephenson: Because I wish to do whatever is necessary in the most knowledgeable and responsible way possible, and because I did not know the background information which I feel is essential in order to make the most appropriate changes. I felt that I had to have that information, and that is the information which is forthcoming.

Mr. McClellan: It took you three years to get it.

Mr. Lupusella: Three years to do that?

Hon. B. Stephenson: I am sorry; it didn't. It took one year to get it.

Mr. McClellan: You started saying that in 1976. The Hansards are here. The board was studying it in 1975, which is three years ago.

Hon. B. Stephenson: The board was assessing the effect of the changes from 1974 and 1975; it was not making a study of this sort that has been commissioned.

Mr. Laughren: If you implement the recommendations of our task force report, when you come here next year we will heap nothing but praise upon you.

Hon. B. Stephenson: Yeah! Floyd, I don't believe you. I really do not believe you.

Mr. Laughren: How can you say that? I have never lied to you before.

Hon. B. Stephenson: No?

Mr. Lupusella: Can I have a statement or some sort of assurance from the minister what she is planning to do in relation to those increases?

Hon. B. Stephenson: No, you cannot have a statement at this point. I am not prepared to give you a statement at this point.

Mr. Lupusella: In the Legislature on October 17, 1977, Mr. Lewis raised a particular question with the Minister of Labour, and I am quoting from Hansard dated October 17, 1977: "A question of the Minister of Labour, if I may: Given the counterpoint outside this Legislature during the early proceedings today, can the minister indicate to the House whether she intends shortly to provide an inflationary raise in the level of workmen's compensation pensions?"

And the minister replied: "I am curious as to the definition of an 'inflationary raise.' Does the hon. member mean one that will cause inflation or one that will meet levels?"

And Mr. Lewis again: "By way of sup-

plementary, why doesn't the minister use her imagination and talk about pegging it to the rise in inflation or even to the Anti-Inflation Board guidelines since nothing has been—I will rephrase it quickly, Mr. Speaker, knowing you would wish me to, as a supplementary: Given that the pensions have not been increased since July 1975, I think, is the minister now prepared to meet at least the inflationary rises in the cost of living since that time?"

And the minister: "I am sure there will be recommendations coming forward within the reasonably foreseeable future regarding this specific matter, which has been under intensive study."

Mr. Laughren: A year and a half ago.

Hon. B. Stephenson: No, that's October 1977.

Mr. Lupusella: October 1977. But we raised those particular issues back on December 16, 1975.

Then I had, on the same question, a supplementary question: "Given the fact that some time in 1976 I introduced in the Legislature a private member's bill to increase injured workers' pensions based on the cost of living starting in July 1975 . . . what is the minister planning to do?"

And the minister replied to my supplementary question: ". . . we have given attention to it, we are continuing to give attention to it, and it will be resolved."

And Mr. Lewis said: "Very helpful to the people outside"; because there was a demonstration outside the Legislature.

What did you mean with this statement then?

Hon. B. Stephenson: Just precisely what I said.

Mr. Lupusella: So why don't you make a statement—

Hon. B. Stephenson: It will be resolved.

Mr. Lupusella: It will be resolved how? When? Which way? What is it?

Mr. Laughren: Will it be retroactive?

Mr. Lupusella: Are you playing with words—

Hon. B. Stephenson: No.

Mr. Lupusella: —in the Legislature or are you planning to give to the members an indication of what you are planning to do?

Hon. B. Stephenson: If you're asking me for a specific amount and a specific date on which it will be introduced, I cannot give it to you at this time.

Mr. Lupusella: Before you told me that at least you are going to raise pensions before December for sure.

Hon. B. Stephenson: No, I didn't.

Mr. McClellan: Yes, you did.

Hon. B. Stephenson: Before December 1978, yes.

Mr. Lupusella: Okay, 1978.

Mr. Mackenzie: You said "within a reasonable period of time" six months ago. What does a reasonable period mean?

Hon. B. Stephenson: I said within the foreseeable future.

Mr. Lupusella: So it seems that you don't want to commit yourself.

Hon. B. Stephenson: It depends on how long your vision is, I guess.

Mr. Lupusella: It seems that you don't want to commit yourself in relation to the particular issue of indexing the pensions to the cost-of-living increases.

Hon. B. Stephenson: I cannot since there are certain procedures which must be followed in order to do this, and I cannot tell you how long that will take.

Mr. Lupusella: Again, let me remind you now—

Hon. B. Stephenson: It will be before December 1978.

Mr. Lupusella: In relation to this particular issue I am talking about?

Hon. B. Stephenson: Yes.

Mr. Lupusella: Pensions indexed to the cost of living?

Hon. B. Stephenson: I did not say that they would be indexed to the cost of living. I said there will be a change and I can't tell you what the level will be or what the date will be, I just told you that.

Mr. Lupusella: That's why I'm raising the particular issue. You should give a close look at this particular matter of indexing pensions of injured workers to the increase in the cost of living.

Hon. B. Stephenson: Mr. Lupusella, I have said we will be giving a close look at it. I have not said we will be coming in with that specific formula which you suggested because I don't know whether that is so or not at this point, and I will not lie to you, Mr. Lupusella. You shouldn't say that because I do not.

Mr. Lupusella: Of course, you never did. I don't want to make another allegation.

An hon. member: You put words in his mouth.

Mr. Lupusella: Yes. What I'm trying to emphasize today is that members of this Legislature shouldn't be involved in those particular issues that we have to press for a certain number of years to make certain

changes, when you have an opportunity in the months to come to solve all the problems which members of this Legislature have been talking about for several years. I hope that you're going to solve this particular issue immediately, because there is a great need among injured workers in the province of Ontario. They would like to see those changes.

I had been talking about the report of the NDP task force. The chairman of the Workmen's Compensation Board has been sitting here since this morning. It seems that he has been taking a very defensive role in relation to the whole issue.

Mr. Laughren: He hasn't even made any notes. He probably ignored them. Such arrogance.

Hon. B. Stephenson: Mr. Harding has been making notes all the time.

Mr. Lupusella: It seems that next year they're going to appear before us and say: "We didn't make reasonable criticism to solve those problems." We are serious about those problems. We feel those problems. In respect to our NDP task force, I remember that on April 19, 1977, you had a news release in which you acted upon our recommendations. So you can't say that we were playing a political game. It was serious work which we did in the NDP to travel around the province of Ontario. Your position that we were playing politics really didn't make any sense. It will never make sense. In fact, let me quote something upon this report from this news release which was given out by the board on April 19, 1977, for immediate release:

"A major new staff expansion designed to enhance services to Ontario's injured workers was announced today by Michael Starr, chairman of the Workmen's Compensation Board. In addition, the board will open four new information service offices in Timmins, Sault Ste. Marie, St. Catharines and Kingston. As part of the expansion, an increase in rehabilitation services staff from 554 to 637 was approved by the corporate board earlier this year and is already under way. Another major element in increasing claims services staff from 592 to 697 was approved by the board today and the hiring will start immediately." I want to go back to this particular point later.

"Demands for the board's services continue to rise," Mr. Starr said, "and additional staff are needed to reduce caseloads to more effective levels. The more successful we can be in restoring injured workers to productive lives the better it is for the workers them-

selves as well as for the employers and for the provincial economy."

"The new staff expansion program will see 188 new employees hired by the board between January 1 and September 3 this year. At year-end 1976, the board employed a staff of 1,891 and paid the salaries of another 319 persons working with nine Ontario safety associations."

From this news release I would like to find out what the board has been doing to meet this kind of ceiling which you have been claiming.

Hon. Mr. Starr: It has all been met.

Mr. Lupusella: All?

[6:00]

Hon. Mr. Starr: All of the offices have been opened up, including Kingston which was opened last month. In addition to that, the board has approved for this year the hiring of 252 more employees—to give you better service. I hope, sir, you agree with that.

Mr. Lupusella: Oh, yes, of course. I want more of those people working in those departments. In fact, I would like to raise the particular concern that from 1975 to 1976 there was an increase of 9.7 per cent in relation to injuries in the province of Ontario.

Hon. Mr. Starr: Last year there was an increase? It was a decrease of two per cent over—

Mr. Lupusella: That's fine, but I am talking about the actual percentage between 1975 and 1976, that we had a 9.7 per cent increase in injuries in the province of Ontario. Do you have any estimate for 1977?

Hon. Mr. Starr: There was a two per cent decrease. Do you want an estimate for 1978?

Mr. Lupusella: Yes; none?

Hon. Mr. Starr: Do you think I am going to throw myself out of a job?

Mr. Lupusella: That's what we are looking for, that in the province of Ontario no injuries should take place. In fact, in relation to this particular issue, I would like to remind—

Hon. B. Stephenson: There's no need to threaten.

Mr. Lupusella: I am sorry, but it was done not in a very malignant way.

I would like to remind the minister that she has an opportunity now, through Bill 70, to make sure that she will give the right to refuse to work to the workers when they are monitoring unsafe conditions on the work place. I am sure you are playing a very important role to make sure that in Bill 70 the right to refuse to work will be given completely to the workers without any particular

concern from the workers that if they are going to apply the principle they might be penalized.

If you are really concerned about decreasing the number of injuries, the percentage of injuries taking place around the province of Ontario, the right to refuse to work is a principle which shouldn't be compromised with other clauses that the worker might abuse that right or might be penalized if he wants to see the effectiveness of such principle. I hope that she's going to do that.

I see a close relationship between Bill 70 and injuries, and I am sure if the minister is going to do that, financial benefits will derive from Bill 70 and go back to the industries because they are going to save a lot of money if the percentage of disability is going to decrease. That's why the right to refuse to work in the province of Ontario should be given to the worker without any coercion, without any problem that they might be penalized each time they are going to implement this right.

Hon. B. Stephenson: I would remind the hon. member that that right has been there since December 16, 1976.

Mr. Lupusella: I beg your pardon?

Hon. B. Stephenson: I said I would remind you that that right has been in the hands of the workers of this province since December 16, 1976.

Mr. Lupusella: Well, when Bill 70 is going to be debated in the Legislature, as a party we are not quite happy about the way the right to refuse to work has been rephrased in the bill, and we are going to make certain changes in order that workers in the province of Ontario are going to feel confident that when they are going to apply this particular principle they may do so without the fear of being penalized or being disciplined because they didn't use this principle in the right way. In other words, I don't want to go through this news release. The release, issued by the board on April 19, 1977, was to the effect that the chairman of the Workmen's Compensation Board saw the problems which were raised through the report of the NDP task force. But instead of saying that they were using the issue in political terms—

Hon. Mr. Starr: I beg your pardon—no, no. We hadn't analysed your task force report when they made that decision.

Hon. B. Stephenson: We didn't have the report at all.

Mr. Lupusella: No? Well, I may be wrong.

Hon. B. Stephenson: What was the date of the report?

Mr. Lupusella: April 19, 1977.

Hon. B. Stephenson: No—the date of the task force report; it's on the front.

Mr. Lupusella: April 6, 1977.

Hon. B. Stephenson: On the front page—I think it was September, 1976.

Mr. Lupusella: The release was September 1.

Hon. B. Stephenson: The board's release was April 1977.

Hon. Mr. Starr: We were way ahead of you there.

Mr. Lupusella: Well, you didn't want to give us credit for doing that.

Mr. Laughren: Why are you being so provocative when we've been gentle on you all day?

Hon. Mr. Starr: I've been nice to you. I'm just saying we are ahead of you, that's all.

Mr. McClellan: It couldn't have been the election in May. That couldn't have had anything to do with that, could it?

Hon. B. Stephenson: No, the board's release was April 19.

Mr. Lupusella: Mr. Chairman, if I may, I would like to proceed with my statement. I guess it was during the campaign—

Mr. Laughren: My colleague is quite right, you know. The date of the report is September; we are holding our hearings already, we had made the recommendations in many of the centres of Ontario—

Hon. Mr. Starr: We hadn't even looked at your task force report, nor had we analysed it.

Hon. B. Stephenson: Are we going to get through this, or are we going to—

Mr. Laughren: Don't try to mislead the member; he knows more about compensation than you will ever know.

Hon. Mr. Starr: Who is that?

Mr. Laughren: Mr. Lupusella.

Hon. Mr. Starr: The only thing he knows about the Workmen's Compensation Board is that he goes around soliciting for his campaign funds there.

Mr. Warner: Don't malign him.

An hon. member: How did he do?

Hon. Mr. Starr: Nobody gave to him, but he disrupted the whole staff for about a day.

Mr. Laughren: He's just as popular with your staff as he is among injured workers.

Mr. Lupusella: What I am disappointed about is when I hear the chairman of the Workmen's Compensation Board saying, "As

you know, the New Democratic Party has sponsored a series of 10 task force inquiries concerning workmen's compensation in cities throughout the province. They have described these meetings as a political exercise."

Hon. Mr. Starr: It sure was.

Mr. Lupusella: You see? You are the stubborn person.

Hon. Mr. Starr: As chairman I had a right and a responsibility to defend the board against the attacks. The attacks were not justified.

Mr. Chairman: Order, please.

Mr. Lupusella: Mr. Chairman, if I may, then, I would like to make a simple statement: that the chairman of the Workmen's Compensation Board is a civil servant employee; and as a civil servant employee he is not supposed to get involved in the activities of the Workmen's Compensation Board.

Hon. Mr. Starr: I am not a civil servant employee at all. That shows how much you know about the Workmen's Compensation Board.

Hon. B. Stephenson: None of the employees of the Workmen's Compensation Board is in the civil service.

Mr. Lupusella: Why do you carry all the burden of this criticism? It is very understandable—

Hon. B. Stephenson: I'm saying that they are not civil servants.

Mr. Lupusella: We have been trying to do something which was at least productive—of making recommendations through our report. Of course, we won't accept the criticism made by the chairman of the Workmen's Compensation Board. They have been trying to deal with claims to the best of their ability.

Hon. B. Stephenson: Dr. Bounsall, why would your leader say that it was a political exercise if it were something other than a political exercise? That was the statement that he made.

Mr. Laughren: What's wrong with a political exercise?

Hon. Mr. Starr: Yes, what's wrong with that? I said it was a political exercise—

Mr. Laughren: But why is the chairman of the Workmen's Compensation Board becoming a politician? Do you know what you should do? You should ask the people who came around and attended the hearings whether they thought it was a constructive force or not, or whether they thought it was a silly game.

Hon. Mr. Starr: Do you want me to tell you?

Mr. Lupusella: Yes, tell us.

Mr. Laughren: They were there. They listened.

Hon. Mr. Starr: That's exactly what they said—it was a silly game.

Mr. Laughren: They said that?

Hon. Mr. Starr: Yes.

Mr. Laughren: Well then they were talking out of both sides of their mouths, because that's not what they told us.

Hon. Mr. Starr: It was set up.

Mr. Laughren: That's very interesting. I'm glad you told me that.

Hon. Mr. Starr: You bet.

Mr. Laughren: My attitude has changed about those people we work with at the Workmen's Compensation Board.

Mr. Lupusella: Right.

Mr. Laughren: I had a great deal of respect—

Hon. Mr. Starr: Your attitude had changed about them because they were there.

Mr. Laughren: Why were they participating in a silly game then? Why would they go there? What were you doing sending them around?

Mr. Acting Chairman: Order, please.

Mr. Laughren: It's so ridiculous, it's silly. You don't learn a thing, year after year after year.

Hon. Mr. Starr: Not from you.

Mr. Laughren: You come back with your same silly—

Mr. Acting Chairman: Order, please.

Mr. Lupusella: Mr. Chairman, when we get to the situation that in 1976 the board was—

Mr. Laughren: You're a joke.

Mr. Lupusella: —unable to grant entitlement in approximately six per cent of lost-time claims—they were unable to grant entitlement in approximately nine per cent of lost-time claims—and when this nine per cent of claims resulted in 31,000 claims not being allowed under the Act, and the chairman of the Workmen's Compensation Board defined those people as professional claimants or as chronic complainers, then it's some kind of accusation which we'll never buy from the chairman of the Workmen's Compensation Board let me tell you. We won't accept this calling of injured workers chronic complainers just because they are complaining in relation to their files.

Hon. B. Stephenson: He said they were chronic complainers? The nine per cent?

Mr. Lupusella: I'm just quoting from remarks by Michael Starr, the chairman of the Ontario Workmen's Compensation Board at a press conference in Toronto in May, 1977. I didn't invent those words.

Another problem which I would like to raise, and I raised it in 1975, was that I'm really unhappy about the rate of permanent disability awards. It seems that the Workmen's Compensation Board didn't review the rate schedule of permanent disabilities since 1914. I'm making particular reference to amputations.

Amputations are valued by the Workmen's Compensation Board on the lower scale of percentages. I think that the board is supposed to give a close look to the so-called "mid-chart" which establishes the rate of permanent disability, especially when we are dealing with amputations.

About the claims adjudicator, this morning we heard that the Workmen's Compensation Board is quite busy in dealing with the more than 400,000 claims each year. I heard that each claims adjudicator at the Workmen's Compensation Board is supposed to deal with from 150 to 200 claims a day. I would like to have some kind of justification for that. Some people from the board have been calling me. They have this problem. They have to rush decisions and sometimes—that's my own interpretation—when you rush a decision you also deny claims because you don't have a reasonable time.

Hon. Mr. Starr: Do you mean to say an adjudicator told you that they're denying claims because they're rushed?

Mr. Lupusella: No, what they've been saying was that they have 200 claims to look after every day—

Hon. Mr. Starr: You just said 100 a few minutes ago.

Mr. Lupusella: From 150 to 200 a day.

Hon. Mr. Starr: That number a day they have to look after? So what has happened as a result? What did they tell you that they do? [6:15]

Mr. Lupusella: My personal position is that if a claims adjudicator is involved in this caseload every day, to look after from 150 to 200 claims every day, the decisions which are going to be taken as a result—

Mr. Hamilton: If that were true then you are right, but I question it.

Mr. Lupusella: That's why—

Hon. Mr. Starr: I would ask our director of claims adjudication, Mr. Kerr, to tell us something about this because I don't think it should be left on that basis.

Mr. Lupusella: I don't have the practical evidence to say that is what happened.

Hon. Mr. Starr: Why don't you find out before you—

Mr. Acting Chairman: Order.

Mr. Lupusella: What I am telling you is that I spoke to some claims adjudicator and those were the figures given to me. If you want to confirm or disagree with his statement I am a very flexible member.

Hon. Mr. Starr: I just want you to know the true facts.

Mr. Lupusella: Well, I didn't complete my statement. I was going to ask you if what I was told is true or if it is wrong. You are just rushing—

Hon. Mr. Starr: Is it true or isn't it?

Mr. W. R. Kerr: No, Mr. Lupusella. You will recall that in the chairman's statement he mentioned that in 1977 the board authorized quite an increase in the number of claims adjudicators. Again this year we received from the board permission to increase the number of adjudicators. When we appeared before a similar committee—and I believe you were here a couple of years ago—we did have a situation where we had an excessive number of claims and we were increasing the staff as described to bring it down to reasonable proportions.

The case-load that an adjudicator can handle depends upon a number of things—the complexity of the claim; the simple claims that are handled in the primary claims adjudication area can be handled in a much easier fashion than the more complicated cases. In the area of fatal claims the caseloads can be much higher because although they are very important claims, there isn't quite as much work to do in a fatal case as there is in some of the complicated lost-time claims.

So right now it varies; in the extended disability claims sections it's around 225 and in the primary adjudication section it varies from around 210.

Mr. Lupusella: Every day.

Mr. W. R. Kerr: No, no. This is the total case-load, not per day. This is the total case-load.

If I am a claims adjudicator I have a case-load of 225 claims. I don't see all those claims today. They are spread out over a period of time. And, of course, there are new claims coming in and there are claims that are

terminated because the man is back to work or he has been rated for permanent disability.

So it depends entirely upon the complexity of the claims. It also depends upon the degree of experience of the claims adjudicator. In Mr. Starr's statement he also indicated that quite a few of our adjudicators are fairly new because of the recruitment program and they are not as experienced as they will be when they have been with us two or three years.

Mr. Laughren: For six years you have been using that argument.

Mr. W. R. Kerr: No, I haven't. If you recall, Mr. Laughren, in recent meetings we said that we were going to increase our staff and since we have been increasing our staff now we have a situation where our people aren't as experienced as they were. A lot of our experienced claims adjudicators have moved on to the appeal system and to other more senior jobs and in trying to reach our levels of experience we have had to hire people to train.

We are also looking ahead. The board agreed we should hire and train some additional people over and above what we require to do the job to replace people who will be reaching normal retirement age in the next three years or so. So we are trying to meet our commitments and we are trying to make sure we will have experienced claims adjudicators in years to come.

We feel right now that our staff have good morale. There's esprit de corps. They are working hard. The younger people, the newer adjudicators, have good potential. We are quite happy with the type of person being hired today. About 58 per cent of our claims adjudicators are women who have come to us with what we think are pretty good qualifications, but you can't go out and hire a trained adjudicator.

Mr. Laughren: Have they had a raise since July 1975?

Mr. Lupusella: Thank you very much for the explanation given to us. This criticism which I raised was given to me last year around December 1977 by a few claims adjudicators—of course, I won't give you the names—and that is why I raised this particular concern before you today.

Another problem I would like to raise is related to phone calls when workers get in touch with the Workmen's Compensation Board to make inquiry in relation to their claim. I want to tell the chairman of the Workmen's Compensation Board that last week, along with my assistant, I carried out a survey. What we did was to get in touch

with each section of the Workmen's Compensation Board. You have a system where the last digit of the claim number is part of the phone number.

Let me tell you something: For three consecutive days, I and my secretary were calling the board every half hour the first day and then every 15 minutes. In three days we were unable to get through to the department. Do you have problems with Bell Canada? Do you have problems with phones? Can you give me a specific explanation as to why, in the three days when we were trying to get into each department, the phone was always busy?

Hon. Mr. Starr: I mentioned earlier, as an explanation, that we do receive 200 new claims every hour. We do have inquiries about ongoing claims. So we are busy—there's no question about it—and the proof of the fact is that you were unable to get through.

Mr. Lupusella: Therefore, if you are busy, which is very understandable—and we are not saying that you are not busy—don't you see the necessity of treating and curing this particular problem in order that workers around the province of Ontario are able to have an access by using the phone number to get in touch with some representative of each department?

Hon. Mr. Starr: Okay. I will ask Mr. Kerr to go into detail about this.

Mr. Lupusella: You might have all the reasons to say that everything is working. I am just providing you with my experience as a result of this survey.

Hon. Mr. Starr: I can understand that. I have only given you the explanation. But I think you are entitled to a proper explanation as to why you weren't able to get through.

Mr. W. R. Kerr: Yes. Mr. Lupusella, you have identified a problem which we have been wrestling with; and we have taken steps. We have had a lot of complaints in the past about access through the telephones, as you have described. The board approved a recommendation early this year that we should increase the number of telephone inquiry clerks by 12; so instead of 30, we are going to have 42 people working on the telephone inquiry service. That in itself is not enough; so they are adding 10 more local lines coming in to serve that area.

In addition, in the claims adjudication branch, they are just about completing now—it's not quite completed—the installation of 57 new lines going directly into the claims adjudicators. We think that, with the action we've taken here and we are in the process of taking, this should solve our problem. It

will be reviewed again on an ongoing basis to make sure we have solved it. If we haven't, we will take another crack at it.

Mr. Lupusella: Thank you very much. I am going to pursue this survey to find out whether this goal is going to be reached.

A few remarks should be made in relation to the counselling specialists, which you have on the 20th floor. I can see the validity and the capacity of those people in handling files on particular complaints coming from the trade union movement and from interested individuals. But would like to see the board moving in some kind of direction whereby you are going to give them decision-making power on the files as well. Otherwise, their work is going to be useless; they are going to increase the bureaucracy and the red tape by pulling out files, making inquiries and all sorts of things that take place when you make an inquiry.

If you are going to co-ordinate—I can see that their presence is vital. But if you don't give them the power to make decisions on that level as well, I think you are going to waste the energy of those people who have been sitting there all day long, receiving inquiries, but for what? To just pull out the file, send it to the claims department or pension department? And they don't have any say on the file either. If they pull out the file, they should also have an opportunity to go through the file and make particular recommendations as well. That's how you are best going to utilize those expert people who are sitting on the 20th floor.

Hon. Mr. Starr: Do you want an explanation on that?

Mr. Lupusella: Yes.

Hon. Mr. Starr: Mr. Dave Adamson is here and he's been head of that group for a few months. I wonder if you would come up, David, and explain the function and whether you do have the right of decision.

Mr. Lupusella: Let me tell you that I didn't receive any help from the counselling specialist dealing with my office, so I don't know.

Hon. Mr. Starr: I think it might be useful for this committee for Mr. Adamson to define the responsibilities of that group and what they have been doing.

Mr. McClellan: We don't really want to know how the counselling specialist really works.

Mr. Lupusella: Well, in principle, maybe—

Hon. Mr. Starr: All right, you want to know whether they can make decisions? There is the

suggestion that they should be given the right of decision. Outline what you do, David.

Mr. Adamson: Well, we have seven counselling specialists in our area here at the moment, and essentially what we are involved in is trying to get back with a quick response to any representative who makes an inquiry to our group. In our area, if we get the inquiry, we will take it to the exact source to solve that problem.

When we are looking at that file, we will go through it very thoroughly to ensure that that particular employee is entitled to full benefits under the Workmen's Compensation Act. You may have an inquiry concerning a specific area. It may have to do with his weekly level of benefits. When we are going through the file, if we happen to come across some other area where we can offer assistance or can get back to you, we certainly will. But when it comes to decision-making, we would be taking away the responsibilities assigned to the adjudication branch, to the appeals area, whether it be with the pensions, the adjudication branch—

Hon. Mr. Starr: Rehabilitation.

Mr. Adamson: —or rehabilitation. When our area was set up it was strictly in a counselling function, not in a decision-making position.

Mr. Lupusella: That's why I extended the right principle which exists in there. Maybe I should have rephrased my statement by saying that their input on the decision-making should be taken into consideration when the file goes back or goes down to the claims adjudicator or the claims review branch or the appeal system because when a person is making such inquiry, you deal with a specific issue and at least the person knows what you are talking about. So if he is going to write a memo on the file, for example, and the file goes back to the claims adjudicator or to pension officers, at least the memo should have an input on the decision-making of the file itself. That's what I meant.

Mr. Adamson: Actually, on this, Mr. Lupusella, if we do get an inquiry with respect to—and I am using an example—making a further payment to an injured employee, we can look at that file and if we find that that man is behind in his compensation payment, we do have the authority to authorize a continuing compensation payment but we don't have the authority to make an initial decision with respect to entitlement in that claim. But we can make a continuing payment in that file. If it's a case where a person is desperate for one reason or another, then

we actually walk it down to that operating branch to have immediate action taken.

[6:30]

Mr. Lupusella: I hope I made my statement clear, what I meant on the counselling specialist, not just when you deal with the delay in cheques and so on. I am just particularly concerned when you have to deal with, for example, the claims review branch, or before the claim goes before the appeal system. The counselling specialist has an opportunity to talk with the person making an inquiry, and at least the issue is very well defined, in order that the counselling specialist can write a memo on the file in order that it will be part of the decision-making of the file as well.

Mr. Adamson: This is where we can be of great help. The counselling specialists have a wide working experience and exposure and knowledge of the various departments of the board. If you were to make an inquiry to a specific department in the board, and if you had several problems relating to that case, they might not be in a position where they could give you advice or have the ability to redirect the problems to the other departments. When they come to our department, we have staff who have been trained in pensions, rehabilitation and various areas of the board. We can take an overall look at the claim and outline specific suggestions to resolve the problems.

Mr. Lupusella: Again, I hope I made my point by stating that general inquiries are very well handled by those people, but when you deal with specific issues in which you are involving other sections of each department they don't have any say any more. That's why I am trying to emphasize the point that they can write memos to express their opinion as well, because they have the full expertise. They can help even a claims adjudicator before a decision is taken. The more people who are involved, the better it is. I am not criticizing the handling of the general inquiry, the phone call which maybe is related to a request for certain information, or report a delay in the cheque or a discrepancy in the payment. I am going further than that, and I hope you will consider my point.

In relation to widows' pensions, Mr. Chairman, and in particular Madam Minister, I hope that when a bill is introduced in the Legislature more attention will be given to these widows who have been living on only \$286 a month. I hope you are going to be really generous, because, first of all, they lost their husbands, and I don't think that \$286 a month reflects the loss of their husbands.

I hope you will consider this particular clause very intently and give it more consideration, because more widows have been coming to my office complaining about receiving only \$286 a month. I hope you will look after that.

I am sure the chairman of the Workmen's Compensation Board and the minister are aware of particular correspondence which has taken place between my office, the minister's office, and the chairman of the Workmen's Compensation Board. For the last two years I have been trying to deal with specific claims, and I have to show you the kind of frustration I went through in relation to specific cases which were related to recurrent disabilities—disabilities which occurred maybe three or four years ago and then there was a deterioration of physical condition four years later—by presenting the case and by going through the appeal procedure, which sometimes has been denied, and by presenting new medical reports, in which the orthopaedic surgeon visited the same person four years ago when the case was called and the same surgeon saw the same person four years after he performed the surgery which was related to that particular accident.

With the medical reports from that specialist emphasizing that there was a relationship between the first accident and the recurrence which took place four years later, with the Workmen's Compensation Board considering even the correspondence which took place between the minister, the chairman of the Workmen's Compensation Board and my office, there was no opportunity for us to reopen the claim and make another appeal. Why?

I am just wondering, how can you reopen a case when a person by having new medical reports and new medical statements about that first accident—even though the claim was closed in those days—and then four years later when his physical condition had really deteriorated and surgery was performed, and even my informing the minister and the chairman of the Workmen's Compensation Board, they didn't give me an opportunity to defend the injured worker before the appeals procedure.

I would like to have a clear explanation as to why those particular incidents have been taking place. I really feel sorry about those people. If you want medical evidence coming from certain specialists performing surgery and when you are not sure about the relationship between the accident which took place maybe four years ago and the recurrence which took place four years later with medical reports, why is the board referring those people to other consultants when the

same surgeon was involved on the case? Can I have some explanation for that? I am completely frustrated because you have the cases. I wrote to you several times and to the minister as well.

Hon. Mr. Starr: I am sure if we knew we were going to deal with specific cases, Mr. Lupusella, we would have had an explanation. If you want to give us more information, we will write to you with the explanation.

Mr. Lupusella: The explanation was provided to me by the decision of the appeal board that the new medical reports had been seen in the light of the appeal board decision which took place four years before.

Hon. B. Stephenson: But if there was new evidence—

Mr. Lupusella: So why don't you give the benefit to this man to be defended again before the appeal board to make a dispute?

Hon. B. Stephenson: Would you kindly give me the name and the number of the individual involved and I will look into it?

Mr. Lupusella: If you take a look in your office, you have all the correspondence about those particular people. You have been advised as well. Yes, you have it. I don't have to give you the claim number.

Hon. Mr. Starr: Is the claim number a secret or something?

Mr. Lupusella: No, I don't have it here.

Hon. Mr. Starr: Why don't you let us have it on the phone or by letter and we look into it and give you an answer?

Mr. McClellan: Why do we have to use the estimates to get these things done?

Mr. Lupusella: You have been answering my letter.

Mr. McClellan: We shouldn't have to do that.

Hon. Mr. Starr: But you are not the only person who is corresponding with me.

Mr. McClellan: We shouldn't have to use the estimates debates to get these kind of things cleaned up.

Hon. Mr. Starr: As a matter of fact, I get very few letters from you, Mr. Lupusella.

Hon. B. Stephenson: This is not the estimates debates. It's the debate on the annual report. Let's be factual.

Mr. Lupusella: Is that so? Then what I am going to do is collect all the correspondence and I will send you photocopies of that correspondence. It seems your assist-

ant is not giving you an opportunity to take a look at the correspondence.

Hon. Mr. Starr: You have no reason to criticize my assistant or anybody else on the staff.

Mr. Lupusella: If you are not aware—

Hon. Mr. Starr: I know the number of letters. I see them all. They all come through and I know that you haven't got too many.

Mr. Lupusella: Mr. Starr, if you don't recall the correspondence which I have had—

Hon. Mr. Starr: What date?

Mr. Lupusella: —with you personally, at least a c.c. copy was sent to you and to the minister as well, and you replied to my letters as well. So if you are not aware of those cases maybe something is wrong with in the process. What else can I say? Am I supposed to bring down files and claim numbers to deal with those Workmen's Compensation Board problems? If you want me to do that then I can do it. We can go through them as well.

"An injury sustained in 1973; a lump sum payment of 10 per cent for a two-year period commencing January 1976 awarded. Medical report from Dr. X, psychiatrist, dated February 4, 1976, stated that the psychiatric disability was estimated at about 20 per cent. The request submitted to appeal system to increase Mr. X's pension from 10 to 20 per cent.

"Appeal denied by appeal board on June 27, 1977. The file is now with the Ombudsman."

"Date of injury, May 29, 1959." I have been dealing with this claim just recently. "Mr. X," the name of the injured worker, "suffered head injuries with a fracture of the left tibia and fibula laceration. In 1974, Mr. X started having problems with his left ear. He suffered deafness in the left ear and attributed this to his head injury of 1959 which was quite serious.

"Medical opinion on file clearly stated that Mr. X should be given the benefit of the doubt, although there were differing medical arguments. The appeal was denied at the appeal board level. Benefit of doubt was not given. The file is now with the Ombudsman."

Another claim number: "The request for entitlement for pre-existing hernia condition," which I just mentioned. "The appeal was denied."

"Injury sustained on February 16, 1977. Decision on whether or not to allow the claim was not made until June 1977. From February 16, 1977, the decision on whether

or not to allow the claim was not made available until June 19, 1977. The decision was granted in June to allow the claim. Claimant was paid six weeks' benefits, received a letter from claims review branch on August 18, 1977, advising her that they were reversing the decision which they had taken five months to arrive at. There was great pressure put on the board from the company not to allow the claim. The decision was appealed and it was denied at the appeals adjudicator level. The appeal board hearing is scheduled for March 17, 1978."

Another claim: "Initial injury sustained in 1963. Examined in June 1977 by Dr. X for remaining psychological disability. Dr. X estimated a 15 to 20 per cent psychiatric disability as a consequence of his compensable accident. It took appeal section over three months to decide that they would grant Mr. X a provisional pension of 20 per cent for psychological compensation from March 1975 to March 1978." I want to emphasize that this specialist has been emphasizing in his report that there was a permanent psychological disability involved. Instead, the board decided to follow the route of two years from March 1975 to March 1978. Mr. X is considering taking his case to the Ombudsman as he feels his pension should be retroactive to 1963."

Hon. B. Stephenson: Why?

[6:45]

Mr. Lupusella: "Injury sustained in August 1972. In January 1974—"

The reason I'm reading those particular cases and not giving out the claims is not because I'm concerned about the claim. I am particularly concerned about the principles involved in those situations. I was emphasizing this particular problem last year. We are here to criticize the attitude and the procedures of the Workmen's Compensation Board by taking into consideration the present system in which the board is basing its own decision on medical reports. The board does not take into great consideration the family doctor's decision and the specialist's assessment which is sometimes favourable to the injured worker.

In relation to another injury, sustained in August 1972: In January 1974 the board made a provisional award, estimated at 15 per cent, for marked dysfunctional reaction directly resulting from the industrial accident. A letter was submitted in the appeal procedure, on July 6, 1977, attaching medical information from Dr. X, a psychiatrist, showing that the claimant, Mr. X, was totally disabled from a psychological standpoint. The deci-

sion, received September 27, 1977—almost three months later—was that the board would not upgrade the 15 per cent pension. The file is now with the Ombudsman.

In another case, the appeal board hearing was held December 17, 1976, and a decision rendered September 27, 1977—nine months later. In the intervening time, and many phone calls later, we were told that for about three months somebody, somehow, forgot about this file. When the file was finally reactivated from its dormant state, the decision was further postponed because arrangements had to be made for Mr. X, the claimant, to be admitted to the rehabilitation hospital for assessment. After all this time, the claim was denied.

That's the kind of problem we are facing in trying to help these people. Something is wrong with the process. I have 10 more cases of people involved in those problems, which I don't want to go through now because of lack of time, also—well, I had better leave it that way, because I am late in going to my constituency office.

Mr. Chairman, I would like to take this opportunity to thank you for giving me this chance to talk about my feelings as they relate to the Workmen's Compensation Board. I hope the minister and the chairman of the Workmen's Compensation Board will give serious consideration to those loopholes which exist in the structure of the Workmen's Compensation Board. I would like to remind the chairman that we are not using these problems as a political exercise; we are really concerned about how these problems affect injured workers. That's why we talk very strongly when we deal with those cases.

Mr. McClellan: Mr. Chairman, I can just tell how eager everybody is about the continuation of this debate.

Mr. Haggerty: You've got 12 minutes to wind it up.

Mr. McClellan: I will try to be very brief, quite seriously. I realize the minister is not feeling well; if it is any consolation, neither am I.

Mr. Lupusella: It is a psychosomatic problem.

Mr. McClellan: Yes, it is an occupational disease. I'll touch very briefly on issues that I had intended to speak at length on.

Regarding the raised rate, it is incomprehensible that you could fight inflation on the backs of injured workers. That's the only way I can interpret that twofold excuse for not raising the rates since 1975. One is that you're afraid of the inflationary effect of a pension increase which would have to raise the assess-

ment again; and you are concerned about your unfunded liability of \$400 million.

Hon. B. Stephenson: The question—

Mr. McClellan: Let me finish before you—

Hon. B. Stephenson: Could I just interrupt because you're misinterpreting something completely.

Mr. McClellan: Go ahead.

Hon. B. Stephenson: I asked the question specifically of your leader because he used the expression "an inflationary increase," and an inflationary increase, I'm sure, was not what he meant.

Mr. McClellan: Let's not play word games. You know what he meant and you know what I meant. An increase—

Hon. B. Stephenson: I was not playing word games here.

Mr. McClellan: Let me say it, just so that there is no confusion;—an increase which would make up for the cost of living loss that pensioners have suffered because of inflation since 1975. We're not talking about an enrichment. We're talking about a catch-up, as a bare minimum. I can only interpret the fact that there has been a delay for these three years, and injured workers are the only group in our society that has not had its income adjusted, the only group.

We've had our salaries increased. Civil servants have had their salaries increased. I suspect the Compensation Board employees have had their salaries adjusted for cost of living. Family benefits recipients have had their allowances increased—not adequately, not to the rate of the cost of living increase, but there was at least an increase; but not injured workers. And the reason was the mess that the board has got itself into with respect to the unfunded liability that we talked about last December. In December 1976, I had an opportunity to get into some discussion with some of the actuarial staff about that problem. On page 23 of the annual report you indicate, as I interpret the section, that a rate increase sufficient to make up for the ravages of inflation, together with the inflationary effects on investments, would increase the unfunded liability to \$900 million.

You're in that mess because—that's what it says on page 24.

Mr. Neal: "By" \$900 million—not "to" \$900 million.

Mr. McClellan: Yes, I'm sorry: "by." It's even more ghastly, isn't it?

That's the difficulty you're in and it has to be faced. But it can't be faced at the expense of injured workers. You just can't

do it. It's not just. It's not fair, and I hope the increase is going to be retroactive, because people have been suffering very badly.

A guy on my constituency case-load who was injured in the early sixties was working at the minimum wage, so his pension is peanuts, and he works at the March of Dimes 40 hours a week. Do you know what he makes together with his pension and his supplement? Two dollars and 10 cents an hour.

Mr. Mackenzie: That sounds like one of mine.

Mr. McClellan: That is absolutely despicable. This is an injured worker who's working full-time and is getting his maximum entitlement under his pension and under the supplement program. That's the most that he can make. That's nuts—and you can't dispute that.

I could give you chapter and verse about 60 to 70 guys who are on my constituency case-load, who are in really desperate circumstances because of the failure to adjust the rates upward. There's no point belabouring it. It's just a disgrace.

I had wanted to talk about the inadequacy of the way of computing pensions, the use of the "meat" chart. What good is it to a woman whose skills are manual and who doesn't have an educational background that makes it possible to benefit a lot from vocational upgrading? She works, for example, in the meat industry or the vegetable industry, and she has lost a finger and she can't do the work she used to do any more. What good is it to her to give her a lump sum payment of \$1,300? Or a two per cent award or a three per cent award because that is what the "meat" chart says she is entitled to. But that doesn't reflect her loss of income, and you know that. You have known that for years. I don't have to give you a long lecture on that.

The question is simply: "When are you going to come up with an equitable way of computing pensions that takes into account not just the physical disability, but the loss of income potential?"

We had some discussion about what in my community is—next to the rate increase—the perennial problem: the question of jobs for partially disabled workers. My constituents work in construction; and it takes its toll. So there are literally thousands of people in my riding who can't work in heavy jobs. They need light duty jobs; and these kinds of jobs simply aren't available.

Odoardo di Santo started to talk about the British program and before he had even got the phrase out of his mouth—I don't think he had even completed his first sentence—Mr.

Hamilton said, "The British system is no good. It has never worked. It's lousy. It's no good." Bang, bang! Mr. di Santo wisely decided that it wasn't particularly worth beating his head against your particular fortress, against your fortress mentality. And I'm not going to either.

But before you cast aspersions on programs in other jurisdictions, I point out your own annual report; on pages 16 and 17—where it describes the activities of the vocational rehabilitation branch—you say at the beginning of this section: "In helping the injured worker to return to gainful employment, the vocational rehabilitation counsellor co-operates closely with employers," et cetera. "Returning to employment is the function defined." Right? Well, I ask you!

Then I turn to page 17 and you have your statistical tables. Why don't you tell us how many people were placed in jobs if that is the function? That statistic isn't even there. You've got every goddamned thing that your staff are doing on this page except the production, except how many workers were actually placed in jobs. That is the bottom line of the operation, surely. Did you actually place people in jobs, and how many and who and what kinds of workers?

We were given some figures by Dr. McCracken earlier this afternoon; I think he indicated, if I'm not mistaken, that you placed 4,800 workers in 1976. I think that was the figure he gave us. Am I correct? That you had placed 4,800 of your vocational rehab folks in 1976?

At any rate, what I'd like to ask you to do—and I don't think it's unreasonable—is to give us a complete statistical picture of the vocational rehab operation: whom you are serving, what kind of service you're giving, who they are in terms of their disabilities and what happens to them.

They seem to be disappearing, you know. If you look at your statistics closely, rounding off in 1975, you have 20,000 new referrals; and you are carrying over an additional 5,000 of these cases from 1974 for a total case-load of 25,000. But in 1976—rounding off—you get another 25,000 new referrals. These are brand new cases but you are only carrying over 6,000 cases from 1975. What happened to the 1975 case-load? You are placing something in the order of 5,000 people a year. What happens to the other 20,000?

[7:00]

We would really like to know what you are doing in the vocational rehabilitation service. I may be misinterpreting the statistics, but that is all I have to go from. You don't even tell us in the annual report how many people

you put out to work, how many people you were able to place. As David Cooke says, what good does it do to harry injured workers the way you do by forcing 62- and 63-year-old injured workers to occupy themselves by running around in a futile search for employment from employers who have no light-duty jobs? Each of us has constituents who are put in that absurd and humiliating position. You will have to excuse us for being a little exercised and for being a little impatient with the kind of dismissal that we got from the chairman of the board.

It has nothing to do with willingness to work, it has to do with the competence of your vocational rehabilitation program and their ability (a) to locate jobs for injured workers, and (b) to place injured workers in those jobs. I don't think you can demonstrate statistically that you are able to do that.

It may well be that the British system is not as successful as Mr. Hamilton would like, or as you would like, or as perhaps I would like. I suspect it is a little bit more successful than the system we have, I really do. Let's not debate it, because I would like to finish and then maybe you could respond.

Mr. Hamilton: But we are only talking, in the British system, about the percentage of disabled workers that it is mandatory the employer takes back into industry. That's all we're talking about.

Mr. McClellan: They came to the conclusion in Britain a number of years ago that a voluntary system was not effective. I understand all the arguments against affirmative action, and for a long time I accepted them, but I have changed my mind.

Mr. Mackenzie: As I have. As I made clear in the estimates, we are either going to set some quotas and some allowances or we're not going to put these people to work, and we had better start accepting it.

Mr. McClellan: That is right. I don't think the voluntary system works. For all of the drawbacks of affirmative action, which I understand and which you understand, which we all understand—anybody who has done any work in the area knows about them—the reality is that the present system doesn't work.

Mr. Hamilton: Ross, I only make this suggestion: As legislators, if you are going to do it, and you are going to say that they take back a percentage of the people back into their own particular industry, that you attach sufficient policing to it to see that it happens.

Mr. McClellan: Yes, absolutely.

Mr. Mackenzie: Ross is right. Most of us started out the same way as you, against this. But what is happening is reality, and the case load, and the actual problems of the people are forcing us into it.

Mr. Hamilton: No, don't misunderstand me, I'm not against it. I have never said that I was against it. All I said this afternoon was that they put it into legislation in Britain, and from the day they put it in it hasn't worked. I'm not against it, and don't misinterpret what I said.

Mr. McClellan: It really needs to be explored.

Mr. Hamilton: If you want to make it three, five, or 10 per cent you must police it to see that they go back.

Mr. McClellan: All right. Look, this is what happened the last time it came up. Odoardo was, in effect, cut off before he even began to discuss the issue. You said, "It's no good," and that was the end of it. Of course, there are problems, but we're telling you my colleagues and I have come to the same conclusion, that affirmative action is the only way; those of us who represent ridings where this is an enormous problem—and I am one of those, so is Mr. Mackenzie and so is Mr. Laughren—we are just desperate about it. The minister is so interested in studies that you would think she was minister of research rather than Minister of Labour, but I think it would be really useful to try to develop an affirmative action program.

We would do it on the British model, with whatever enforcement requirements are necessary. If you want to do it on a pilot project basis, since that seems to be your predilection as a government, at least do something about it, but let's not pretend that 4,800 job placements a year are beginning to address the problem.

It's not just workmen's compensation—42 per cent of the recipients of family benefits are dependent by virtue of disability; and virtually none of those, I gather from Bill Smith in family benefits, is on workmen's compensation.

These annual report debates, to be factual, are increasingly frustrating. The Workmen's Compensation Board is a fortress. You seem to feel that any kind of change from your practices is somehow going to bring upon the apocalypse. You have dug your heels in on every single issue and you won't move from any of it. You are so defensive about all of this stuff that there is just a complete feeling of futility about addressing these issues, which are major issues of social de-

velopment policy; they are not questions of anything else, I don't think.

We have a chairman who has decided that he wants to come out again as a Tory. He issues—I guess Tony Lupusella took the May 4 election pamphlet with him—

Mr. Laughren: So proud of it, too.

Mr. McClellan: Yes, he likes that.

I don't care if you do that, you make a fool of yourself in my community when you do that. The Tory candidate printed your election material—the May 4 press conference. She printed all of that stuff in her election leaflets—the stuff about the professional complainers, remember that? The stuff about the injured worker who drove a Cadillac? She was stupid enough to put that in an election leaflet and I'm awfully glad she did. I hope you'll hold another press conference prior to the next election. Maybe your expanded public relations department will try to muzzle you if they have any sense, but I hope you keep that up because you reduced the Conservative vote in Bellwoods riding to 23 per cent.

Mr. Laughren: Almost single-handedly.

Mr. McClellan: Single-handedly. The Tory candidate was nutty enough to run a single-issue campaign on the wonders of the Compensation Board quoting Chairman Starr.

Interjections.

Hon. Mr. Starr: That's exactly what happened up north.

Interjections.

Mr. McClellan: If I can just finish off with this sentence. I wish the chairman well in his new political career.

Mr. Acting Chairman: That concludes the debate on the annual report.

An hon. member: Holy mackerel!

Mr. Laughren: We agreed to sit through until—

Mr. Acting Chairman: No, we didn't.

Mr. Laughren: We agreed to sit through until the members had finished, don't give us that.

Mr. Acting Chairman: No, we didn't.

Mr. Laughren: That is not true. We agreed to sit through until we had completed it. There was no motion that said we adjourn at 7 o'clock. You know that, don't play that game.

Mr. Acting Chairman: There was no motion but there was a discussion and—

Ms. Bryden: There was a motion that all the members on the list would be heard, that was the agreement.

Mr. Acting Chairman: I'm sorry, that wasn't—

Interjections.

Mr. Haggerty: The member who spoke previously spoke for two and a half hours; he repeated and repeated.

Mr. Laughren: Put your motion before the committee.

Ms. Bryden: I will move, Mr. Chairman, that this committee sit until all the members have been heard.

Mr. Acting Chairman: We don't have a quorum now. I don't want to—you know, it's not normal.

Interjections.

Mr. Warner: I'll bring it up in the House tomorrow, I tell you that right now. Because I've sat here all day and I wanted somewhere between two and five minutes. I'll save it for the House leader tomorrow, if you would rather.

Ms. Bryden: It will show on Hansard that the previous chairman agreed that we would sit until all the speakers on the present list had been heard.

Hon. B. Stephenson: I have to go. I have to speak at 7:15.

Mr. Acting Chairman: The discussion that took place in the committee dealt with the agreement by the members to sit during the dinner hour. There was discussion among members of the committee as to whether or not we should continue through the dinner hour. There were discussions with the minister. It was estimated in fact that we might be through at about 6:30 and if not, then at least by 7.

Mr. Laughren: We thought we would be.

Mr. Acting Chairman: Right. And it was on that basis that we agreed to sit through the dinner hour.

Interjections.

Mr. Laughren: There was no agreement of a time of adjournment. If we have sat longer than we thought we would, it's only because of the provocativeness of the chairman of the Compensation Board.

Mr. Mackenzie: And the committee only decides, as I understand it.

Hon. B. Stephenson: Mr. Lupusella spent two hours.

Mr. Lupusella: So what?

Ms. Bryden: There are only two speakers left.

Hon. B. Stephenson: All I'm saying is—

Mr. Acting Chairman: How long are you going to be?

Ms. Bryden: Ten minutes, at the most.

Mr. Laughren: Why don't we complete for today?

Ms. Bryden: I could cut mine down to five minutes, but there are only two speakers left. It seems to me very discourteous not to hear them when we've been here since 10 in the morning.

Mr. Warner: Set a time limit.

Mr. Acting Chairman: The minister has to speak at 7:15.

Mr. Mackenzie: We can continue as we started, unfortunate as that is, with the rest of the people here.

Mr. Acting Chairman: Can we agree then that it will take approximately 15 to 20 more minutes? Is that okay, Mr. Warner?

Mr. Warner: I know the minister will read Hansard tomorrow. She always does.

Mr. Acting Chairman: We have 15 to 20 minutes.

Ms. Bryden: I think I'm first. What have you got?

Mr. Acting Chairman: I have Mr. Warner on but I believe, Ms. Bryden, you were substituting for Mr. Cooke who was on before Mr. Warner?

Ms. Bryden: I don't know. I understand Mr. Bounsall put me after Mr. McClellan.

Mr. Acting Chairman: Please continue.

Ms. Bryden: Mr. Starr, I wanted to get back to first principles and talk about what workmen's compensation really means or what I think the board should consider that workmen's compensation means. In my opinion, it should put people back in the position they were in before the injury or as close as possible to that. I'm sure the board would probably agree that that is the objective.

To do that you must provide at least four things. You must cover medical and other out-of-pocket expenses. You must cover loss of earning opportunity. You must cover pain and suffering, or you should cover pain and suffering. I don't know that it is really covered right now. You should cover rehabilitation, which means restoration as close as possible to the pre-injury position.

I meet a lot of workmen's compensation cases in my constituency work. There are a lot of construction workers and a lot of maintenance workers in the riding. From them I find that what compensation appears to mean. What it should not mean to them is a level of earnings below what they would

have made if they had stayed on the job and if they had not been injured. They did not ask to be injured, but for the ones I've seen it has in many cases meant a lower level of earnings.

There are other things it should not mean. It should not mean a standard of living based on 1975 levels, as happens to those on pensions. It should not mean loss of contribution periods for unemployment insurance and Canada Pension Plan. It should not mean transfer to the army of unemployed. It should not mean fulfilling the same sort of useless routines for a job search which the Unemployment Insurance Commission is requiring and which the Compensation Board appears also to be requiring, when there are no jobs available for the kind of work the person is qualified for and which is both time consuming and money-wasting in that they have to put out car fare and so on. I think that people should search for jobs when the jobs are there, but to require them to go out day after day spending money that they don't have on a useless search is very demoralising.

I think some of these things can be changed by the board. Some of them can only be changed by legislation. I'm sorry that the minister is not here to be aware of the things that can be changed by legislation and which must be changed, if we are going to provide real compensation which will place the person back, as close as possible, to the position he had before he was injured.

[7:15]

The other things I find from the people that have come into my office, Mr. Starr, are things that I think the board can change. One of them is attitude. Many of the people who come to me—and I will admit they are the ones who feel they have problems; they are not the satisfied claimants—many of those people feel that the attitude of the board is too much of an adversary one; that it is assumed most workers are claiming more than they are entitled to or the workers are likely malingerers trying to get compensation rather than go back to work.

I think the onus should be the other way. It should be up to the board to prove that a person is a malingerer or that he is not entitled to what he is asking. The attitude should not be that he probably is trying to take the board for a ride. I think they sense that attitude. It may be very subtle. It may be just in the questions that are asked.

The other thing I hear complaints about are the letters they receive or the statements that come with any payments they receive. Whenever there is a change in payments, the

cheque comes with a stub that just says, "Compensation" and such and such a date. It doesn't explain why there has been a change, why the amount has been reduced. In some cases there is no letter with it explaining that. It doesn't even always tell them exactly what period the payment covers; or if it does, they can't understand exactly what the form says. Sometimes when they receive a partial award, the letter sending the award doesn't explain to them that this is only partial, that the case will still be considered further. They think it's a final award.

It seems to me that those sorts of lack-of-communication problems could be cured by more information to the client whenever there is a change in any of his benefits. I don't think you have to send a letter every month, however.

They also complain about the difficulty of getting through on the phone to ask questions about these payments. Sometimes the person who speaks their language also is not available, but I suppose there is a limit to how many languages you can have available every minute of the day. I understand that. But the phones seem to be a problem. Some of them say they take two days to get through or to get any sort of an answer as to why their payment has been held up. Then they come to us.

We have had, I think, fairly good co-operation in getting some of these things straightened out or speeded up, and I appreciate what the board does when a member does phone to try to straighten things out. But the phones wouldn't be as jammed if there weren't as many misunderstandings and lack-of-communication problems for the ordinary person.

The second greatest problem is that of getting back to work. I agree heartily with the statement of my colleague who spoke just prior to me, that we must provide some sort of means of ensuring that light work is available. This is what most of the people with back injuries are required to look for, and it just isn't available in any great quantity out there in the employment market.

I do think there is a legislative requirement that an employer must take a worker back unless he can prove that it is impossible for him to manage that work, in which case the board should assume responsibility for finding that worker light work. They may have to do it by working with the provincial and municipal governments to find light work among their ranks for some of the people whom industry cannot place. First of all, however, we should put quotas on industry, par-

ticularly for plants of a certain size, so that they have to find light work for people who have been injured and then have been declared fit to go back to work.

That is the greatest weakness in the Act at the moment, because what we are really doing is compensating people for their injury in the medical sense and then sending them into the ranks of the unemployed. That is not something they asked for. They did not ask to be injured, and they are certainly not back in the position they were in before the injury.

There is just one other thing I wanted to raise, and that is to ask what attention you are paying to the many new chemical and industrial hazards that are occurring as a result of the toxic substances and so on being used now. We are just discovering that some of these substances may have an effect on health 10 and 20 years later.

I would like to know what the board is doing to monitor those particular substances and to keep in touch with employers as to the handling of those substances to prevent contamination and to prevent future illness; and particularly on the cases of PCB's in the transformers, such as the ones in that fire on Adelaide Street East. Have you had any applications yet from that particular incident for compensation? Even if you haven't, are you watching all the reports that are coming from the medical examinations of these people, and are you perhaps considering what sort of safety programs you can start sending out to industries for the handling of these very dangerous materials?

Hon. Mr. Starr: May I just answer the last question first, Ms. Bryden, and say that the board does not involve itself in the actual safety, excepting that we have nine safety associations and we fund them to the extent of about \$12.5 million a year. Their job, in the various industries that they represent and have the membership in, is to educate in the safety practices of that particular industry both the employees and the employers.

As far as what we are doing about the new chemical compounds that are being developed every year—and believe me, there are something like 250,000 new chemicals being developed every year—it is something that is of concern to us. Dr. McCracken can probably elucidate on it more than I can, but he has already been in touch with the medical profession in our province to alert us if, upon examination of any individual who may be exposed to certain types of chemicals that we are not aware of, to make notes of these things and advise us of them so that we know

what is going on and what is the possibility of that. As far as the PCBs—

Ms. Bryden: PCBs from the Adelaide Street fire.

Hon. Mr. Starr: To my knowledge we haven't any applications for compensation from any of those people who were involved in this.

Ms. Bryden: I appreciate that you do your safety work through the safety associations, but perhaps you should be not only alerting them to the need for much more control over these hazardous substances and the handling of them but also perhaps giving additional funding to the ones that have more of the chemical problems.

Hon. Mr. Starr: I think also the new branch in the Ministry of Labour concerned with safety and health in industry will have more jurisdiction than probably anyone else, because I think the whole safety aspect has been put under one umbrella in that particular branch.

Mr. Mackenzie: Is that a factual figure, Mr. Chairman, or is that a little high, 250,000 new chemicals a year?

Hon. Mr. Starr: I think that is right. There is a development of about 250,000 new chemicals a year.

I think, Ms. Bryden, that this new branch of the Ministry of Labour will have more of that responsibility. They are working on this now, as far as I know. They are going into the plants wherever there is any complaint about any health hazard whatsoever, and they are investigating.

Dr. McCracken: It has been estimated that there are probably around a quarter of a million new modifications to large family groups of chemicals. Most of these are organic compounds versus inorganic, and by very subtle changes they can change the characteristics. So if you count every change that is made in the laboratory and in the research areas in industry this is the estimate they come up with, but they drop into main family groups. What we do, and have been doing for some considerable period of time before the new division was created in the Ministry of Labour, is when we have cases reported to us—this is usually when we would get the first idea that something might be going on—if it appears to our industrial consultant that something new was happening in a new location then she would immediately pass this information along to the appropriate people in the Ministry of Health, occupational health and protection division, Ministry of Labour, and alert them about this. They could

then make arrangements to check that plant, check that chemical, and run it down.

These communications are an ongoing situation for the people who have this responsibility. In turn they feed the information back to our industrial disease consultant as to the outcome of their measurements and whether in fact a hazard does exist and if so what steps have been taken. This alerts us so that when we have more claims come in, we immediately know what we're dealing with. By that time the appropriate steps, hopefully, have been taken.

So far as PCBs are concerned, and the more toxic ones—the PBBs—we have had none reported to us last year and we have had none reported from the particular fire that you made mention to. We have had, over the past number of years, approximately five or six cases of PCB toxic reactions—fumes related to spills and fires. These have been transient in nature—usually watering eyes, some redness of the eyes, some bronchitis, and they have cleared up and there have been no ill effects. I believe only one of that group lost any time from work, as a matter of fact. But we have these on record, yes.

Mr. Mackenzie: Have there been any claims from the Ferranti-Packard plant in St. Catharines? Any checks at all?

Dr. McCracken: I'm afraid I can't tell you that. But if that is one of the areas where the PCBs have been utilized—in transformer manufacturing, I guess, and it is—I am sure if there has been any hazard there, that it has been looked at. But I can't tell you whether we have received any claims from the plant, no.

Mr. A. G. MacDonald: Mr. Chairman, that question was asked of the board about a week ago. We checked and there have been no claims reported from that area.

Dr. McCracken: The one other thing that might be of interest—and I don't want to waste any more time—but we do have access now to a terminal here in Toronto that is tied in with a computer in Ottawa and a computer in Bethesda, Maryland. We can put a search on this terminal. There are a number of searches—there are the tox line, med line, chem line and cancer line. This records all the recorded new chemicals coming on line and it records all the toxic chemicals coming on line and it records all the medical complications that have been identified in medical studies throughout the North American continent, as well as the world. So that is one way to keep on top of it.

Mr. Mackenzie: One final supplementary on that: I'm not really sure what it is worth,

but when you talk about 250,000 new chemicals, and I understand a lot of those may be very minor variations or within the family, is there any number that are reasonably distinctly different or new? Is there any way we can measure that?

Dr. McCracken: No, I understand that is very difficult to do. Although, mind you, when there is a major breakthrough in organic chemistry then it is usually identified in their journals. This is where you can get on top of this with the annual reports that are put out, plus the new access we have to tox line, which is the data fed of all new and old chemicals that have toxic manifestations related to them—as well as the chem line, which shows all the new major changes.

Mr. Warner: I shall be brief. Despite whatever personal animosity the chairman may have towards me, I would like you to understand a couple of things: First, unlike the other ministry, department, board, commission that exists in the province, I must now, by reason of my experience, tell constituents when they come into my office and they have an injury and they've been to the Compensation Board, "Yes, I will help you, but we will have to fight the Compensation Board."

I'll tell them, "I don't know whether we will be successful or not but we've had a lot of experience at it—about half of our case-load deals with the Compensation Board. But we will help you fight them. It will be a fight, it will be tough and it will be long and it will be hard and they won't give in easily." That is the atmosphere. No other board or commission in this entire government sets out that atmosphere.

[7:30]

I'm asking you if you would personally look at this particular case, because I am sick and tired of this man being persecuted—and that's all it is. The case goes back several years. It continues up until March 9 of this year, just a couple of days ago when he got a letter—and I couldn't believe the letter, I just could not believe the letter. When you look through the file you will see why.

I have a letter from your own Workmen's Compensation Board back in November that in effect says: "We have found that you were not informed that you were fit for light work and that you were not interviewed by the rehab department. A member of the provincial government"—it doesn't say who—"asked us to review the case and we have; and yes, you were right and we were wrong." That was in November. Then in March the man is back into the situation that he has

been in over the last three years. It is absurd to the nth degree.

It reached such a highlight that at one point I had to call your office and tell them: "Yes, we won the case but for some reason you cut the man off entirely. If the man doesn't get his money, I'll occupy the office of Mr. Starr until he gets his money." That's how desperate I had to be.

For some reason, the man is being persecuted and I don't understand why. To add to it all the person who comes to his house for the one and only rehab visit wants to know how much money his wife makes.

Of what earthly business is it of anyone to ask how much money the injured worker's wife is making? It's got nothing to do with his injury or his level of compensation. To add it all up, when you look through the file, I think you will come to the conclusion that the benefit of doubt as spelled out in the Workmen's Compensation Act is not being adhered to. That, unfortunately, is often the problem with most of the cases that I go through in my office. The benefit of doubt isn't being adhered to and isn't being lived up to.

In the case of the file—and I should give you the number, C7516958—there is a history of the man being lied to, of being misled, of not having the things done which were promised to be done; of his having his funds cut off from time to time and the reports of eminent doctors being just discarded, except when we go to the appeal; and, once again having been cut off by way of this letter within three working days from the date of the letter, if you can imagine. That's incredible. The usurers out in the underworld finance probably give greater notice than three days after the date of the letter.

I just don't understand why the man is being persecuted. I'm incensed by it, I really am.

Hon. Mr. Starr: We will look into it.

Mr. Warner: Mr. Starr, the last thing I ask you to do is that when you read the file carefully will you please take into account the principle of doubt in many of the things that have been raised this afternoon by my colleague from Bellwoods about rehab? I think his comments were absolutely dead on about the rehab problem. It is not contained in the report that we get. It is not the kind of actual picture which we should see.

Please take the comments not to be in the political arena per se with the intent of bringing down the government. That is not what it is about. It's about a hell of a lot of people out there who get injured on the work site and need some help, and we don't see that help coming forward in the clear, objective way that it should be. We are fighting in every way we know how to get justice for those workers. That is what it is about.

Please look at those comments as objectively as you can. Otherwise we'll be back again next year and it will be the same problem, because since the last time we sat, which was more than 12 months ago, between then and now, I have seen no perceptible change whatsoever in the operation. I am getting the same cases, the same complaints, the same problems as I did the last time we went through this exercise, and unless you can look at this whole matter objectively and take my comments and the comments of my colleagues with some objectivity, we are going to go through the same exercise a year from now.

Hon. Mr. Starr: Mr. Warner, we will look into this case the first thing tomorrow morning, but I can assure you that the next time we are here there will be complaints, because that's the sort of business we are in. When we make decisions, we can't make decisions that are going to suit everybody, and those decisions that are not suited to these people will land up on your desk, they will land up on Ms. Bryden's desk, they will land up on Mackenzie's desk, and they will land up on my desk. People will never be satisfied because we make decisions.

Mr. Warner: But the complaints of principle which were raised here today were raised the last time and that hasn't changed.

Mr. Mackenzie: You could surely make a fair improvement.

Mr. Warner: That hasn't changed.

Hon. Mr. Starr: The principle that matters is in fact that we have got to improve wherever we can in our field. There is no question about it.

Mr. Warner: Thank you, Mr. Chairman, for your indulgence, and I am sure that we can satisfy our hunger appetites.

Mr. Acting Chairman: This concludes the matter.

The committee adjourned at 7:34 p.m.

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Cook, J. G., Investment Fund Manager
Hamilton, D. F., Commissioner of Appeals
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MacDonald, A. G., Vice-Chairman of Administration
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No. 21

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Daily Edition

Second Session, 31st Parliament
Thursday, March 16, 1978
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, MARCH 16, 1978

The House resumed at 2 p.m.

STATEMENTS BY THE MINISTRY

NORTHERN GAS PIPELINE

Mr. Deans: Tell us about your visit to Ottawa.

Hon. Mr. Baetz: Mr. Speaker, I would like to inform the hon. members about my appearance last Tuesday before the House of Commons special committee on the northern pipeline bill and of my concern, which I know all members will share, that Ontario's interests be protected to the utmost in this proposed legislation.

Mr. Bradley: Tell us about the uranium deal.

Hon. Mr. Baetz: The legislation will establish the Northern Pipeline Agency, will affect jobs, energy supplies and the economic health of Ontario's residents in both the near- and the long-term future.

I must say, first of all, that I was shocked and surprised at the reception granted the Ontario presentation, particularly from the federal Liberal members of the committee. They seemed perplexed and hostile to the idea that Ontario would want to participate in the consultations on jobs, industrial involvement and energy planning that would be related to the construction of the northern pipeline.

Mr. Bradley: And uranium contracts.

Mr. Deans: They were probably even surprised.

Hon. Mr. Baetz: Further, they felt that Ontario should be pleased to have the federal government represent this province's interests on that pipeline.

I must say I was equally surprised at their surprise. In fact, I was shocked by the narrowness of their outlook. I surely don't have to recall for the members of this Legislature that in the case of our uranium supplies the federal government turned a deaf ear on the repeated entreaties of both Ontario Hydro and the Ontario government to enact measures which would be of benefit to the public of Ontario in the negotiation of uranium contracts involving the province's own uranium reserves.

Mr. Roy: That's because they consider you a patsy.

Mr. Cassidy: And you ignore the interests of the taxpayers of Ontario.

Hon. Mr. Baetz: If we have learned one thing from that experience, it is that Ontario emphatically cannot count on the federal government to protect or further Ontario's interests in any matter of concern for our energy future.

Mr. Cassidy: And the people of Ontario can't count on you.

Mr. Bradley: You're passing the buck.

Hon. Mr. Baetz: Secondly, I think the reaction of some of the federal committee members clearly shows how shallow is their commitment to the principle of co-operative federalism.

Mr. Reid: Oh, come on. What kind of nonsense is this?

Hon. Mr. Baetz: Here was a chance to involve directly those provinces which would have the greatest interest at stake in the pipeline issue. But, instead, the federal government has opted to follow a course of action that ignores Ontario. They just don't seem to care what Ontario thinks. All the rhetoric and embellishment we hear about national unity from the federal government is apparently just that—rhetoric.

Mr. Deans: This is an abuse of the order for statements.

Mr. Roy: That's lack of leadership. You are just a patsy.

Hon. Mr. Baetz: Here was a concrete opportunity to demonstrate how much they really are concerned about greater federal-provincial co-operation, and, to put it bluntly, they blew it.

Mr. Kerrio: Why didn't you tell them that when you made the uranium deal?

Mr. Bradley: You're a pussy-cat.

Hon. Mr. Baetz: I must add I was gratified—

Mr. Pope: Don't offend them over there.

Interjections.

Mr. Speaker: Order, please. I am sure our visitors would like to hear this ministerial statement even if the members don't.

An hon. member: Not even his own members want to hear it.

Hon. Mr. Baetz: Mr. Speaker, I was gratified the federal committee agreed to hear Ontario's brief.

Mr. Deans: I would like to hear Ontario's brief too.

Hon. Mr. Baetz: I can't help but wonder, given the reception received, whether our hearing wasn't more the result of the interest of the federal opposition parties rather than that of the government, given that the members of the opposition seemed much more receptive and supportive than the Liberal members were.

Mr. Bradley: One thing: You are not partisan.

Hon. Mr. Baetz: In short, I intend to continue to speak out on this issue and to press Ontario's case. The consumers of this province currently use almost 50 per cent of the natural gas used in Canada. Further, Ontario provides the largest potential market for any additional supplies of Canadian natural gas, whether from the Mackenzie Delta or the Beaufort Sea. Of equal importance, Ontario would be the largest supplier of goods and services for this pipeline.

Mr. Roy: You can't even control Hydro, never mind the pipeline.

Hon. Mr. Bernier: Wait until the election is called; Ontario will speak out.

Mr. Martel: The Minister of Northern Affairs must have been listening to Joe Clark last night. He must have been listening to that malevolent marshmallow.

Hon. Mr. Baetz: We have a lot at stake in this project: energy prices, jobs, manufacturing capacity. I think it's time the federal government recognized our interests and our rights and granted us full status on the consultative council, which will consult and co-ordinate on this gigantic project—

Mr. Bradley: You should run federally.

Hon. Mr. Baetz:—just as the federal government has granted such status to Saskatchewan, British Columbia, Alberta and the Yukon Territory. Now is the time for all members of this House to make it known to the federal government that they are unanimous in their view that Ontario should participate directly and fully in this process.

Mr. Deans: Now that you've told us that, Reuben, what did you say to them?

Mr. Roy: You can't even run Hydro, never mind running a pipeline. You should resign.

Mr. Deans: Have you got a copy of your

brief? No, not your statement—the brief you presented.

Mr. Bradley: Your Treasurer (Mr. McKeough) says there is no unemployment problem.

Hon. Mr. Snow: It's a very silent statement I have to make, Mr. Speaker.

TRUCKING LEGISLATION

Hon. Mr. Snow: Mr. Speaker, on March 2, I introduced in this House several amendments to the Public Commercial Vehicles and Public Vehicles Acts. At that time, I indicated to the members that I would bring in additional amendments strengthening the enforcement procedures under the PCV Act. Today, I would like to present those additional amendments.

In preparing these proposals my ministry has given careful consideration to the recommendations on enforcement contained in the report of the select committee on the highway transportation of goods, a report which contained more than 300 recommendations in all.

At the same time, we have kept in mind the principles stated in the Speech from the Throne, namely the need to restrain government spending, simplify rules and regulations and conserve energy.

One of the central issues raised in the select committee report was a concern over the growth of unlicensed trucking in Ontario—a result, it was felt, of deficiencies in the enforcement of the PCV Act by the Ministry of Transportation and Communications. The object of these amendments, therefore, is to resolve those deficiencies identified in the committee's report.

My ministry took the initial step in this direction on March 2 with proposals for the enfranchisement of certain unlicensed carriers, together with the substantially increased penalties for offences under the PCV Act as recommended by the select committee.

Today, I am proposing, first of all, an amendment to the PCV Act recommended specifically by the select committee which makes it an offence for a shipper or any other person otherwise arranging transportation knowingly to engage the services of an unlicensed carrier or a carrier not properly licensed for that shipment.

At the present time, the only party subject to prosecution for contravention of the PCV Act is the provider of the illegal service; in other words, the carrier. The amendment will, we feel, deter collusion between shippers, carriers and other parties that might result in the encouragement of unlicensed trucking.

The remainder of the amendments are aimed at resolving some of the deficiencies in the enforcement system by increasing the powers of the PCV enforcement staff.

One of the roadblocks to proceeding with a prosecution under the PCV Act is the difficulties encountered by ministry officers attempting to get direct documentary evidence from the parties involved, evidence that would support a charge. At present, a ministry officer may enter the premises and examine the records of the holder of the operating licence for investigative purposes. But he or she has no authority to examine the freight forwarder's records.

The second amendment, therefore, extends the officer's authority as recommended by the select committee to allow him or her to enter and inspect the records of a licensed freight forwarder in the same manner as a licensed carrier.

The third amendment is aimed at eliminating the red tape that requires the minister to make a specific appointment for each investigation of a contravention of the Act and for each link in the chain of the investigation. Under this amendment, the minister will be allowed to appoint investigators for the purpose of entering the premises and inspecting the records of any person suspected on reasonable grounds of having contravened the Act. This amendment, by the way, is also based directly on the select committee's recommendations.

The fourth item is an amendment to the Highway Traffic Act which seeks to resolve another enforcement problem, the fact that there is no procedure at the present time for exercising administrative enforcement against carriers holding neither Ontario operating authority nor Ontario registration. This amendment will give the registrar of motor vehicles the authority to remove the permit and plates from a vehicle registered in a jurisdiction other than Ontario, as is presently the case with vehicles registered in Ontario, subject to the appropriate hearing and appeal procedures.

I feel this particular amendment will become more and more important as Ontario moves towards increased reciprocity with other jurisdictions. While on the subject of reciprocity, I'd also like to inform the House that my ministry will be reviewing the requirements applied to non-resident carriers operating in Ontario with regard to safety, documentation, insurance et cetera.

A final point before I close: I mentioned at the beginning of this statement that in studying the select committee's recommendations and drafting these specific proposals, we

kept in mind the principles stated in the Throne Speech. As a result, we have decided not to implement two areas of the select committee report at this time on the grounds that they are incompatible with those principles. We felt the recommendations concerning the registration of driver pools and commercial vehicle lessors would be contrary to the ministry's and the government's stated policy of simplifying and reducing rules and regulations and would create an unnecessary and costly administrative burden.

The select committee also made a series of recommendations concerning transportation brokers and owner-drivers. In these areas, I am concerned that even with the investigations undertaken by the select committee, we do not have sufficient knowledge of the actual and the potential operations and relationships of these groups. I have, therefore, asked my staff to undertake a detailed study of transportation brokers and owner-drivers in cooperation with the appropriate industry representatives.

In closing, I'd like to direct the members' attention to the two bills I will be presenting at the appropriate time today and the accompanying compendia.

FLECK MANUFACTURING COMPANY

Hon. B. Stephenson: On March 10, the hon. members for Hamilton East (Mr. Mackenzie) and Ottawa Centre (Mr. Cassidy) asked questions regarding the occupational health and safety conditions at the Centralia facility of Fleck Manufacturing. Because of the length of the response, may I beg to make the response at this time rather than taking up the time of question period? Thank you, Mr. Speaker.

I would intend to deal with the 10 points which the two hon. members posed in the order in which they were raised. Before I begin I should point out that an official of the industrial health and safety branch visited the facility as late as March 13. I will refer to the results of that inspection later.

The following topics were raised on Friday, March 10 by the hon. members: outstanding directions; frequency of inspections; injuries from a moulding machine; injury from wire racks; guarding of machinery; the alleged practice of turning off machines during ministry inspections; washroom facilities; the alleged presence of garbage; the alleged presence of rats, and the alleged failure of industrial health and safety branch officials to contact representatives of the United Automobile Workers local.

[2:15]

First, let me deal with the hon. member for Ottawa Centre's question, regarding outstanding directions. On January 5, 1978, an industrial health and safety inspector left one direction as a result of his inspection. That direction was that an employee wear a hairnet because her long hair posed a personal safety risk. I am advised that this direction has been fully complied with.

Turning to the questions and comments raised by the hon. member for Hamilton East, industrial health and safety officers inspect Centralia facility approximately every six months. The inspections were on the following dates: January 9, 1975; July 10, 1975; February 9, 1976; August 26, 1976; February 8, 1977; July 27, 1977; October 20, 1977; January 5, 1978, and March 13, 1978. During those inspections, a total of 19 directions were issued. All 19 directions have been complied with.

The hon. member for Hamilton East alleged that five women have been burned by a defective moulding machine. According to Workmen's Compensation Board accident records, there was one lost-time incident at the plant on October 21, 1977, when a woman's right hand was burned. A direction requiring modifications to the machine was issued at that time as a result of the incident and that direction has been complied with.

Prior to November 1, 1977, an additional five employees had suffered very minor burns which required only first-aid treatment, but since November 1, 1977, there has been one burn incident which was not related to the condition of the moulding machine.

Ms. Gigantes: Are the minister's hands scarred?

Mr. Lewis: Then the member was right.

Hon. B. Stephenson: He also alleged that there have been injuries resulting from falling wire racks. There is one such incident recorded. A wire rack tipped over on September 8, 1977, scraping the left shoulder, the arm and the leg of a female worker. A corrective direction was issued and that direction has been complied with.

Mr. Martel: Seven.

Hon. B. Stephenson: In addition to these incidents, there have been accidents on the following dates: On March 10, 1977, a female worker pulled tendons in her right wrist and forearm while stringing wire. On April 20, 1977, a female worker sprained an ankle. On May 10, 1977, a female worker's left thumb was punctured while she was taking wire from a cutter. Unfortunately, her thumb later became infected. On July 11, 1977, a female worker's left thumb was cut while she was

operating a cutter. On September 6, 1977, a mini-moulder under repair was activated and cut off approximately one inch of the finger of a male worker's right hand. On November 10, 1977, a female worker injured tendons while pulling wire.

Mr. Lewis: Some accidents.

Mr. Martel: Thirteen.

Hon. B. Stephenson: Approximate investigations were carried out on all these occasions and, where necessary, directions were issued. Thus far, there have been no lost-time injuries during the year 1978.

The hon. member for Hamilton East had a question regarding machine guards, as required by section 32 of the Industrial Safety Act, 1971.

Mr. Lewis: That's a terrible record.

Hon. B. Stephenson: As I mentioned earlier, there were 19 directions issued between January 1975 and January 5, 1978. Of these 19, nine were related to guarding and the company has complied with all 19 directions.

It is always possible that machines were turned off upon the arrival of an inspector of the Ministry of Labour, but I would point out that the industrial health and safety branch has received no complaint to this effect from any employee of the Centralia facility nor from any other person.

The seventh question raised concerned washroom facilities. Adequate facilities are, in fact, provided. Under the Industrial Safety Act, one toilet must be provided for every 15 employees. The day shift at the Centralia plant includes 90 female employees. At present, there are six toilets available to female workers, including two within the first-aid area. During the inspection on March 13, one of these was out of service due to blockage. It has since been repaired.

The eighth and ninth questions dealt with garbage and rats. Neither during the inspection on March 13 nor at any other time were any problems noted in this area, but specifically on March 13 there was no uncollected garbage and no rats were visible.

Mr. Lewis: They didn't come out for the inspector.

Mr. Martel: They fed them all the day before.

Hon. B. Stephenson: Nor were any such complaints made by anyone.

The hon. member for Hamilton East's final question concerned the alleged failure of inspectors to contact UAW officials before inspections or during inspections. The union was certified on October 20, 1977. The first inspection thereafter was January 5, 1978.

The industrial health and safety officer unfortunately did not contact the UAW representative during that visit because he was not aware that the UAW had been certified.

Mr. Lewis: Oh, that's good.

Hon. B. Stephenson: In order to ensure that officers are made promptly aware of union certification, I have instructed the Ontario Labour Relations Board to advise branches of the occupational health and safety division immediately the board grants certification in any situation.

Mr. Lewis: Small but useful.

Hon. B. Stephenson: During the March 13 inspection, a direction was issued under section 32 of the regulations to the Industrial Safety Act regarding the guarding of one cutter, two mini-moulders and five shuttle presses.

Mr. Lewis: Good grief.

Hon. B. Stephenson: Five of these machines were ordered out of service pending modifications to the control systems so that they cannot be operated—

Mr. Lewis: Unbelievable.

Hon. B. Stephenson:—unless the operator has both hands on the controls and thus out of harm's way.

Before I conclude, I would like to provide the members with some additional material on the Fleck Centralia facility beyond the questions posed by the hon. members.

First, to this date, no exercise of the right to refuse hazardous work has been brought to the attention of the Ministry of Labour.

Mr. Mackenzie: They have got no protection.

Mr. Cassidy: They were being intimidated.

Hon. B. Stephenson: Secondly, before these matters were raised in the Legislature on March 10 there had been absolutely no complaints at all about occupational health and safety conditions by any of the staff of the Fleck Manufacturing facility.

Thirdly, there is and has been a joint employer-employee occupational health and safety committee at the Centralia plant for some time.

In conclusion, I would like to point out that officials of the industrial health and safety branch will continue to assist both management and labour at this facility to develop an internal responsibility system which will enable management and employees to assume their specific responsibilities under the law.

Mr. Lewis: That is a very unsafe plant.

ORAL QUESTIONS

PAYMENTS TO MUNICIPALITIES

Mr. S. Smith: A question if I might to the Treasurer regarding the matter of property tax reform. Do I understand correctly, referring back to the documents that he issued regarding property tax reform in January 1978, that in his calculation about provincial tax contributions to municipalities, he has arranged that the total grants decrease would equal the increase in total provincial tax contributions? In other words, although the province would be paying more taxes to the municipalities, in fact the grants to the municipalities would decrease by an equivalent amount. Do I understand that correctly?

Hon. Mr. McKeough: On the basis of 1976, yes.

Mr. S. Smith: If that is the plan—that the one will cancel out the other—do I take it that the Treasurer's plans would be different in future years if his provincial-municipal reciprocal taxation arrangement comes into being? On page 14 of the budget the Treasurer says that if the province will be paying full local taxes on its properties under property tax reform, then it's only fair that the municipalities will have to pay sales tax, fuel taxes and licence fees to the province. I take it there will be a complete allowance for whatever fees are payable to the province, and this will be over and above the money presently included in his re-creation of the Edmonton commitment?

Hon. Mr. McKeough: Yes, I think the figure was a very rough estimate. It would be for municipal, utility and education reciprocal taxation which we forgo at the moment and it would be a move to simplify things. It's an exemption process. I think the figure, as I remember, is somewhere around \$50 million. If we stuck to what we showed on January 4, then I would expect to add that \$50 million by way of, I suppose, unconditional grants—what would that be?—\$6 per capita or some such figure across the province. Or we would put it into the grant system somehow or other before we started collecting the \$50 million on the other side. I wasn't as clear on the budget as perhaps I should have been.

The other reason we have portrayed through the piece—and there's a great thick book for every municipality in the province—is that the committee, which is meeting again today, as a matter of fact, and tomorrow, is correct I think. For one thing, if this came into being in 1979, obviously the transfer figure would then have grown by three years, in any case, so the figures will never

be exactly the same as they are. But we wanted the debate, and we have attempted to look at it on the basis of the same amount of money going in. Undoubtedly, in my view, there will be something more.

I indicated to them this morning that if we proceed with the property tax credits, that's \$75 million which I would not expect to deduct as a further deduction. They were pushing me this morning as to how much extra I was prepared to put in, and that is a question I still can't answer until we see the dimensions of the problem. I may say, for the interest of the members of the House, the committee has been working diligently and very well and is reaching an agreement on a significant number of points.

Mr. S. Smith: Just one final supplementary, if I might.

Mr. Cassidy: It is not a final supplementary.

Mr. Foulds: It's his final one.

Mr. S. Smith: It's my final one; I'm sure there may be others. It's basically a brief one. In the reciprocal taxation arrangements—which seem to make a lot of sense and which now, I'm reassured, will not penalize the municipalities—can the Treasurer assure us that there are no particular municipalities where, for whatever reason, these payments in provincial taxes—fuel taxes and licence fees—would be considerably above what an average per capita grant back to them might be, and that special arrangements would be made in those instances?

Hon. Mr. McKeough: I can't give the hon. member the assurance that there wouldn't be. I used the example yesterday that a municipality near and dear to my heart might decide to build a bridge for \$5 million of which the steel and material was \$1 million and on which the sales tax in that given year would be \$70,000; over a period of a year, I'm sure it would work out. But I'm sure that before we do this we will have to take a look at where there are unusual circumstances so that it's phased in over a period of time. I think it's at least a couple of years away but I wanted to flag it in this year's budget for the attention of municipalities.

Mr. Swart: Will the Treasurer then give assurance to this House that any additional cost levied against municipalities this year—due to sales tax or for any other reason in the budget—will, in fact, be reflected in increased grants to the municipalities?

Hon. Mr. McKeough: I'm sorry, I missed the first part of the question.

Mr. Swart: I said, can the Treasurer give assurance to this House that any increased

costs to the municipalities this year, due to the sales tax increases, et cetera, will be reflected in his transfer payments to them; that there will be a corresponding increase in grants to match their costs?

Hon. Mr. McKeough: Mr. Speaker, I'm not aware of any sales tax increases in the budget which would be applicable to municipalities, other than the railway rolling stock which applies to only one municipality, and the Minister of Transportation and Communications and I have been having some discussions about that.

Mr. Warner: It's a sizeable bill.

UNIVERSITY FUNDING

Mr. S. Smith: I ask a question of the Minister of Colleges and Universities: Can he give us the figure for the average transfer payment grants to universities, averaged out per student attending universities on a full-time basis? Does he have a figure, and can he tell us how that compares with other provinces?

Hon. Mr. Parrott: By memory, I can tell the hon. member the value of the basic income unit. It's essentially \$2,650 this year. That isn't quite a direct answer to the member's question. I'm prepared to table that information; we do have it. Obviously, the average grant per student is a reflection of the number of BIUs per student which averages approximately 2.5 BIUs per student. I would not be sure that two and one-half is the correct figure. I'm more than prepared to give the member that information though. [2:30]

I would certainly suggest that the number of dollars per student is about average. Another figure that must be put into that same equation is the number of dollars per taxpayer given per student. On that basis, Ontario fares very well. With regard to per student, we do not appear to do as well for this reason. We educate a larger share of the students in Ontario than our population figure would reflect. We have about 36 per cent of the population of Canada and we educate about 42 per cent of the post-secondary students of Canada.

Mr. S. Smith: By way of supplementary, I understand the minister feels that Ontario is justified in ranking somewhere between sixth and eighth, which is the figure I have, in the amount of dollars spent per student in the university sector in the country as a whole, and that that low ranking is justified in the minister's mind on the basis that we simply allow a larger number of students

into our universities. If that is the case, is he not worried that in point of fact he is sacrificing quality for quantity in a way that has not been adopted elsewhere in the country and in a way that may in the long run be the undoing of our post-secondary system?

Hon. Mr. Parrott: No, I don't see it in that perspective. One of the things that should also be considered when we are discussing this problem is what was the commitment in the last decade. Based on those figures, I think you will see that a few years ago Ontario was at the top of those percentages and those commitments. Therefore, we have a more mature system that over the years has had the benefit of those large numbers of dollars previously spent and now in the system working to its advantage. We can't view it for one year only. I think that's far too short a perspective when we view the commitment to our post-secondary institutions.

Mr. Cooke: I have a supplementary for the Minister of Colleges and Universities. I was interested to hear his news conference this morning. I would like to ask him, when he was calculating the increased grants to universities for the upcoming year, did he not feel it's a much better comparison to look at the overall percentage increase to universities rather than the increase in the basic income unit? Was he not just attempting this morning to fudge the issue?

Hon. Mr. Parrott: I don't think so. I just heard yesterday—and I am not 100 per cent certain of these facts, but if I had wanted to fudge the issue I might have presented this kind of information to that particular press conference—that the province to the west of us, I believe, will have a much smaller contribution to its system this year than we will.

Ms. Gigantes: They are Tories. What do you expect?

Hon. Mr. Parrott: I am not going to try to justify the number of dollars that we spend on our post-secondary system by the number of dollars that Alberta spends or Manitoba spends or Nova Scotia spends.

Mr. Cooke: I am talking about here in Ontario.

Hon. Mr. Parrott: I think the commitment that this province has made this year and in the last decade to post-secondary education has indicated the very strong and high priority that this government places on post-secondary education.

An hon. member: You are talking about the past now.

Mr. Sweeney: Supplementary: Given that the figures that you were using earlier refer

to operating grants and not capital, would the minister not agree that the maturity of the system has nothing to do with it? Would he not also agree that the fact that we have dropped from first place to eighth place is a clear indication of a deterioration in the support of this government for the post-secondary system?

Hon. Mr. Parrott: No, I don't see it that way at all. I have in front of me figures which indicate how well we have fared with inflation. In the year 1967-1968, taking that as a base, the value of a basic income unit was \$1,320. Inflate that throughout that decade by the same proportion as CPI would inflate dollars and we are right with it. In addition to increasing our commitment from \$1,320 to some \$2,650 a year per basic income unit, we have dealt with a very significant growth in the system. Combine those, and I think we have ample reason to say we have done an excellent job of funding those institutions.

The point I make about capital is simply this, if I could use this analogy, if I have a home and the member has a home but I have a mortgage on the home, I submit to him that it costs a good deal more for me to live in that home than he in his home of an identical price with no mortgage payments to make. I am suggesting that those large commitments made on the basis of capital grants to those institutions in a long period of time are reducing the needs for operating grants today in our system. It is part of the maturing of the system.

Mr. S. Smith: Universities don't pay capital costs like that. It is not part of their operating expenses.

Mr. Sweeney: It is a capital cost, not an operating expense.

Hon. Mr. Parrott: I'm afraid that capital costs—rental costs—do come out of operating funds.

Mr. Cassidy: Supplementary to the minister: In view of the fact that students are being driven out of universities and colleges because of the inadequacy of the student aid program, would the minister not agree that his statement today was patronizing and irresponsible in its attack on students, and that he would do a more constructive job as minister by ensuring that there was enough funding there so that the universities could, in fact, continue to provide quality education and meet the needs of Ontario society?

Hon. Mr. McKeough: What nonsense.

Hon. Mr. Norton: Irresponsible distortion.

Hon. B. Stephenson: Totally irresponsible.

Hon. Mr. Parrott: It is extremely difficult for me to treat that question seriously. It

really is. There is absolutely no possibility that the facts are as the member just presented them. The opportunities in our post-secondary educational system are such that a person wishing to attend an institution is more than able to do so.

Mr. Cooke: Once they graduate there is no opportunity at all, thanks to your government.

Hon. Mr. Parrott: I have no hesitation in saying that to the hon. leader of the third party whatsoever. None.

Mr. Foulds: You have not solved the accessibility problem.

CHRYSLER PLANT CLOSURE

Mr. Cassidy: I have a question for the Premier. Is the Premier aware that as of this morning Chrysler announced the closing, effective July 1, of their Tecumseh Road truck assembly plant in Windsor, which will result in a loss of 750 jobs? Also, what steps does the government intend to take to protect these workers and ensure that these jobs remain in Canada?

Hon. B. Stephenson: Those are not the facts. Distortion, distortion.

Hon. Mr. Davis: I'm not aware of that.

Hon. B. Stephenson: Well I am.

Hon. Mr. Davis: The most recent information I have, as of just a few moments ago, is that there is a study under way in terms of the old plant, the possibility of moving the truck production to the newer plant, something of that nature. I will check right away; but as of my information of about half an hour ago, no such decision has been made public that I know of.

Mr. Cooke: They held a press conference this morning.

Hon. B. Stephenson: I know about that.

Hon. Mr. Davis: I'm sorry, the Minister of Labour has more recent news than I have. If, in fact, they have made a decision, it has been done since about 2 o'clock, that I am aware of.

Mr. Cassidy: Mr. Speaker, with your permission, I will redirect the question to the Minister of Labour.

Hon. B. Stephenson: It is my understanding that the 62-year-old facility is to be terminated as a truck production plant. It is to be used as a supportive fabricating plant for the van plant, and indeed it is the intention and obviously the goal of Chrysler Canada Limited to employ, within a six-month period, all of those 750 people at present working in that plant within the Chrysler operation in Wind-

sor. The truck production will be phased out by the end of July of this year.

Mr. Deans: Where is it going?

Hon. B. Stephenson: It is anticipated that the increase in production in the van plant will be accommodated and accomplished by the first of January, and within six months, between the end of July and the ensuing six months, all of the workers who have been working in the truck plant will be employed by Chrysler in some other capacity; it is expected 350 will be in the support fabricating plant and the other 400 throughout the entire Chrysler operation.

Mr. Deans: I'll believe it when I see it.

Mr. Bounsell: Since, in the questioning by the union at the announcement today of the closure of the Chrysler truck plant, it was indicated that those employees would be retained only if their sales increased, and only some of them would be rehired in fact, this does represent a closure and a termination of many of the jobs in the Windsor area.

The rumoured closure was first heard of on Monday and it is now confirmed today, and since today it is rumoured and not denied by the company that the plant 2 six-cylinder engine plant, involving 600 employees, will be closed, what steps will be Minister of Labour and the Premier take to ensure that the engine plant does not close in the near future, providing as it does employment in the parts sector of the auto industry already woefully unbalanced in a manner detrimental to us under the auto pact agreement?

Further, what steps is the minister prepared to take and what talks is the minister prepared to have with Chrysler Canada Limited to retain all of those truck plant jobs in Windsor, so we don't have the disastrous economic effect in Windsor and Essex county that will otherwise take place and we don't further unbalance the auto pact, which is already seriously imbalanced to our detriment?

Hon. B. Stephenson: The hon. member knows that at any time the Ministry of Labour staff and the minister are very pleased to talk to both the union and the employers in order to minimize any potential disturbances which might occur. But at this point in time it is my understanding that although there will be temporary layoffs, those jobs are not in jeopardy. The 750 employees presently employed there will indeed be employed in the Windsor area by Chrysler Canada Limited.

Mr. Deans: What proof do you have of that?

Hon. B. Stephenson: I have the word of the president.

Mr. Deans: What information have they given you to back that up?

Mr. S. Smith: Supplementary: Will the Ministry of Labour, together with the Minister of Industry and Tourism (Mr. Rhodes) and together with the Premier, immediately call in the presidents of Chrysler, of Ford and of General Motors, and have on the table the plans of those companies and make clear the determination of this province to have a fair share of all the new plant investment which is going to have to occur in the next little while, and also a fair share of both the parts and the assembly jobs in this province?

Will the minister take that kind of action and do it quickly before the thing is closed on us piece by piece?

Mr. Cooke: Why doesn't the Leader of the Opposition get his Liberals in Ottawa to do something?

Hon. B. Stephenson: I'm sure the Minister of Industry and Tourism and the Premier are much more fitted to talk about the ongoing conversations which have been held, but I spent one half hour today talking to the president of Chrysler Canada Limited—

Mr. Bounsall: Oh, taken in again.

Mr. Mackenzie: Did you call the president of the union?

Hon. B. Stephenson: —who informed me that indeed they were willing to spend within the next very short period of time another \$13.5 million to upgrade their plant in Windsor which they fully intend to keep totally operational.

In so far as General Motors and Ford are concerned, I am aware that there have been discussions with the presidents and senior officers of those companies, because as you know, the Premier has made a very positive public statement that we were going to do everything we could to ensure our fair share of whatever expansion those companies would have within the province of Ontario.

Mr. Cooke: Supplementary: The question started off with the Premier. I'd like to ask the Premier or the Minister of Labour—whoever wants to answer it—if they would in fact look at the problem in Windsor. Would they find out if these jobs are going to Detroit, as we have been told? I have been hounded by members of the press from Windsor this morning telling me of the 800 jobs that are lost, so I can't see that the minister has the proper information.

Mr. Lewis: Your ministry never knows what's going on, for heaven's sake.

Mr. Cooke: Maybe the Premier could today inform me of the new initiatives that

he is willing to take to get a balance in this auto pact—not the old things that he has done, the new initiatives. We in Windsor are sick and tired of this government's inaction.

Mr. Mackenzie: Inaction on everything.

Mr. Lewis: Your ministry doesn't know what's going on—it never does until after the event.

Hon. B. Stephenson: I'm sorry that the hon. member for Scarborough West is deaf and really doesn't understand.

Mr. Martel: You don't?

Hon. B. Stephenson: I had a conversation with the president of Chrysler Canada Limited—

Mr. Bounsall: Co-opted again.

Mr. Mackenzie: Why didn't you phone the union president, too?

Hon. B. Stephenson: —an honourable gentleman—who informed me precisely what their intentions were.

Mr. Lewis: Their intentions, not their undertakings.

Hon. B. Stephenson: I have no reason to doubt that gentleman.

Mr. Mackenzie: Just like Inco—trustworthy.

Hon. B. Stephenson: I have no reason to doubt that the information which he gave me was correct. The small truck plant will not be, I gather, located in Windsor.

Mr. Martel: Where will it be?

Hon. B. Stephenson: The van plant will be expanded.

Mr. Martel: Where is the truck plant going to be? That's the bloody question.

Hon. B. Stephenson: The small truck plant, I would anticipate, will be moving to Detroit, because of the fact that the plant in which that truck is being made is 62 years old—

Mr. Martel: Don't build a new plant in Canada, heaven forbid.

Mr. Cooke: The union's been on their backs for years to upgrade it.

Hon. B. Stephenson: —and is very difficult and very expensive to upgrade for that purpose. It is their intention, as I said before, and I would re-emphasize it, to continue to use that facility as a support fabrication plant—

[2:45]

Mr. Mackenzie: You guys over there are great managers. You are great planners.

Hon. B. Stephenson: —for the van line which will be produced, in much larger numbers than it has been, in the new plant—

Mr. Bounsall: That will create few jobs.

Hon. B. Stephenson: —for which Chrysler Canada Limited spent \$40 million two years ago. That production line is to be increased dramatically.

Mr. Lewis: Mr. Speaker, on a point of personal privilege, I would like to inform the hon. minister that I am not deaf. What I heard clearly was that the truck plant is going out of this country to the United States and that the minister has no undertaking from Chrysler but only a statement of intentions. That is not good enough for the workers in Windsor.

Mr. Cassidy: That's right. You're being taken in.

Hon. B. Stephenson: You are a misogynist. You really are.

Mr. Lewis: I am not a misogynist; I am a misanthrope.

Hon. B. Stephenson: You are both.

Mr. Lewis: You have to be careful the way you handle the language. I am not a sexist either.

POLICE SURVEILLANCE

Mr. Sweeney: On a point of order.

Mr. Speaker: What is your point of order?

Mr. Sweeney: Mr. Speaker, I have to ask your assistance to direct me or guide me in this matter. I have just been advised that there is an unmarked police van out in the front taking movies of the students. Whom may I ask on the government's side as to which ministry gave approval to do this?

Mr. Lewis: And where is the screening?

Mr. Bounsall: It is your responsibility to withdraw it.

Mr. Speaker: I am not aware of any such occurrence out there. We did have a meeting to run over what the procedures would be for large demonstrations. There was none authorized by the Speaker's office and the Speaker was not advised that any of this would be going on. We have the director of administration who is in charge of the demonstration out there now, trying to liaise between the demonstrators and our security forces.

Ms. Gigantes: It is the Solicitor General (Mr. Kerr).

Mr. Speaker: Perhaps if he is within hearing distance of my voice he can get out and investigate. In any event, I will try to get to the bottom of it.

Mr. Renwick: Mr. Speaker, on a point of privilege.

Mr. Sweeney: Mr. Speaker, would either the Solicitor General or the Ministry of Government Services (Mr. Henderson) have anything to do with such authorization?

Mr. Speaker: Not to my knowledge.

Mr. Mackenzie: Who then?

Mr. Sweeney: Mr. Speaker, is it not a fact that the Metro police are not able to come on these grounds without the authority of you or the Premier or the Solicitor General? Who gives them the authority?

Mr. Speaker: It is common practice for large demonstrations. We have a full-time staff of only 19 around here. It is common practice to invite the Metropolitan Toronto police force and on occasion the Ontario Provincial Police when we need assistance just for crowd control.

Mr. Sweeney: Mr. Speaker.

Mr. Speaker: Order. You are not going to debate this matter. Does the hon. member for Riverdale have a point of privilege?

Mr. Renwick: Mr. Speaker, I thought since it touched upon my privileges it would touch upon the privileges of the Solicitor General. I am surprised that he is not making a response in this House about that matter.

Hon. Mr. Kerr: I really hadn't had a chance to. There have been a number of people on their feet at the same time. As far as the hon. member's question is concerned, I am not aware of any authorization for the taking of movies or pictures, as the hon. member referred to them. Certainly the metropolitan police force has every right to be in front of the building today.

Mr. Martel: They have got to watch for goons.

Mr. Lewis: They're a bunch of paranoids all of them. They sit there and they tremble at a student demonstration.

Mr. Laughren: Allan Grossman is running the camera.

Mr. Lewis: They run around taking pictures of the demonstrators.

Mr. Speaker: Order.

JOB CREATION

Mr. Cassidy: I have a question of the Treasurer: In view of the fact that the federal Minister of Housing has today announced a doubling of federal money available for public housing, in view of the fact that thousands of jobs can be created in the construction industry were Ontario to take advantage of this particular offer from the federal government, and in view of the fact that last year Ontario took only half of the

\$92 million available from the federal government for public housing, will the Treasurer take action to ensure that funds from Ontario are made available so that this year for a change we take full advantage of that opportunity both to create jobs and also to meet a very bad need for housing for people of modest incomes?

Hon. Mr. McKeough: That question should be put to the Minister of Housing.

Mr. Martel: He is new and he will say he doesn't know.

Ms. Gigantes: He doesn't believe in public housing.

Mr. Warner: He doesn't believe in housing.

Hon. Mr. Bennett: I would have to say the statement by the federal minister is somewhat premature inasmuch as since January 30 there have been discussions going on with the 10 provinces, the senior representatives of the ministries of housing across this country, and the federal representatives of CMHC.

It is my understanding that at this very moment there has not been a conclusion arrived at between the 10 provinces and the federal government. They will meet again on Sunday, Monday and Tuesday of the coming week to discuss and to try to finalize a plan, an attack or an approach for housing in Canada that will relate to the 10 provinces. Until that is concluded, I would think it is somewhat premature for the federal minister to be speaking out in this particular way in terms of programs.

Mr. Cassidy: Supplementary: In view of the need to create jobs in Ontario at this time and the very severe unemployment that exists in the construction industry, will the Minister of Housing guarantee to this House that we will use all of the funds that are made available for this program from the federal government and not underspend it by \$46 million, as Ontario did last year?

Hon. Mr. Bennett: I offer the assurance to this House and to the people of the province of Ontario that we will take full advantage of all the programs that are put at our disposal by the federal government. The programs we are now discussing will go far beyond just funding of housing; they will relate to other programs for which we, as a government, have responsibility.

Mr. Cassidy: Supplementary: Can the minister explain how Ontario intends to take full advantage of the federal programs when this very Minister of Housing, within days of taking the job, said that Ontario was going to get out of public housing completely and would not build any more?

Hon. Mr. Bennett: The leader of the third party should go back and try to read some of the news stories. I don't think that is exactly what I said.

Ms. Gigantes: Oh yes, it was.

Hon. Mr. Bennett: I said as explained previously by the former Minister of Housing, this government would try to withdraw its participation in public housing—

Mr. Cassidy: Exactly.

Hon. Mr. Bennett—and to get into other programs that would assist the private sector to produce the type of housing that's necessary.

Mr. Deans: How does that differ from what my leader said?

Mr. Foulds: What does that mean?

Hon. Mr. Bennett: If the hon. member also would read Mr. Ouellet's remarks of this morning, I think his point of view is exactly in that direction. Indeed, the other nine provinces are taking the same attitude as well, that there has to be a reduction in government ownership but a greater participation in assisting the private sector to produce the type of housing that is needed.

Mr. Samis: That's not what they said in Quebec.

Hon. Mr. Bennett: The program that Mr. Ouellet is now bringing forward, I think will complement that very point of view.

Mr. Roy: Supplementary: In view of this policy of the minister's about encouraging the private sector, could he tell us what policy initiatives he has taken since he has been minister to change the shift from public ownership to encouragement of the private sector. What are the new programs that he is talking about?

Hon. Mr. Bennett: In the fullness of time, that position will be made clear to this House.

Mr. Roy: You are looking at alternatives without action.

Hon. Mr. Bennett: We have them.

Mrs. Campbell: Tell us. Tells us!

Mr. Warner: Supplementary: Exactly how long will it be before the 10,000 people who are on the waiting list in Metro Toronto for housing will know of the minister's specific plans? How long will it be before those 10,000 people will get an answer as to when they can expect some housing in this city of ours?

Hon. Mr. Bennett: I think the member should be aware of the fact that a certain portion of the responsibility rests with the

metropolitan housing authority and not with the Ministry of Housing entirely.

Ms. Gigantes: Promises, promises.

Mr. Deans: They can't build houses; they don't have a supply of money.

Mr. Cassidy: It's a puppet of your ministry.

Hon. Mr. Bennett: The housing list has been reviewed and examined here in the metropolitan area, as it is being examined in every major city. As to specifics for Metropolitan Toronto, I will be pleased to table that information with the House.

Mr. Warner: Your first major day and you are a failure. You should resign. You are a failure.

Hon. Mr. Bennett: You're not the ones to talk about failure.

Hon. B. Stephenson: You should resign, David.

INCREASE IN OHIP PREMIUMS

Mr. Bradley: My question is of the Treasurer: Is he aware of the financial impact of his 37½ per cent increase in OHIP premiums on community colleges and universities in this province? If so, is he prepared to modify this proposed increase, or withdraw or to compensate these universities and colleges with increased grants?

Hon. Mr. McKeough: Mr. Speaker, I am not aware of the specific impact. I suppose it could be completely sorted out. The answer to the second part of the question is no.

Mr. Bradley: Supplementary: In the light of the fact that it will cost Brock University approximately \$60,000 and Niagara College about \$35,000—and these are just two examples—would the Treasurer not agree that it is very likely that the number of faculty will have to be decreased and, therefore, the quality of education in these institutions will go down as a result of this particular move?

Hon. Mr. McKeough: I doubt that very much. I suppose there may be some faculty on staff who perhaps were looking forward to, let's say, a five per cent raise and who may only receive a 4½ per cent raise. That may happen.

BEARE ROAD LANDFILL SITE

Ms. Bryden: I have a question for the Minister of the Environment: Will the minister tell us if a formal request has gone from the ministry to Metropolitan Toronto for a further extension of the right to dump liquid industrial waste at the Beare Road landfill site beyond the present extension which expires April 30, 1978?

Hon. Mr. McCague: Mr. Speaker, not that I am aware of.

Ms. Bryden: Mr. Speaker, is the minister aware that when Metro Toronto applied for a certificate of approval to continue to operate this plant in an application dated February 5, 1974, it was stated that the future life of the landfill site was two and a half years, which would bring it to July 1976?

Hon. Mr. McCague: No, I wasn't personally aware of that.

RESTRUCTURING OF UTILITIES

Mr. Hodgson: Mr. Speaker, a question of the Minister of Energy: In the last four years, there has been a very comprehensive study by a study team on the restructuring of hydro within the region of York. That report was presented to his ministry late in 1977. My question is, has the minister accepted the report of the study committee of the region of York on restructuring? If the answer is yes, when can we expect legislation to be presented to this House?

Hon. Mr. Baetz: Mr. Speaker, I'm aware of the hon. member's impatience with the progress on the restructuring of the utilities there, but I am pleased to advise him that legislation is now being drafted and we will be introducing it in this House in the month of April. It has been slow in coming, but we wished to make sure that the people living in that particular area were in full agreement and consensus had been achieved before we would introduce legislation.

Mr. Hodgson: Supplementary: Could we give the municipalities that are prepared to take over restructuring by May 1 of this year, some hope that they will be able to take over the restructuring plan that they have presented to the minister? Certain municipalities are ready to take over May 1.

Hon. Mr. Baetz: I have every reason to believe that to be the case.

GLENDALE TRAINING CENTRE

Mr. G. I. Miller: I have a question for the Premier. Would the Premier please inform me if he has written to Mr. Baldock of the Glendale community committee concerning the fate of the Glendale adult training centre? If so, could he please indicate his decision?

Hon. Mr. Davis: I don't recall having sent a letter to him as yet. If the hon. member would like a copy of what that correspondence may contain, I will endeavour to get that to him.

ROLLING STOCK TAX

Mr. Foulds: I have a question for the Treasurer: Did the Treasurer take into account, when he imposed the seven per cent tax on railway rolling stock, the adverse effect that such a tax would have on the development of rapid transit through TTC and GO Transit, and on the competitive position of one of the few secondary manufacturing industries in northwestern Ontario—namely, Hawker Siddeley division of Canada Car in Thunder Bay—which has successfully produced rapid transit parts for both those operations? If so, can he tell us what that effect will be and what steps he can take to remedy that?

Hon. Mr. McKeough: Mr. Speaker, in response to the second part, I think none. In response to the first part, inasmuch as I believe on present order we're paying something like 80 per cent of the cost, the cost to the users of Metropolitan Toronto is not going to be that great. In so far as our own use through GO Transit is concerned—and I'm sure the minister would want me to say this—we believe in the benefits of public transit and seven per cent isn't going to stand in our way.

Mr. Foulds: Supplementary, Mr. Speaker: Do I understand correctly that the Treasurer went through the process of establishing a tax in the budget and gave absolutely no consideration to how that tax would affect one of the few secondary manufacturing plants in northwestern Ontario?

[3:00]

Hon. Mr. McKeough: Mr. Speaker, it's not going to affect them, obviously. It's not going to affect them. It's paid by the purchaser.

Mr. Foulds: What?

Mr. Renwick: For heaven's sake. That won't affect the purchaser then, eh? His sense of economics has deteriorated.

Mr. Foulds: Does the Treasurer not understand that the contract with the Hawker Siddeley Can-Car plant in Thunder Bay will have an additional seven per cent cost and therefore its competitive position in bidding for contracts with TTC and GO Transit will be adversely affected?

Hon. Mr. McKeough: No. Why would it be? If Bombardier bid on a contract for TTC and the goods are sold in this province then the tax would have to be paid. It doesn't change the competitive position one iota.

ORGANIZED CRIME

Mr. Roy: I have a question of the Solicitor General. Would he advise whether he is aware of the arrest that has taken place in Ottawa, apparently involving charges of extortion and conspiracy to extort on Ottawa students? According to the investigators the people involved are part of what they call the Hong Kong based Triads, or the Chinese mafia, which have centres in San Francisco, Toronto and Vancouver. Would the Solicitor General advise whether he has this problem under control, because according to the Ottawa investigators it would appear that these people are receiving their orders from Toronto?

Hon. Mr. Kerr: Mr. Speaker, we are aware of a certain group, allegedly from Hong Kong, that infiltrated the Chinese community in various parts of the province, mainly in Toronto. Whether or not this is the head office, as the hon. member implies, we are not aware. We know that they are involved mainly in the Chinese community here, because it is the largest Chinese community in the province.

The hon. member may know there was a trial just recently in St. Catharines involving that group. Our combined forces operation is quite aware of the activities of that group and it is under continuous surveillance. We expect more arrests. The hon. member has indicated an incident in Ottawa, and this would be part of the operation.

Mr. Roy: Supplementary: May I ask the Solicitor General if he would confirm that the police here in Toronto apparently have to contend with two groups in the Chinese community here which apparently are responsible for a number of incidents, including multiple shootings, robberies and a dozen reported extortions? Would he also advise, in view of the fact that apparently this group comes from Hong Kong, whether his ministry or the police forces in the province have been in touch with the federal minister responsible for immigration about these people coming into the country?

Hon. Mr. Kerr: Mr. Speaker, I mentioned the combined forces operation, and that includes the RCMP as well as our local police and the OPP. I could get that information for the hon. member.

Mr. Roy: How are they getting in?

NATIONAL STEEL CAR STRIKE

Mr. Mackenzie: A question of the Minister of Labour: I am wondering if I could make a personal appeal to the minister to involve

herself in the strike situation at National Steel Car in Hamilton, where, as the minister I am sure is aware, 667 employees have been out since January 12? Would she have a senior member of her ministry take a look at the entire situation, re-evaluate it and see if they could not do something now that might head off what will be a potentially explosive situation if the injunction that has now been applied for in that situation should be granted in that section of Hamilton?

Hon. B. Stephenson: Mr. Speaker, senior members of the staff of the mediation branch have been involved in that dispute and, indeed, there was a mediation meeting held not longer than eight days ago.

This is certainly being monitored very carefully and I shall see what we can do to attempt to bring the parties back together.

Mr. Mackenzie: Supplementary, Mr. Speaker: I made the appeal personally to the minister because I think the threat of the injunction that is there has started to accelerate an already touchy situation. I think we might be able to head it off if there were some real effort shown, particularly by the minister herself, in getting them together in that situation. I'm aware of the mediation effort on March 8.

FLECK MANUFACTURING COMPANY

Mr. Riddell: Mr. Speaker, a question of the Solicitor General: In view of the continued violence at the Fleck industrial plant—and I make reference to the incidents this morning in which the vice-president's car was stopped and damaged and threats made on his life by workers from outside the area—and in view of the report that 100 workers from outside the area are going to beef up the picket line tomorrow morning, what additional measures is the ministry prepared to take to ensure that those who are rightfully entitled to enter the plant can do so without threats to their person and property?

Hon. Mr. Kerr: Mr. Speaker, the hon. member is correct. There was an incident this morning. I understand that charges of wilful damage have been laid against two people and there's a possibility that charges of threatening may also be laid. As far as tomorrow morning is concerned, there is the rumour that there may be an additional number of employees from Talbotville who will join the picket line. We don't anticipate that there will be that much trouble. The OPP presence there will be pretty well as it has been all along. There may be some additional policewomen at the scene tomorrow

morning, but hopefully there will not be any incidents such as happened there today and on previous occasions.

CENTRAL INVESTIGATION BUREAU

Mr. Deans: Mr. Speaker, I have a question for the Solicitor General. Will the Solicitor General cause to have investigated the statement which appeared in the Hamilton Spectator for Wednesday, March 15, in which the headline says "Private Force Shocks Union" and in which the Central Investigation Bureau of Hamilton appears to have set up a team or SWAT unit for the purpose of providing protection of property for people who may be faced with a labour dispute?

Hon. Mr. Kerr: Yes, Mr. Speaker, I also noticed that article in the Hamilton Spectator. The head of that organization has been advised by the registrar that security guards are required to have licences; that only in very particular circumstances are they allowed to carry weapons such as was indicated in the article; and that the idea of being a security guard under our legislation is to protect property, not to indicate that there will be confrontations using weapons or animals or anything of that nature. Apparently, the head of the squad, a Mr. Fitzgerald, has indicated that when he made the remark that "We are mercenaries, pure and simple," he was misquoted.

Mr. Deans: Of course, everyone always is.

Hon. Mr. Kerr: I hope he was because we will not tolerate this type of private organization in the province.

Mr. Deans: Supplementary question: It's funny, you know; I don't remember ever being misquoted in 11 years in politics. Everybody else seems to be misquoted every day.

Let me ask the minister if he would investigate further the claim by Mr. Fitzgerald that they have, apparently, been accustomed to arming the people who have been providing this service with baseball bats, axe handles and guard dogs. Would he look into that, in the light of the sort of thing that's happening in southwestern Ontario and in the light of the general mood that seems to be developing, the sort of anti-union mood that seems to be developing in the province of Ontario? There's something terribly wrong. Would the minister take a look at that and instruct them clearly that they do not have the right and must not and shall not engage in that kind of undertaking, and that if they do they will be subject to the full penalty of the law?

Mr. Conway: We're hearing about that leadership race at last.

Hon. Mr. Kerr: The head of this Central Investigation Bureau, Mr. Fitzgerald, had a licence for about 10 or 11 years as a security guard, so he's quite aware of the laws in respect to security guards and private investigators. As I say, our inspector in that area intends to call him in, as he has on previous occasions in respect to a particular strike in Hamilton, and I anticipate that the so-called private SWAT squad will not develop.

Mr. Renwick: Mr. Speaker, by way of a supplementary question.

Mr. Speaker: You can make it a new question. The hon. member for Nipissing has a question first.

URANIUM HAZARD

Mr. Bolan: My question is for the Minister of Housing. Having informed him on Tuesday last that I would ask him a question today about a proposed plan of subdivision on an island in Lake Nipissing, having regard to the fact that there is a known quantity of uranium ore on this island system, and in view of a report filed by the Ministry of the Environment calling for a halt to the development because of the potential for the water supply being contaminated by radioactive material, what does the ministry propose to do about this potential health hazard and doesn't the minister feel that the development should be discontinued?

Mr. Martel: You should get a policy over there.

Hon. Mr. Bennett: I do recognize the fact that the member for Nipissing handed me the question earlier this week. It's correct to say there was a plan filed with our ministry in October, 1977. As the member knows, we have been having a number of meetings with an organization, a group of people he is associated with. The Minister of the Environment (Mr. McCague) and the Minister of Natural Resources (Mr. F. S. Miller) have given us preliminary reports. They are being further analysed in relation to some of the subjects the member has raised. There are other areas we are concerned about as well and we hope we'll have a conclusion on this within a short period of time.

Mr. Bolan: By way of a supplementary, in view of this potential health hazard, is the minister not prepared to instruct his ministry officials to place a ministerial order on the entire island so that there is no development whatever pending the determination of these matters relating to health hazards?

Hon. Mr. Bennett: I would think it somewhat premature of me to try to put a min-

isterial order on the property or on the island until we have had some conclusive information from the Minister of the Environment, the Minister of Health (Mr. Timbrell) and the Minister of Natural Resources in relation to the problems the member has mentioned. Until I have that information I do not intend to put a ministerial order on this particular project.

METRO BOARD OF EDUCATION

Ms. Gigantes: I have a question of the Premier. Considering the events of the last few days in Metropolitan Toronto and the fact that the Toronto board has been driven to considering legal action to protect the interests of Toronto taxpayers and the Toronto education system, and the fact, as I stated last week in the House, that the Metro board is not protecting the special education teachers in the Toronto system, even when it was given \$1 million by the government to do precisely that last May, I would like to know when the government is going to make a decision on the dissolution of the Metro board of education?

Hon. Mr. Davis: I assume from the hon. member's question that she believes the Metro board should be dissolved. She might consult with some members opposite whether they share totally that point of view. There has been no such decision made.

Ms. Gigantes: Oh, yes; they do.

Mr. Warner: It was unanimous.

Ms. Gigantes: When will it be made?

Hon. Mr. Davis: The decision to dissolve the Metro board?

Ms. Gigantes: Yes. When will the Premier make a decision on the question?

Hon. Mr. Davis: I wouldn't count on it coming in at all.

HYDRO CORRIDORS

Mr. Reed: This question to the Minister of Energy is very much in line with a couple of phrases he used in his opening statement today in the House about "narrowness of outlook" and "blowing it." Now that the minister has capitulated to cabinet and denied the interested citizens' group the justice of an independent study on the Bradley-Georgetown Hydro corridor, will the minister act to preserve his own credibility and follow his predecessor into resignation from the cabinet?

Mr. Roy: And if he has any guts he will run federally.

[3:15]

Hon. Mr. Baetz: Mr. Speaker, that question is so irrelevant to the current situation that I think if there are any signs or thoughts of resignation they should be for the opposition's energy critic rather than over here.

An hon. member: And David Warner too.

Mr. Bradley: Very arrogant.

Mr. Kerrio: If you won't resign, will you take a long leave?

Mr. Reed: Could I ask the minister what has happened to the statements that he made shortly after his—

Mr. Bradley: Ascension.

Mr. Reed: His ascension—thank you—into the cabinet—about turning the light on Ontario Hydro and letting the people know?

Hon. Mr. Baetz: I am prepared to answer that question, which finally came out. He even had to have some help to get the question across the floor here.

Mr. Kerrio: We'll let them help you with the answer. Let Lorne help you with the answer.

Mr. Nixon: You're an LLD. Let's see what you have to say.

Hon. Mr. Baetz: Mr. Speaker, we have had any number of meetings with interested citizens' groups. We have heard them out. That particular group is satisfied with the decision that was finally taken.

Mr. Reed: Oh, were they?

Hon. Mr. Baetz: Yes, indeed they are. And if the hon. member would read some of their public statements, he would see that they say, "We have to accept reality." They agree that the line, going as it now will be going, was in fact the best of all alternative routes.

Mr. Reed: Where will we read that?

Hon. Mr. Baetz: I read it. I read it a few days ago.

Mr. Roy: That is a poor answer for an LLD.

An hon. member: Why don't you resign, Reuben?

NORTHERN GAS PIPELINE

Mr. Swart: My question is also to the Minister of Energy and it concerns his somewhat belated and apparently abortive trip to Ottawa to make representation on the Alaska pipeline bill. Would I be right in assuming that the minister's submission to the special committee of the Commons on Bill C-25 was directed solely towards urging that Ontario be included in the federal-provincial consultative

council or did he make other proposals for improving the bill?

Hon. Mr. Baetz: In that particular visit to Ottawa, we dealt only with the question of membership for Ontario in the consultative council because that was the issue under study by the House of Commons committee.

However, in the way the presentation was made, we certainly did make it very clear that we were interested in the northern pipeline for a substantial number of reasons, including that of providing supplies, creating jobs here in Ontario and so forth, just as the hon. member opposite and some of his colleagues had done in their submission to Ottawa a few days before. I think there was a commonality of interest there.

We were rather disappointed, however, to find nothing—and here are the people sitting right over there, whose speaker has been shouting and pounding and saying we should be doing more and more in terms of stating our case to the federal government, and all they have been doing is playing patshies. They haven't opened their mouths once to try to get Ontario into the membership of this consultative council. But the NDP have.

Ms. Gigantes: Two namby-pambies don't make a policy.

Mr. Roy: Hey, Reuben, what does LLD mean?

Mr. Swart: Supplementary: Did the minister or will he, make special representation to that committee for inclusion of another clause or for a change of a clause in the bill so that there is a guarantee that Canadian pipe and facilities that can be produced in Canada will be used in the construction of the pipeline in Canadian soil?

Hon. Mr. Baetz: We did not make that specific recommendation.

Mr. Swart: Will you?

Hon. Mr. Baetz: As far as I know, the committee terminated its hearings last night.

Mr. Swart: No, it didn't. It's not through until tomorrow morning.

Hon. Mr. Baetz: Well, we are certainly prepared in any way, shape or form to make our views known to that committee or to the federal government.

Mr. Warner: My colleague knows more about the committee than you do.

Mr. Bradley: You're not getting an answer, Mel.

Mr. Warner: We should send Mel up there. He knows more about the committee than the minister does.

AIR SERVICES

Mr. Conway: Mr. Speaker, my question is to the Minister of Transportation and Communications: In specific terms, what is the nature of the commitment, outlined in the Throne Speech of some two or three weeks ago, to improve the quality of air commuter service in eastern Ontario?

Hon. Mr. Snow: Mr. Speaker, I believe, as I recall the language—

Mrs. Campbell: You'd better ask.

Interjections.

Hon. Mr. Snow: As I recall the language of the Throne Speech, it was quite specific.

Mr. Roy: We're not concerned about the language but about the intent.

Hon. Mr. Snow: It was stated that my ministry would carry out a study—

Mr. Martel: Oh, we know all about studies over here.

Hon. Mr. Snow: —of the possibility of implementing a commuter air service serving the communities of eastern Ontario. The intent as I see it is for us to explore the possibilities, along with the present licensed private carriers, to see what could be done to have a better service—a service possibly along the lines of the norOntair service in northern Ontario, but not necessarily operated in the same way; perhaps with not as much, or perhaps with very little government involvement. I would like to see us able to work with the federal government and with the presently licensed carriers to get a better integrated air service and perhaps operating into more communities.

Mr. Conway: The phrases “not as much” and “very little” are terms we well understand in eastern Ontario from this government.

Hon. Mr. Davis: That's not fair, Sean. You know that's not true.

Mr. Sweeney: You're right, it isn't fair.

Mr. Conway: When does the minister expect those studies to be completed and when can we expect a policy statement from this ministry? What is the time-frame for those studies presently under way, and at what point can we in the Legislature expect to hear from this government a policy direction to produce what the minister intends in the way of an improved air commuter service?

Hon. Mr. Snow: Perhaps the people from eastern Ontario might be used to very little, with comments like that from the hon. member.

Mr. Roy: No, no. It's the evidence we have been getting from that government—that's what we are used to.

Interjections.

Hon. Mr. Snow: In any case, we have certain initial work under way right now, getting these studies started. I have not established a definite timetable at this time; I have recently had some personal conversations with the federal government. I would hope, though, that we would have the studies completed by the end of the year.

REPORTS

STANDING GENERAL
GOVERNMENT COMMITTEE

Mr. Belanger, on behalf of Mr. McCaffrey, from the standing general government committee reported the following resolution:

Resolved: That supply in the following supplementary amount to defray the expenses of the Ministry of Government Services be granted to Her Majesty for the fiscal year ending March 31, 1978;

Supply and services program \$31,335,000

Further resolved. That supply in the following supplementary amount to defray the expenses of the Ministry of Treasury, Economics and Intergovernmental Affairs be granted to Her Majesty for the fiscal year ending March 31, 1978:

Local government affairs program

..... \$1,500,000

Report agreed to.

STANDING RESOURCES
DEVELOPMENT COMMITTEE

Mr. McNeil, on behalf of Mr. Havrot, from the standing resources development committee reported the following resolution:

Resolved: That supply in the following supplementary amount to defray the expenses of the Ministry of Agriculture and Food be granted to Her Majesty for the fiscal year ending March 31, 1978:

Agricultural production program

..... \$2,739,000

Further resolved: That supply in the following supplementary amount to defray the expenses of the Ministry of Northern Affairs be granted to Her Majesty for the fiscal year ending March 31, 1978:

Regional priorities and development

program \$2,500,000

Report agreed to.

STANDING SOCIAL
DEVELOPMENT COMMITTEE

Mr. Gaunt from the standing social development committee reported the following resolution:

Resolved: That supply in the following supplementary amount to defray the expenses of the Ministry of Education be granted to Her Majesty for the fiscal year ending March 31, 1978:

Services to education program	
.....	\$107,189,000
Report agreed to.	

MOTION

PROCEDURAL AFFAIRS COMMITTEE

Hon. Mr. Welch moved that Mr. Grande be substituted for Mr. Foulds on the standing procedural affairs committee.

INTRODUCTION OF BILLS

PUBLIC COMMERCIAL VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 41, An Act to amend The Public Commercial Vehicles Act.

Motion agreed to.

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 42, An Act to amend the Highway Traffic Act.

Motion agreed to.

SUPPLY ACT

The following bill was given first, second and third readings on motion by Hon. Mr. McKeough:

Bill 43, An Act for granting to Her Majesty certain additional sums of money for the Public Service for the fiscal year ending March 31, 1978.

EDUCATION AMENDMENT ACT

Mr. Sweeney moved first reading of Bill 44, An Act to amend the Education Act, 1974.

Motion agreed to.

Mr. Sweeney: The purpose of this bill is to provide for the establishment by the province of schools for children with severe learning disabilities. The bill requires the minister to make an annual report concerning the facilities and services provided for these children; and the report shall be referred to a standing committee for review.

CONSUMER PROTECTION AMENDMENT ACT

Mr. Blundy moved first reading of Bill 45, An Act to amend the Consumer Protection Act.

Motion agreed to.

[3:30]

Mr. Blundy: Mr. Speaker, this bill provides for warnings in rental contracts as to whether or not loss of or damage to the goods rented is included in the rental fee. The warnings also point out that the person renting the goods may be responsible for loss of or damage to the rented goods where no insurance is included.

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Mr. Speaker, before calling the orders for this afternoon, I wonder if I could make announcements at this point.

This afternoon, following completion of the private members' public business, Her Honour will come in to give royal assent to Bill 59 and to the supply bill which the House has just agreed to.

In view of that I am wondering if I might take this opportunity to give the usual statement of the order of business. Following the completion of private members' public business this afternoon and the royal assent, the House stands adjourned until Tuesday afternoon, March 28.

On Tuesday, March 28, we will take some legislation into consideration and in this order: first, the Land Titles Amendment Act and the Land Registry Amendment Act for second reading and committee of the whole House; second, Bill 23 for second reading and committee of the whole House; third, a debate on a motion for interim supply; fourth, Bill 25, the Tobacco Tax Act; fifth, Bill 27, the Retail Sales Tax Act; sixth, Bill 30, the Municipal Elections Act.

We won't be in the House on Wednesday. On Thursday, March 30, in the afternoon is private members' public business. We will do Bill 40, standing in the name of Mrs. Campbell, and Bill 32, standing in the name of Mr. Warner. In the evening we will continue from where we left off on Tuesday night with respect to legislation.

On Friday we will first debate a motion to refer sessional paper 13 to the standing committee on general government, and secondly, resume debate on the first order as time allows.

On Monday, April 3, the House will be in committee of supply and will take into consideration the estimates of the Ministry of Government Services.

On Tuesday, April 4, in the afternoon, we have arranged to debate and vote on private members' notice of motion No. 5, standing in the name of Mr. Cassidy. Then, of course,

we will have an opportunity to discuss subsequent business after we return.

ESTIMATES SCHEDULE

Hon. Mr. Welch: I might also take this opportunity, Mr. Speaker, to say that in accordance with procedures laid down in the rules we have arrived at some agreement with respect to the estimates schedule. Perhaps that could be read into the record at this time as well.

In committee of supply, these ministries in this order and within the time allocations as set out: Ministry of Government Services—eight hours; Management Board—five hours; the Premier, Cabinet Office and the Lieutenant Governor—five hours; Ministry of Revenue—nine hours; Ministry of Northern Affairs—10 hours, and Ministry of Treasury, Economics and Intergovernmental Affairs—25 hours.

In the standing committee on justice: the Solicitor General—18 hours, to start on April 26; Ministry of Correctional Services—10 hours; Ministry of Consumer and Commercial Relations—20 hours; the Attorney General—20 hours, and the policy secretariat—five hours.

In the general government committee: Office of the Assembly—three hours; Office of the Ombudsman—five hours, and Office of the Auditor—seven hours.

In the standing resources development committee: Ministry of the Environment—20 hours; Ministry of Natural Resources—22 hours; Ministry of Agriculture and Food—20 hours; Ministry of Industry and Tourism—15 hours; Ministry of Transportation and Communications—20 hours; Ministry of Labour—25 hours; Ministry of Energy—15 hours; Ministry of Housing—12 hours, and the secretariat—five hours.

In the standing committee on social development: Ministry of Culture and Recreation—12 hours; Ministry of Education—20 hours; Ministry of Colleges and Universities—12 hours; Ministry of Community and Social Services, 25 hours; Ministry of Health, 20 hours, and the policy secretariat, 10 hours.

To assist the members, the critics and the ministers, I would indicate now that it has been agreed through the usual channels that the estimates of the Ministry of Culture and Recreation will begin at the standing committee on social development on Tuesday afternoon, March 28, and that the estimates of the Ministry of the Environment will begin at the standing committee on resources development that evening, March 28. As for the estimates in the justice policy field, it has been agreed that we shall begin with the

estimates of the Solicitor General at the standing committee on the administration of justice on Wednesday morning, April 26.

LAND TITLES AND REGISTRY AMENDMENT ACTS

Mr. Martel: Just before the orders of the day, Mr. Speaker, for clarification, it was my understanding that the land titles amendment and the land registry amendments were to be moved today. I can't find them in the order paper and I can't understand how they are going to be debated on March 28.

Hon. Mr. Welch: It may be that sometime during the course of the afternoon we can locate them and get the concurrence of the House to introduce them. It was my understanding that we were going to introduce them this afternoon.

Mr. Martel: Otherwise we can't debate them on March 28.

Hon. Mr. Welch: That's right. You are quite right. I'll follow up on that. Thank you very much for drawing that to my attention.

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS FOODLANDS PROTECTION ACT

Mr. Swart moved second reading of Bill 12, An Act to provide for the Designation and Retention of Foodlands.

Mr. Speaker: The hon. member will have up to 20 minutes; he may reserve any portion of it for a windup if he so desires.

Mr. Swart: Mr. Speaker, I have been involved in the matter of foodland preservation for many years and I am obviously pleased to rise to promote this bill.

It was in 1965 that the then Premier of this province, John Robarts, told a St. Catharines audience that their area was "the outstanding example in Ontario of the need for long-range planning." He prefaced those remarks by saying that the problems facing Lincoln and Welland counties were more acute than in any other area of Ontario and he referred specifically to the disappearing fruit lands.

He then pledged that his government would take action to resolve the problem. He had reason to know there was a problem of disappearing fruit land and a rising public consciousness about it. Ralph Krueger, the noted geographer from Waterloo, had been hired to do a study in Louth in 1957 and his report focused on that issue. In 1961 the community planning branch of the Ontario government updated Krueger's work

and showed that the loss of fruit land to urban development was increasing year by year.

Several other reports were also done in the early 1960s but no action was taken by the Ontario government. Then in 1968 Professor Gertler's Niagara Escarpment fruit belt study report was completed. It was a most comprehensive planning study ever done for a region in this province and it provided a clear blueprint for provincial government action. It was so good and so embarrassing to the government that it refused to release the report to the public until four years after, in 1972.

By that time, of course, the Niagara regional government had been formed and the province had passed over to it the overall planning responsibilities. Let me say that for three years a bitter battle raged in the Niagara regional council between the food land preservationists and the "development anywhere" exponents, and I am conscious of this because I was there. Lined up with the preservationists generally were the regional planners and, no doubt about it, the bulk of the public, but the preservationists on the council were always a minority and we lost every battle, at least the final battles. The culmination of the exercise was a regional plan produced in 1974 which placed 26,000 acres of undeveloped land inside the urban development boundaries.

That 26,000 acres was an area capable of accommodating a population of 275,000 people in the succeeding 20 years, although the highest estimate of the region's expected growth was only 155,000, some 120,000 less. When this planned destruction of the grape and fruit land became a hot political issue in the 1975 campaign—

Mr. Hall: Why aren't you talking about the whole province? Why just fruit land all the time?

Mr. Swart: I'll get to the province—the Ontario government through its then Housing minister, Mr. Irvine, told the regional council it must cut back those boundaries to preserve more of the unique land. In August 1976 the region produced a revised plan cutting out 600 acres or 2.5 per cent of the 26,000 acres originally put in.

Mr. Hall: By a vote of 22 to 4.

Mr. Swart: Then in February 1977 a new Housing minister (Mr. Rhodes) ordered the region to take out another approximately 2,400 acres. This cut the total original amount still further.

Mr. Hall: It was 3,000 acres.

Mr. Swart: No, it was not 3,000 acres. The member for Lincoln should know. He has examined it. The minister included the 600 acres that had been taken out by the region in his 3,000 cutback. That cut it actually by about a twelfth. By then, the projected growth rate had greatly changed. Niagara regional government then estimated that the 20-year growth would be a maximum of 110,000, not 165,000, a cut of one-third. The latest projections prepared by Peter Barnard and Associates for the Ontario government, and the Minister of Housing, put the growth in the next 20 years at 48,000.

Mr. Hall: No way. That's not the situation.

Mr. Swart: There are 23,000 acres of vacant land inside the urban boundaries—

Mr. Hall: There is a lot of unemployment down there now.

Mr. MacDonald: Whose side are you on?

Mr. Swart: —of which 11,000 is prime food land, including 7,500 acres of grape and fruit land. That's double the amount of development land needed for the growth during the next 20 years.

During the decade and a half following the war years, only half the Niagara Peninsula growth located in the unique land, but in the eight years that regional government has existed—and this was a gradual increase—75 per cent of all the region's population growth has been in those communities on that grape and fruit land. Originally there were some 38,000 acres of tender fruit land in the Niagara region. Now it's down to 23,500 acres and that figure's a year or two old. It would be somewhat less by this time.

The loss of the grape lands is similar. Yet for the rest of this century the regional plan will permit—and these are pretty significant figures—three-quarters of the Peninsula's growth to locate on the one-quarter area of the Peninsula with the unique climate and soil conditions. Three-quarters of the growth can go on that one-quarter of the very special crop land.

All these statistics can easily be documented and they tell a sordid tale, but it's even worse than those figures portray. The urban boundaries over which millions of dollars have been spent are little more than meaningless lines on a map. Recently, Walker Real Estate of St. Catharines, as agents for an unnamed firm whom we all know, proposed construction of an office complex to house 320 workers on 32 acres of land below the escarpment just south and east of the Queen Elizabeth Way-Glendale interchange. That land is 70 per cent class one and 30 per cent class three.

The report of the Niagara Escarpment Commission staff, dated February 10, 1978, states that the site is located outside of the urban development boundaries—those boundaries have 23,000 acres in them—of the official plans of both the Niagara region and the municipality of Niagara-on-the-Lake, where it is proposed that it locate, and also that it contravenes the Niagara Escarpment proposals.

It further notes: "That it is the belief of the municipality and the firm that the location of the office building in its proposed site would act as a catalyst for similar types of development to occupy adjacent sites." That is a deliberate statement of trying to attract more on to the agricultural land which is outside the urban boundary.

For all these reasons, the staff recommend that the commission refuse the development permit. What has happened? The council of Niagara-on-the-Lake has approved it and Niagara region has approved it. The Escarpment Commission has approved it and the Ministry of Agriculture and Food has by letter indicated no objections to the proposal. [3:45]

So much for the possibility of the Niagara regional plan ever saving one acre of Niagara's unique land, and as everyone knows, Niagara is the bell-wether as to what happens to food land preservation in the province. If the exceptionally unique food land is not saved there, land won't be saved any place in Ontario.

Mr. Phillin: Between the Minister of Agriculture and Food (Mr. W. Newman) and the Minister of Transportation and Communications (Mr. Snow) we won't have much land left.

Mr. Swart: What kind of leadership has the Ontario government given in the preservation issue in Niagara? I quote from a September 10, 1976, statement of Mr. Robert Bell, whom some of the members of this House will know. He is a Conservative and he is chairman of the Niagara Regional Planning Committee which is a committee, of course, for regional council. He said, "We asked for guidelines from the province and got no reply. They told us they didn't like the original urban boundary bylaw we passed but they didn't say what they wanted." That just about sums up past and present Ontario government policy on the preservation of food lands.

On April 20, 1976, the then independent well-known columnist, Harold Greer, said in his column, and I quote: "For the most part, planning in Ontario under the Conservatives has been a massive con game in which the

printing of ever more plans has been substituted for real planning." I further quote: "Even this in the talk about the plans is an overstatement. The Ontario government does not publish plans. Instead, it publishes designs, concepts, challenges and strategies which sound like plans until one discovers on reading the fine print that they lack the definition and official commitment which plans are supposed to have." How true that statement is. The government has simply refused to develop a firm position.

One of the first documents I sought out when I arrived at Queen's Park was called, "Guidelines for Land-Use Planning". It was produced by the Ministry of Natural Resources, and dated January 1, 1974. It had the following noble statement on page 1; I quote: "The first part of the strategic land use plan will be an overall provincial plan where provincial policies are formulated and where areas of provincial significance are designated. Then, working within the overall provincial framework, policies will be refined and a broad land-use plan will be prepared for each of the planning regions."

That's great stuff and I naively asked in the House when I was first here when the overall provincial plan might be forthcoming. The answers at that time, as they so frequently are, were evasive.

Then, on April 8, 1976, in great fanfare, the government produced 11 planning reports, one of which was titled, "A Strategy for Ontario Farmland." Well, I say to the House that it was a masterpiece of flimflam. It was full of options, alternatives and possibilities but not a provincial plan mentioned anywhere.

The year 1977 brought forth another document of equal vagueness and indecisiveness; it was called "the green paper". After soliciting input from municipalities and the other groups that green paper will now be slightly amended and then become about the sixth set of guidelines for municipal land use planning. No legislation, of course; no overall provincial plan; no firmness; just a very weak map which municipalities may follow if they wish.

Those guidelines will be nothing more than a rewrite of the Ontario Ministry of Agriculture and Food guidelines for revising official plans and amendments which were produced in March 1975. Identical; all the same stuff. It is simply too much to expect the regions and the municipalities to do the broad planning for the province. Their actions to date have proved that they won't, and Niagara clearly demonstrates it.

The Ontario government has failed totally in land preservation. Whether the food-land loss has been the well-documented 26 acres an hour or 36 acres an hour or 16 acres an hour, I want to say that we haven't, in this province, yet saved one hour's worth. I simply challenge—and I'm not sure whether he is still in the House—the Minister of Agriculture and Food; I wish he were here—

Mr. G. Taylor: He's listening.

Mr. Swart: I simply challenge him today to name a single, proposed major industrial or residential development which has been refused because it proposed to locate on prime food land. Just name one. I don't want the answer to be, "Well, we've drawn lines on that and we're going to prevent them from locating there."

It is that dismal failure of the government that causes this bill to be before us today. You will recognize that it is a principle identical to the one submitted by the member for Dufferin-Simcoe (Mr. McCague) on November 15, 1976. It is submitted here in that form, not because I think it's ideal, but because it's far better than the vacuum we've now got and because I think, too, the bill ought to find some favour on that side of the House when several Conservative members and Conservative organizations lauded it so highly when it was tabled a little over a year and a half ago.

If passed, as I hope it will be, certain changes could be made which would not meet objections from me. I am not at all sure that class four lands should be put in the same classification as one, two and three; and we may want to look at that. Section 5 could be strengthened by including approval of other authorities on exemptions from the retention of the farm land instead of just the local planning group.

I like the bill because it does strike some appropriate balance between provincial responsibility and local jurisdiction, although it should require the Ontario government to produce its own master plan within two years, as it is going to require of the municipalities, and which the government has promised to produce on so many occasions before.

Unlike the green paper, however, it does require planning authorities to produce plans for the protection of food lands, and where there is no planning authority over food lands, the minister shall designate such authority. The passage of this bill will be the first step towards recognition of the value of our food lands, and no one recognizes better than I do the need for an adequate farm income stabilization program and the security of the

home market for the food we can produce in this province; at least the last one, I think, meets the general approval of the members of this House on all sides.

Measures to meet those needs should have been implemented by our government long ago, but refusal to shift urban growth away from our best food lands doesn't help the farmer or anyone else. As much land is needed and is thus sold by the land owners—which in almost all cases are farmers—to locate a 100,000 population increase on class five land as is needed if they located on class one land. You are not depriving any farmers of the right to sell their lands; maybe one against another but the same amount of land is going to be sold. What we're doing, in fact, is seriously jeopardizing the farmers' long-range viability by forcing their operations on to land of lower productivity. It's an economic loss to them and to our society.

No one questions that there is an approaching energy crisis. Even more than energy, however, we know now that the food-land resource is finite. We know that at least one-third of the world's population is now undernourished. We know that 10,000 people die weekly in Africa, Asia and Latin America from hunger and improper distribution.

We know that the population of this planet will go from four billion to six and a half billion by the end of this century—and that's just 22 years away. Last week's newspaper reminded us that there are now 74 million more mouths to feed than just one year ago. We are told by every responsible organization studying the matter that we're going to be short of food land. Whether it's the World Food and Health Organization, the Science Council of Canada, the agrologists of Ontario, or the Ontario Federation of Agriculture, they all sound the warning of an approaching world-wide food shortage in which we in this province and nation won't go unscathed.

Federal Environment Minister Leonard Marchand released a report less than two weeks ago which confirmed the loss of 200,000 acres of land to urban expansion alone from 1966 to 1971 and that report—

Hon. W. Newman: In Canada, in Canada.

Mr. Swart: That's correct. But listen to what I'm going to say now, too. It said:

"About 63 per cent of the land paved over in the six-year period had been used for crops, orchards, market gardens and pasture. Toronto was the major glutton, expanding over 29,000 acres, almost all of it on prime farm land, but St. Catharines, Niagara, was the worst offender using 699 acres of irreplaceable fruit belt for every 1,000 increase in population.

Then the report said: "The land now being lost will be needed in 25 years to feed a larger population."

A short while ago, Robert Long, the United States Assistant Secretary of Agriculture, put it more bluntly when he said: "The hand on the granary door will soon be the one to rule the world unless food production continues to stay ahead of the global population explosion. The key issue is that world food supply and population growth are headed along a collision course."

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. Swart: One sentence: Ontario's contribution to that collision course to date has been to put green lights at the intersection. This bill might at least switch on a caution light down the food lands' road to destruction.

Mr. McNeil: Mr. Speaker, it is rather difficult to understand why some people want to put this province in a land-use strait-jacket. Land-use policy isn't the kind of thing that should be written into legislation.

Mr. MacDonald: Are you back in that old rut?

Mr. McNeil: It covers too large a territory and has too many variables to be engraved as a statute. I wonder if the hon. member for Welland-Thorold realizes the full implications of his bill?

Mr. Swart: I sure do.

Mr. McNeil: Does he realize the effect of his bill will be to freeze 21 million acres of land for two years and that for the two years it would take to draw up a new plan for every municipality in this province, no development could take place at all? There are some municipalities where it would be almost impossible to second-guess what land is likely to be defined as food land so no decisions would be made at all. It seems to me that two years is an optimistic time limit. There are municipalities where it would take a lot longer than two years to draw up a plan if they could find any planners to do it.

Mr. Swart: The planning authority can give approval. Read the bill.

Mr. McNeil: The two-year freeze is a particularly strange result of a bill coming from a member whose party is so anxious about jobs and housing.

Mr. MacDonald: That's claptrap.

Mr. McNeil: Does he have any idea what this two-year hiatus would do to the housing supply and to the economy of this province?

Mr. Swart: Read the bill.

Mr. Warner: Cadillac-Fairview put you up to this.

Mr. McNeil: The bill just proves what I said about legislating land-use policy. Look at the contradictions it has built into it. There is a much better way of achieving the result we all want—namely, the protection of our productive farm land and we're already doing it?

Mr. Swart: Where? Name the places.

Mr. McNeil: We've stated the principle to which we are committed. I'll quote it from the Foodland Guidelines: "To maintain a permanent, secure and economically viable agricultural industry for Ontario, not only as a producer of food—"

Mr. Swart: You are the government.

Mr. McNeil: "—but as an important component of our economic use, a course of employment and as the basis of a rural community and the rural way of life."

To put the principle into practice, we have to consider a number of factors. One of the most important is the land. The government's guiding statement on land is—and I'll quote the guidelines: "Our land-use policies and planning must assure that as much as possible of the land area with capability for agriculture is kept available for farming when needed."

Mr. Swart: What is that other than a pious statement?

Mr. McNeil: It seems to me that the next logical step is to identify the land with a capability for agriculture. That is the next section to the guidelines: "A description of what kind of land is valuable and how to identify it."

Mr. Swart: That's kindergarten stuff.

[4:00]

Mr. McNeil: The guidelines then go on to discuss how the various classifications of land should be treated in various situations. The final section of the guidelines sets out how this shall be applied and by whom. The document is short but comprehensive, explicit as to intent, yet flexible. It has all the things a land-use policy needs to be if it is to accomplish its intentions, while at the same time being applicable to so diverse a geographical area as the whole province of Ontario.

The ministry published this document last year and asked for public comment, particularly from the municipalities. As members will be hearing later from my colleague, we have had largely favourable reaction. In the near future we will be adopting the guidelines possibly in a slightly amended way—

Mr. Swart: That's exciting.

Mr. McNeil: —as a formal government policy. We can do that with confidence, because we know they work. We have been using them in our regular review of plans submitted to us by the Ministry of Housing. By applying the guidelines—

Mr. Swart: You adopted them in 1975.

Mr. McNeil: —it is quite a straightforward matter to decide whether a doubtful section of a plan conforms to desirable planning principles. This has been especially helpful in making decisions on estate development, severance policies, application of the code of practice and uses that conflict with agriculture.

There is an even more encouraging aspect of this, however, and that is the use the municipalities are obviously making of the guidelines. We see more and more plans coming in where the municipal councils and planning boards have used the guidelines to provide their municipalities with extremely well-designed plans. In fact, I would like to mention just a few municipalities by name. Municipalities that have followed the sound planning guidelines that the provincial government has developed for agricultural land—a few, there are many more—include London township, Pembroke township and the north Perth planning area. I believe these plans are still undergoing the approval process but the Ministry of Agriculture and Food is satisfied with the agricultural aspects of them.

I am sure members will recall that we applied the principles of the food land guidelines in the Niagara decision, which received a lot of publicity. We were able to save 3,000 acres of fruit land from urban development.

Mr. Swart: And lost 4,000.

Mr. McNeil: Since that time, we have used the guidelines to protect land in similar situations—

Mr. MacDonald: Destruction by instalment.

Mr. McNeil: —none of them so dramatically large as the Niagara situation, but at least one amounted to 358 acres of corn and processing crops land. Just protecting the land isn't enough, however. It's no use having land sitting there if nothing is being grown on it and if we can ensure a reasonable market at reasonable prices so our farmers make a decent living that's just what will happen, so the protection of food land involves much more than land-use policy. It involves a viable farming community.

It can easily be argued that every one of the programs of the Ministry of Agriculture and Food is designed to ensure a viable agricultural industry. That, indeed, is their

purpose, but I will confine my remarks to our marketing programs because when we come right down to it, if the market is inadequate, production will drop off and consumer prices could rise.

The government has been running its Foodland Ontario food promotion program since last fall. We have been getting tremendous co-operation from the commodity groups and from the major chains and we have been seeing results. More turkey has been sold this past Christmas than ever before after our ads appeared—

Mr. MacDonald: What has that got to do with agricultural land use and production? You have one string to your bow and you are plucking it.

Mr. McNeil: —and our winter vegetable promotion has pushed sales away up. Let me give a couple of examples. After our promotion, sales of onions in one chain went up a whopping 1,200 per cent; sales of carrots in another went up 40 per cent. We calculate the overall sales are up an average of 50 per cent in the chains on items promoted. That's the kind of results that keeps our land productive.

Mr. MacDonald: He has nothing to say so he is filling it with irrelevancies.

Mr. McNeil: The government is protecting our high-quality productive farm land and we are doing it the right way, with a land-use policy that can be applied fairly and equitably right across the province and a marketing program that is giving our farmers a decent return for their labour and investment.

Mr. Warner: The Minister of Agriculture and Food doesn't believe that. You know better.

Mr. Riddell: Mr. Speaker, we had a chance to look at this exact same bill, the same wording with very few exceptions, when it was introduced in the House in November 1976 by the member for Dufferin-Simcoe and now the Minister of the Environment (Mr. McCague). It is a duplicate of this bill with very few exceptions. Inasmuch as I believe in land-use planning, I would be inclined to think the member for Welland-Thorold who introduced the bill is using it as a wee bit of a forum to appeal to the urban people in the Niagara Peninsula.

Having said that, I would like to say that I believe the concept of a mandatory designation for food land, as outlined in the member's bill, An Act to provide for the Designation and Retention of Foodlands, is a step in the right direction. Mandatory designation is the type of legislation that groups such as the Ontario Institute of Agrologists have been

asking for. Present municipal zoning is very flexible. It is often merely a review process whereby individual applications for land-use changes are considered as they arise and are either approved or rejected.

The zoning can be changed as growth pressures increase, and so land values are not affected as much as by stricter provincial control. In this way, the value of zoning as a planning tool is usually overlooked. A move to designate all class one, two and three lands and special crop lands as food land could reverse the current assumption that agricultural designation is merely a holding category for development land and could thus slow the loss of prime food land. Moreover, it could also be used to establish and effectively maintain planned urban edges and prevent uncontrolled urban sprawl and the breaking up of farming units in a growing urban and industrial economy.

In his Strategy for Ontario Farmland, tabled on April 8, 1976, the Minister of Agriculture and Food rejected provincial control to protect farm land, and there was nothing new in the government strategy. The protection of farm land will be left to the municipalities and their local plans, as has been the case in the past. Municipalities, however, cannot be counted on to preserve agricultural land through zoning, if an agricultural zoning is merely a holding zone for future development. Therefore, zoning as a method of implementing preservation of food land at the local level will not be sufficient, and other methods of preserving agricultural land will have to be devised. Examples of local control of farming in many municipalities, such as Huron county, do not apply to growth municipalities.

It has been pointed out that a legislated designation of agricultural land would fit in well with the green paper on food land guidelines which was released last year by the Minister of Agriculture and Food for use in the planning procedures in municipalities. I would agree that the designation would give a base for the guidelines. As the Ontario Institute of Agrologists has pointed out, it would also provide a means whereby the preferred approach would have to be followed.

However, the success of government measures, such as the Foodland Guidelines, will depend on their implementation. Are they to become government policy or merely weak suggestions? It is interesting to note that they have been presented in the form of a discussion paper, and so are not policy. It is also noted that the government has not indicated the degree to which these guidelines must be

followed by the municipalities in their planning and the degree to which they are merely suggestions.

This would seem to me to be a crucial aspect of any guideline principle. I would agree with observations which have been made that these guidelines are merely an elaboration of the government's agricultural strategy and focus on local land-use policies to assure that as much as possible of the land area with the capability for agriculture is kept available for farming when needed. The province is merely saying that this is the way they want the municipalities to go.

Moreover, in the long run these measures will never be successful without government incentives to draw development on to the lower-quality land. However, no such incentives have been announced. Neither is any mention made for public utilities, such as Ontario Hydro, or government ministries, such as the Ministry of Transportation and Communications, to conform to the guidelines.

While the proposed bill would require all municipalities in the province to survey and classify all agricultural land within their planning areas, using Canada Land Inventory maps as a guide, there is ample evidence to demonstrate that this classification does not supply an accurate map of the significant agricultural lands to be preserved.

Mr. MacDonald: That can be corrected in the first two years.

Mr. Riddell: Rapid improvement in Canada Land Inventory is a vital element for improved agricultural planning. The total acreage with a soil capability for class one, two and three agricultural lands for most of the Canada Land Inventory area in Ontario is about 16.4 million acres and nearly 10 million acres of improved farm land. There is, however, a definite constraint on the climatically favourable land.

If we add an important climatic indicator such as heat units at a selected level, then we get a clear indication of how limited is the best farm land in southern Ontario. In fact, it has been estimated that perhaps seven million acres is a safe figure to use for the significant farm land, meaning land which is outside the urban arc, not affected by the Shield and in a relatively favourable climatic situation. It is these agricultural lands, based both on soil classification and climatic constraints, which are the significant farm lands in Ontario and which must be designated as food land and preserved for that purpose.

In conclusion, while I would support a mandatory designation of the significant agricultural lands as food lands to be kept in

food production, this land-use strategy on its own, without meaningful guidelines from the province, cannot ensure that prime agricultural land is kept for farm land. This would leave the major implementation to the municipalities and assumes that the problem of maintaining good agricultural land is universal throughout the province. On the contrary, some municipalities have little concern with the preservation of viable agricultural land.

What is needed is a provincial land inventory of prime agricultural land based on the significant class one, two and three soils and special crop lands. An important climatic indicator such as heat unit must be added at a selected level. The province, in co-operation with the local municipalities, would identify and establish the significant agricultural resource areas. The local municipalities would work within Ministry of Agriculture and Food guidelines to determine which areas should be eliminated or included for designations, taking into account criteria such as physical conditions of the land, proximity to existing development areas, price of land et cetera.

Once these areas are established and the provincial agricultural strategy is put into effect, the official plan of the municipalities would be amended by the local councils to reflect this policy, designating significant farm land as agricultural priority areas. These lands would be released to other uses only when it is proven that the need for such land cannot be met from the supply of lower-quality land and that society will benefit from the change in use.

Different planning strategies will be required for different areas of the province. Planning in the predominantly rural agricultural areas of the province would encourage and support agriculture, rather than limit, restrict and control it, as has been the case in the past. In the urban fringe areas, buffer zones must be established which encourage open space and which are compatible with the urban nature of the area, such as pick-your-own fruit farms.

The detailed follow-through on land-use policy must be put in the hands of the local government, because it is the government most accessible to the people. Incentives must be provided by the province to attract industries on to the less productive lands in eastern and northern Ontario.

In closing, I would like to say that synonymous with the preservation of agricultural land is the good management of that land. Unless we are prepared to save the farmer, then it is futile to save the land.

Mr. MacDonald: What appals me, Mr. Speaker, is the lack of intellectual integrity on the other side of the House. When the first spokesman for the government rose, what was his phraseology? It was about the hon. member for Welland-Thorold, who wanted to impose upon this province a land-use strait-jacket. You're aware of the fact, sir, that what we are introducing is a bill that was introduced more than a year and a half ago by a member who is now in the cabinet of this government.

Hon. W. Newman: There are some differences.

Mr. MacDonald: There are no differences in it at all.

Mr. Foulds: Don't nit-pick.

Mr. MacDonald: There are no differences at all. That is nit-picking.

Hon. W. Newman: You have been nit-picking for 20 years.

Mr. MacDonald: He introduced it. It called for the mandatory designation of prime agricultural land and it received the support of all those who are interested in the preservation of prime agricultural land; indeed, that includes many Tories. This is what appals me about the government's willingness to try to dismiss what we're suggesting when they have no intellectual integrity at all.

I have in my hand a clipping from the *Globe and Mail* of November 16, 1976, which was the day after the member for Dufferin-Simcoe (Mr. McCague) introduced that bill in the House. How does it read? "The use of government-imposed freezes to control land use in Ontario has been endorsed by the Metro Toronto Progressive Conservatives."

[4:15]

Next paragraph: "The endorsement is a significant step for Conservatives still smarting from election losses last year in which the defeats in some ridings were attributed mainly to controversial land use and development control measures. Delegates of the 29 Metro Toronto Conservative riding associations—and listen to this—

Hon. W. Newman: I've read the article.

Mr. MacDonald: —"voted 73 to 21 at a policy conference last night to 'tolerate a very limited use of the land-use freeze tool'". That's what the Conservatives want, so please don't get up with a total lack of intellectual integrity and describe us as trying to put this province in a land-use straitjacket.

Hon. W. Newman: That's exactly what you'd do.

Mr. MacDonald: What we are doing is introducing a bill which was introduced by one of the minister's members over there, and which has the support of the Ontario Institute of Agrologists, the Rural Ontario Municipal Association, and every other collective group in this province interested in the preservation of prime agricultural land.

It is really very simple. The objective of the government is that we should preserve prime agricultural land, but they have no mechanism for achieving it. A guide is only a guideline that has no backing in law, so what they are engaged in is doubletalk. I'll come to show how much backing in law it has in a moment.

Hon. W. Newman: You know better than that. Just don't mislead us.

Mr. MacDonald: Mislead? The minister has just come up with total doubletalk; what does he think he is engaging in if that isn't misleading?

Hon. W. Newman: I just said don't mislead us.

Mr. MacDonald: What this bill does is to set out that objective, which presumably is the minister's objective, and then it provides a mechanism for achieving that objective. What it says is that in two years the guideline to municipalities shall be with the backing of law, that they will proceed to examine in a mandatory way, class 1, 2, 3 and 4 lands—I will agree with my colleague that class 4 should not be in there, although conceivably in some northern areas where you have no class 1 at all you may want to move into class 4 for agricultural land, but that is a detail.

I would agree with the hon. member for Huron-Middlesex (Mr. Riddell) that there needs to be an updating of the CLI categories. In many instances they are very much out of date. But you use that guideline with the backing of law and within two years the local planning authorities come up with a designation of agricultural priorities, it is approved by the council, it gets the approval of the government and you have saved agricultural land. The government then is not playing games, is not engaging in double talk.

Mr. Lupusella: Come on, change your policies once and for all.

Mr. MacDonald: This is where the intellectual integrity is totally lacking. That is not a land freeze; we have operated for years where agricultural land, as a vital natural resource, has become a commodity on the market that can be bought and sold at will for whoever can make the fastest buck out of it.

Most people in society who have the future of our own province, the future of the human race at heart, recognize that you can't continue to dissipate a vital natural resource like that; therefore we have to protect it in some fashion or another. We have to say that this can't be bought and sold at will; that this is going to be maintained as a vital resource for future food production for our needs and the needs of the rest of the world.

And that is what this will do. It represents a fundamental change in approach. In other words, agricultural land isn't something to be played with in the marketplace. It is something that will be preserved for future purposes.

Let me give you an example, just to reply directly to an interjection of the Minister of Agriculture and Food a few moments ago. Let's take the Barrie example. Here is a government that presumably is in favour of protecting prime agricultural land. It enunciates a policy which is going to gobble up 20,000 acres of prime agricultural land around Barrie. So we go into the OMB to have an examination of it, and the local townships, which don't want their prime agricultural land to be absorbed into Barrie, fight the battle.

I don't want to get into the legal technicality of the OMB mistakenly saying that they couldn't question the population figures for Barrie and now it has gone to the court of appeal and the court of appeal has decreed that the whole of the OMB's operation is in nullity and we have to go back to square one. The important thing is that this government said it wanted to use 20,000 acres of prime agricultural land to build a growth point.

What is the situation today? Barrie today has 33,000 population. Barrie's current area, within the city boundaries, could hold 57,000 population. The most optimistic speculation in terms of Barrie's growth can't go beyond 75,000 or 77,000 population; yet this government comes along and says they want to have 125,000 population.

They have no policies to force feed Barrie to a figure that nobody conceives as possible, but they are willing to use all of that agricultural land; and yet the OMB cuts their 20,000 acres back to 8,800. Indeed if the government were really intent on protecting agricultural land it could have met the future needs of Barrie's prospective growth up to 77,000, the highest possible figure, with their current size plus at most another 3,000 or 4,000 acres to meet industrial and residential needs.

Don't tell us that this government is protecting prime agricultural land; it has no

control over the Treasurer. The interventions of the Minister of Agriculture and Food to cut back on that massive grab on prime agricultural land had no effect at all; Darcy runs the show, and the Minister of Agriculture and Food, as protector of prime agricultural land, isn't really in the picture at all.

Hon. W. Newman: That's great rhetoric.

Mr. MacDonald: That's why we need to have a law, a backing of law. I am not saying this is any guarantee, because I suspect the Treasurer would challenge the law and run around it, over it and through it and everything if he could get away with it, but at least with a law he could be called to halt.

Mr. Warner: Bring the Treasurer under public control.

Mr. MacDonald: What this bill does is to enact in law what the Ontario Institute of Agrologists suggested two years ago, and they reaffirmed it at their annual meeting that was held two days ago in this city. But even more important, Mr. Speaker, I have always found it very convincing and impressive that another group that is calling for this kind of an approach to the protection of prime agricultural land is the Rural Ontario Municipal Association.

The Rural Ontario Municipal Association is made up of the municipal leaders who have been wrestling with this problem and not succeeding, because they know they are helpless in fact of the kind of powerful pressures of developers who gradually wear them down and manoeuvre in one way or another to achieve their purpose of eating up still more prime agricultural land. Two years ago they passed a resolution which calls—and let me read this just as one sentence: "When legislation that restricts the uses of the designated agricultural land is enacted."

I don't need to go any further. Their whole approach is premised on the basis that there shall be a legislation to designate prime agricultural land and to protect it. When that is done, then they go on to say that we should have exemptions so that if anybody wants to use agricultural land—it is not a freeze, may I say to the hon. member for Elgin, it's not a freeze; if they want to use agricultural land they will come in and prove that there is no lower class land available for that project, or alternately it is a project which is of such great community need and paramount importance that it is legitimate to sacrifice a small portion of agricultural land. But at least—

Mr. Acting Speaker: The member's time has expired. Would he please wind up?

Mr. MacDonald: Yes. Not only the Institute of Agrologists, not only one of your own cabinet ministers, Mr. Speaker, not only rural municipal leaders, but everybody who has at heart the protection of prime agricultural land favours this bill. So don't give us any of this sophistry and this reflection of a lack of intellectual integrity.

Mr. Acting Speaker: I indicated to the member for York South that his time has expired.

Mr. MacDonald: Thank you, Mr. Speaker.

Mr. Cureatz: Mr. Speaker, could you indicate my timing on this? Have I got till 4:30?

Mr. Acting Speaker: You have your full 10 minutes.

Mr. Swart: When is the Minister of Agriculture and Food speaking?

Mr. MacDonald: He hasn't got anything to say, he knows the policy won't work.

Mr. Cureatz: I would like to open up by saying, as I have heard many judges say to me, I remember the judge commenting, I appreciate very much your intent; and indeed I would like to comment to the member who is proposing this bill that indeed I do appreciate his intent. I would like to comment also to the member for York South, I believe I heard him on radio a week or two ago, a CBC broadcast with regard to these very concerns, and he spoke very adequately in regard to his arguments.

My concern is that if this food land Act becomes law it seems to me that to begin with it would be hard on the 837 municipalities that would be required to prepare new plans within two years.

Mr. Swart: It doesn't say new plans.

Mr. Cureatz: Surveying and classifying all classes 1 to 4 land would be an enormous job. I am told that there are just not enough planners around in the province to do that kind of a tremendous task. My own personal belief is that I think at the moment we have enough planners in this province. The cost to the municipalities across the province would probably run into thousands.

Mr. MacDonald: That's a copout.

Mr. Cureatz: And what would the people get? I'm not sure whether we know. That would depend on each municipality, since the bill provides for no overall direction by the province. I feel that in some areas it would result in a freeze on necessary development, and members will note there are no provisions for varying or revoking the plans once they are adopted.

I wonder if the member for Welland-Thorold has considered that the Canada Land Inventory identified more than 21 million acres of land in Ontario in classes one through four, and that is 40 per cent of all our land. In the region of Durham, of which my riding is part, those classes account for 80 per cent of our total acreage. Is all that likely to be defined as food land, I question? Permit me to remind the member and the House that under section 5 of the bill, "no agricultural land which, prior to the completion of a planning study pursuant to section 2, is likely to be defined as food land, may be authorized for a non-agricultural use without the specific recommendation of the planning authority." What will happen to poor old Durham out there? Would we go into a deep freeze, as indicated by the previous member?

Mr. Swart: Who is the planning authority in Durham? Isn't it the council or the region?

Mr. Cureatz: We have a difficult enough time already, I would like to mention to the House, in regard to the Durham regional official plan, without adding another burden. From a legal point of view, it appears to be in conflict with the Planning Act. It requires every municipality to pass a bylaw adopting a plan. Does that mean that the new plan would supersede other official plans adopted in accordance with the Planning Act?

Mr. Swart: Many don't have plans; the others simply add to their plans.

Mr. MacDonald: Did you talk this over with George McCague before you decided to write that stuff?

Mr. Cureatz: If so, the plan required by this bill would take effect without the public meetings, the public involvement and the public safeguards guaranteed by the present Planning Act. The Planning Act provides a mechanism for any landowner to appeal an official plan to the Ontario Municipal Board, as the member for York South intimated previously; but this bill contains no such provisions in regard to such appeals, nor can I find any penalties for failing to comply with the provisions it does contain.

I imagine the bill could be reworded to clear up these particular points and a couple that I haven't mentioned, and indeed as I mentioned previously I do appreciate the overall intent of the legislation, but I have a couple of other reservations.

Mr. MacDonald: Make those criticisms in committee; support the principle.

Mr. Swart: Make the changes. Don't kill the bill.

Mr. Cureatz: In areas where protection of food lands is a more legitimate concern, this proposed Act apparently would permit the local council to decide arbitrarily what should be protected and what might be used for other purposes. Obviously, the standards could vary widely. It is possible that such a system would work most of the time, but I believe it just could not work all of the time. The government of Ontario must have a coordinating role to ensure that planning criteria and public involvement are uniform across the province.

I think it's plain that detailed land-use planning is done best at the local level by people familiar with local situations, but they must operate within a policy framework for Ontario's development. That requires close provincial-municipal co-operation. The government realizes that Ontario's urban growth has to continue and makes allowances for it. In many cases, the better land is kept for food production while development is directed to less valuable land, and certainly land severances should be made more readily available in less valuable agricultural land areas.

The alternative to the course was found in the Strategy for Ontario Farmland, which the government tabled two years ago. That strategy renewed the commitment to maintain a strong and viable agricultural industry through two approaches. One consists of measures to ensure the economic feasibility of farming our prime land and keeping it in production. The other approach consists of measures to ensure that the better land in every part of our province is kept for food production.

The later campaign resulted, among other things, in the government's green paper on planning for agriculture. It was issued in February of 1977 and it proposed guidelines to help municipalities identify and preserve our better food lands. That means not only good cultivated land, but good potential food land. In setting goals, the guidelines didn't just say, "Thou shalt not touch class one to four." No; they established such priorities, but they also gave high priority to areas with a high capability for specialty crops and they drew attention to other areas because of special conditions that made them valuable.

The municipalities were told that their official plans should designate some high priority food lands where only farming or uses compatible with farming would be allowed. The guidelines might allow a broader range of ultimate uses on land with a lower agricultural priority, but only if spelled out in the official plan.

[4:30]

The guidelines made it clear that in future, before any lands designated for agriculture could be used for other purposes, the need for the change would have to be justified and documented. In addition, the amount of land allocated for various uses must be realistically related to population projections and growth objectives for the general areas.

When the foodland guidelines were announced, copies were mailed to all the municipalities, to farm groups and to private and government planners. All were invited to comment by the end of last year. Officials are now clarifying some areas that were questioned and co-ordinating some changes that were suggested. The guidelines will become government policy in due course, without losing the flexibility that will make them effective. As a result, I believe the government has already in motion a land-use policy. There is a consensus in Ontario that it is a reasonable policy to date in reflecting as best as possible today's concerns, although some improvement could be made.

However, this bill is not the way of improvement and I will not be supporting it this afternoon.

Mr. Bradley: I rise in support of this particular bill. As an urban dweller, I suppose it is easy for me to do so. I would find, even amongst my own caucus, many who would disagree with me on this particular policy as it relates to agriculture and to planning.

I presently reside in a home which is on fine agricultural land and which probably is an excellent example of where development should not have taken place, in the north end of the city of St. Catharines where we have some of the best soil and the very excellent climate which is necessary to grow tender fruit. One of the reasons I became involved in the political arena was in the hope of saving that land which is valuable for agricultural use for future generations.

The hon. member for Welland-Thorold has mentioned the difficulties he experienced on the regional council. As a member of an area municipal council, I must say I experienced some of the same frustrations in attempting to bring about policies which would tend to restrict the growth of the municipality in which I reside.

As has been said on many occasions, to speak about the Niagara Peninsula for just a moment, it is an area which has possibly some of the best soil in Canada in terms of growing tender fruit, and in terms of growing grapes. The difference between the top of the escarpment and the bottom of the escarpment in

terms of growing days is 27 frost-free days. I think we would recognize it is unique land which, as much as possible, should be saved for future use, and that use should be agricultural.

Many in this House will remember that in mid-May the thing to do was to visit the Niagara Peninsula to look at the blossoms. Understandably, that's not the main purpose of growing tender fruit, but nevertheless it was an example of how it became a tourist attraction. People looked upon the Niagara Peninsula primarily as an agricultural area and one very valuable, not only to this province but to the nation.

As well, 15 or 20 years ago, people looked almost with pride upon the fact that some day we would have a megalopolis from Metropolitan Toronto to Fort Erie, and that somehow this was something we should look forward to. Those were the days when growth was worshipped for the sake of growth and we were not perhaps using growth to our best advantage as we would now try to do in the year 1978. Things have changed from those particular thoughts, but they have not changed enough, because there are still those who wish to see some of this land gobbled up for development purposes, and I am not suggesting that every piece of agricultural land in this province necessarily has to be retained.

The need for a bill of this nature then is rather obvious and the member for Welland-Thorold and the member for Dufferin-Simcoe (Mr. McCague) deserve credit for this particular initiative. While we have sufficient farmland to meet our present needs, and our needs in the immediate future, the supply of prime farmland is not sufficient to meet the needs of the next generation or the generation after that. According to the Ontario Institute of Agrologists, and I am quoting from a Globe and Mail editorial of August 7, 1976, given population increases that can be expected—and they are talking here about this particular group—they found the future grim. "Even if no future improved land were lost to urbanization, it would be difficult for Ontario farmers to produce enough food to satisfy the Ontario population 25 years from now."

Our short-term interest may be served by random development or massive development of prime agricultural land, but our long-term interests are clearly in the preservation of good agricultural land. If we are to look beyond our own borders, or beyond the needs of our own population, we find that our present trade deficit could be turned completely around. Indeed, agricultural products

could be to Canada what oil has been to certain Mid-East countries.

With the \$5 billion to \$10 billion oil energy deficit expected in the 1980s, this export of food to a hungry world could provide a much-needed infusion of funds and at the same time perhaps meet a need that we should look at in moral terms. Today foreign-produced foods as well are relatively cheap, but if we take away the competition of local grown foods, I think we'll find that the prices of these products will tend to soar.

What has been overlooked in this debate also is the possibility of a significant change in weather patterns. I note an article that appeared in the Toronto Star some time ago—it would be August 7, 1976—entitled "Disasters Feared as Climate Goes Haywire." Quoting a meteorologist, Patrick McTaggart-Cowan, it says the following: "For Canada, where existence is already a battle with winter cold and summer heat, the implications in a weather change are immense. All our planning in agriculture and urban development and development of the north has been done on the basis of weather records for the last 30 years and now that's all changed." I suggest to the members of this Legislature that if the average temperature in this country were to drop even a few degrees, the effect on the growing of farm products could be rather devastating.

Some will say that certain prime agricultural land is really not viable; that it lies fallow, that it is not financially attractive to farm. This is, however, a practice used by certain members of the development industry and by certain farmers who think that there is much more profit to be made in the sale of this land or the development of this land. I suppose this is, in their terms, in their personal interests, rather legitimate; but in the terms of the well-being of this entire province or country, I think this is difficult to justify. To use this tactic of letting the land lie fallow so that members of municipal councils will point to it and say, "It's really no good for farming and should be used for development," is not a practice that we should encourage.

This bill by itself will not solve the problems related to agriculture. Indeed it will need amendment to gain even a measure of support from the majority of the members of this House. But it is a step in the right direction. Tariff protection, import quotas, adequate financing for farmers, a buy-Canadian or buy-Ontario policy by our governments and people, such as practised by the Ministry of Correctional Services in its purchase of products from the Niagara Peninsula rather than

from the southern United States; these are just a few of the measures needed to assist the Ontario farmer.

What this bill will do is give this province time to develop policies to ensure the long-term viability of the agricultural industry. I quote again from an article back in August 1976—this article appearing in the Globe and Mail. It quotes J. J. Shepherd, of the Science Council of Canada at that time: "He said in an interview that a forthcoming Science Council report will strongly recommend that provincial governments immediately designate all agricultural land in the country for agricultural use only. No other consideration should have priority in the use of agricultural land."

As an urban dweller, I recognize the needs of the farmer. I also recognize the needs of the population as a whole. I recognize that this bill, or certain other isolated bills or measures proposed to this Legislature, will not in themselves solve all the problems related to the production of food for our country, for our province, or for the world, but we do have to move in the correct direction, we do have to give an impetus to saving agricultural land because we know that once it is gone, once the pavement is on top of the land, on top of the excellent soil, it is no longer good for the growing of agricultural products.

On this basis, although I cannot agree 100 per cent with the bill, I strongly support the main thrust of this bill and hope that members of this Legislature will give it assent and send it to committee for necessary study.

Mr. Martel: It will probably get guillotined again.

Mr. Acting Speaker: The member for Etobicoke. There are three minutes left for this debate.

Hon. W. Newman: Yes, you would stop the world; and you want jobs.

Mr. Philip: Thank you, Mr. Speaker. I appreciate the fact that there are only three minutes left, but I can't help but think that even though the member for St. Catharines spoke at some length he brought out the very points that I was going to bring out. I certainly compliment him on an excellent speech and one which brought out a number of interesting points.

I think that perhaps it is significant that two of the most pointed and reasonable speeches that I've listened to in this particular debate were given by the member for St. Catharines and the member for Welland-Thorold, for they are in the middle of the very area that is being the most devastated

at this moment by urban sprawl and development over the fruit-land areas.

One of the main objections to food-land use regulation is that farm prices are already low due to surpluses. We are already producing too much food as it is. The fact is that our basic crops—that is, corn, soya beans, pork, beef, white beans and fresh fruit—fluctuate with world markets, and that prices are low despite Ontario's deficit in production and would not be significantly lowered if Ontario entered into a position of self-sufficiency in production.

This bill allows for flexibility at the local level. It allows for considerable input and control by the local municipalities, and I think it is significant that the minister chooses, and that this government chooses, to listen to the spokesmen of the developer and the real estate industry rather than the spokesmen of rural municipalities, farmers' groups, agrologists and other people who are interested and are dealing on a day-to-day basis with farm-land use and farm production.

Mr. Acting Speaker: The time allotted for the debate of this bill has concluded.

KIDNAPPING OF FORMER PRIME MINISTER OF ITALY

Mr. di Santo: Mr. Speaker, I have a point of personal privilege. It's on a matter that concerns all of us, as legislators, and all the people who are concerned with the democratic process.

The kidnapping of the former Prime Minister of Italy, Aldo Moro, and the killing of his five bodyguards by a group of criminal terrorists represents the peak of an escalation of violence against the Italian democratic state.

I express, on behalf of the Legislature and the people of Ontario, our condemnation of the absolute and criminal attack on the Italian democratic institution, and while we condemn with all our strength and convictions the insane violence of the terrorists, we express the solidarity of the people of Ontario, with the Italian government, with the Italian people, with the families of the murdered innocent victims, as well as with the family of Mr. Moro, with the full confidence that the people of Italy will be able to defend their democratic system.

Mr. Acting Speaker: I would assume that the member for Downsview is asking for unanimous consent to place that before the House.

Agreed.

Mr. Acting Speaker: We thank the member for bringing that to our attention.

Mr. Foulds: The Premier (Mr. Davis) should have made that statement.

Hon. W. Newman: Mr. Speaker, on a point of personal privilege. I would take this opportunity to acknowledge the hon. member's concern. I shall pass it on to the Premier.

Mr. Foulds: The Premier should have made that statement.

Mr. Breithaupt: Not really.

Mr. Martel: Trudeau did, at great length.

Mr. Breithaupt: He did? That's nice.

WRITING OF CONSUMER CONTRACTS

Mr. G. Taylor moved private member's resolution No. 2:

That in the opinion of this House the government should give immediate consideration to legislation which would require consumer contracts to be written in non-technical language and in a clear and coherent manner using words with common and everyday meanings.

Mr. Reid: Could you explain that?
[4:45]

Mr. Martel: Only too well, I understand.

Mr. G. Taylor: Mr. Speaker, what time I do not use at this point. I would reserve at the end for comment. This is private members' time and I put forth a resolution instead of a piece of legislation and the resolution is primarily designed to end what might be termed, in the vernacular, legalese in consumer contracts.

One might ask why I chose the resolution instead of legislation but there are many difficulties with legislation. There is the cost of preparation of such an item, and it is often difficult for a private member to caucus the other members in this House, particularly the opposition, as to the success of a piece of legislation. One might say it's no use putting forth some pieces of legislation only to have them reach the veto or no status at all.

Also there is the difficulty of the advance knowledge of the business community and how your piece of legislation will be received by the business community. It's often difficult to assess the cost of such legislation to the business community should one insert it by private member's bill without the resources of the ministry and people advancing on it so that one can tell what will be the actual costs of such legislation.

It's also difficult to assess the consequences of a particular piece of legislation to the community as a private member, so I put forth this resolution as a prod and a catalyst to put the government on notice, and the consumers and the business community that—

Mr. Martel: It will take more than that to prop the government.

Mr. Foulds: They ignore resolutions.

Mr. G. Taylor:—such legislation may be forthcoming should it reach the consent of this House to put forth this resolution.

Let's look at consumer contracts, leases and such conditional sales contracts, personal instalment loans, purchase of goods such as cars, and insurance. All of these have very complicated contracts presently. One can look at the rules in law that say he who prepares the contract receives some of the benefit of it, but we can usually discover that the person preparing the contract does it for his benefit and it's usually the vendor or the person who is most concerned about the contract. If one is a purchaser one has to take what is there or one doesn't buy the goods, which is not always beneficial to the purchaser.

We can be sure that when somebody prepares a contract it's a seller's contract and it is usually loaded with fine print. One I have looked at starts out with large print, then fine print, fine fine print and then fine fine fine print, so one has great difficulty wondering what he is presented with. I can assure members that most purchasers do not know what they are getting into when they look at the contract as it sits.

Mr. Martel: Free enterprisers wouldn't do that to the public.

Mr. G. Taylor: The common law is of little assistance at times, although there is the common law rule that's there and it's a general rule: If there is any ambiguity in a contract, it's usually construed against the person preparing the contract. In my resolution, I don't intend that that rule would be dissipated but this is an amplification of that rule and something that will assist them.

Just to give you some examples, Mr. Speaker, and my colleagues, of the type of legislation that would be prepared and what we have been trying to get away from in these contracts, just look at these examples of contracts. This is to help the person purchasing, and I quote: "We have read this agreement and we acknowledge receipt of a copy hereof," and that's usually at the bottom of the page where one signs the contract and then they will give one a copy of it. The purchaser gets the pink copy with the blue printing, which in itself is difficult enough to read, but the white copy with black printing, which the vendor usually gets.

I doubt if most people would have read the contract in the first place, in the second place, usually the print is too small to read, and in third place, if one does read it I doubt

whether most people would understand it. When I speak of these examples, I hope that these examples can be cleared up with the type of legislation that might be forthcoming out of this type of resolution.

Let's look at car contracts. I read another contract; the long details are in the top part of the contract and when I get down to the bottom it says, and I quote: "Information below this line not part of the contract." That's very helpful—below that line there is nothing. There again, it's simply words to confuse. At the top of the contract it says, "Conditions on the back form part of this contract," hidden up in the right hand corner of the contract. That's not very helpful to the purchaser as to realizing what he is getting.

Mr. Martel: Sounds like something Walker would do; he's a great free enterpriser.

Mr. G. Taylor: Another example; listen to this one: "Warranties: There are no warranties or representations by the dealer with respect to the motor vehicle described herein or affecting the rights of the parties other than those set out in any applicable legislation in the case of a new motor vehicle provided a new warranty is given by the manufacturer and/or the dealer. No other warranty, agreement or representation made hereto nor modification hereof shall be binding upon the dealer or his assigns unless endorsed herein in writing."

What does that mean to the purchaser? That's what he is getting as a warranty, but what he is getting he does not know. He has to look at some other document outside the one he is signing; he has to look at some other piece of legislation outside that which he is signing. So there again it's another area where the vendor is not really helping the purchaser, he is trying to disguise something of what he is giving.

Again, other examples: "Conditions of sale." Listen to this one: "Time is of the essence of this contract, and if purchaser defaults hereunder or violates any condition contained herein or if a proceeding in bankruptcy, receivership, winding-up, or insolvency is instituted by or against the purchaser or his goods, or if any execution, attachment or writ should be levied upon any of purchaser's goods or the goods are confiscated"—and it goes on ad nauseam. What it really means when you boil it all down is, "If you don't pay off this contract, we are going to take back the goods."

So there's another one of the examples, not of clarity in the contract, but just the opposite—the very fine print that goes on.

There are some that go on for pages—no paragraph delineation, very little cohesive sentence structure. You could read them and read them and read them. These contracts go on, not for clarity but, I would submit, to confuse the purchaser.

Business alone is not to be condemned for this style of contract. Indeed, in our Legislature we put forth even more confusing legislation. That is not part of the resolution, just an aside. Many of our pieces of legislation have totally confusing words. Again, we put forth in some of our statutes clauses that must go in certain styles of contracts, such as insurance contracts and the Mortgage Act. They are just as confusing as those which some of the people use in businesses and which commercial people use in their contracts.

How do we propose putting forth such a campaign to promote the use of less legalese in the business community? Well, with the start of this resolution, should it receive the approval of this House, we would then start into the usual promotional campaign so that they know there is pending, and support in this House, for forthcoming legislation concerning the consumer contracts that are used by individuals out there.

The type of contracts that this resolution particularly gets at are the non-commercial consumer contracts which are written to cover transactions where money is involved—for property or service, for personal family goods, household goods—the usual everyday contracts that are on printed forms and which everybody runs up against in the commercial situation. They include apartment leases, instalment loans, credit applications, conditional sales contracts, retail sales contracts and new car purchases. You could have in some forthcoming legislation monetary limits of the size of the contract that might be involved, such as would they be non-commercial contracts of a personal nature that don't exceed \$10,000, \$25,000 or \$50,000. There could be a monetary limit put on.

Another piece of possible legislation could be that each paragraph concerning a term would be segregated and the paragraphs captioned, so that one has a brief summary similar to our legislation, which has a brief summary at the lefthand side, telling you what might be in the legislation in the righthand side, although it's not always totally accurate, so you don't have the intermingling of paragraphs, numbers, sentences and words so that it becomes confusing rather than understandable.

Language could be simplified. Get away from some of what we would term legal

jargon—the whereases, the heretofores, the hereins, the hereafters. I am sure the member for Brant-Oxford-Norfolk—he must be here—would love to read some of these contracts. He is so knowledgeable in the legal field that—

Mr. Nixon: I've got an LLD.

Mr. G. Taylor: From McMaster. I am sure if he would try to read some of the legal jargon he would be surprised at what it means at times.

The sanctions—what types of sanctions could be in such legislation? Sometimes you could make the contracts void or voidable. I would suggest the voidable situation might be more acceptable. There might be damages flowing out of the contract where the person injured, who didn't prepare the contract, would receive the benefit from the damages.

Class actions might be forthcoming where the damages would be pro rata and spread among all consumers in that particular area. Then, of course, we could have some lead time in the legislation, should the legislation come forth, saying contracts must be done within one year from the date hereof or some attempt done in that way. You can have good-faith and simplification clauses where the person who has prepared the contract and has tried to comply with the legislation is exempted from it in a court action concerning that.

With all of these, there is some benefit provided to the consumer. The reason for this, I think, is that a consumer who understands his obligations will better meet them. A vendor who sells accurately in the printed area will not receive unnecessary arguments at a later date. It will void unnecessary criticism and unnecessary callbacks as well as promoting better public relations with the people and the consumers he is serving. Even lawyers may better understand the contracts if they were read and printed in more simpler language.

Mr. Nixon: More simpler? How simple can you get?

Mr. G. Taylor: We may receive some objections to this from the legal community or from the business community but, to counter those, I must say it might even be productive of more work for lawyers rather than less. Think of all those contracts out there that have to be rewritten and corrected.

Mr. Foulds: Now we have the motives!

Mr. G. Taylor: It was coming. My friend had to wait to the end of the chapter.

Mr. Foulds: If Darcy's not going to make work, you will.

Mr. G. Taylor: But there is already legislation similar to this. There is the truth-in-lending legislation which requires that you have to set out the accurate terms of interest. So it is not uncommon.

The Royal Insurance Company has embarked upon a promotional campaign, and if you read their insurance contract, it has wording in it that is understandable. So it's not unheard of in the business community today.

Mr. Foulds: How fine is the print?

Mr. G. Taylor: Many US jurisdictions have gone into this. The Citibank in the United States has a consumer loan that is prepared in non-technical language. It hasn't changed the common law. The common law is still there. But I hope this resolution is a prod, a catalyst and gives this House the intent so that contracts, printed and reproduced in a standard form, are put forward in good, plain language so that when the person goes to buy the gold mine, he gets the gold mine and not the shaft.

Mr. Breithaupt: Mr. Speaker, I am pleased to rise and speak in favour of this resolution in principle. So far as the average citizen in Ontario is concerned, a study of the various contracts and agreements to which the member for Simcoe Centre has referred is clearly an example of floccinaucinihilipilification.

Mr. Foulds: Mr. Speaker, is that parliamentary?

Mr. G. Taylor: Would you do that to me?

Hon. Mr. Maeck: Point of clarification!

Mr. Breithaupt: As members are well aware, the meaning of that word is the art or habit of estimating as worthless. Certainly, so far as the citizens of the province are concerned in dealing with contracts and agreements of this sort, the time which is spent by them in attempting to work out the meanings of various terms and phrases is indeed part of the habit of estimating as worthless the results with which they are faced.

Our Legislature should approve this as a challenge to the financial and commercial areas of our community to be more responsible to all of us as consumers.

There are two particular examples of areas where the principle of this resolution is already being brought about. The first of which I am aware is in the life assurance field. At the last annual meeting of Canadian superintendents of insurance in September 1977, Mr. E. S. Jackson, the chairman of the Canadian Life Assurance Association, announced that a plain-language life assurance policy was close at hand. A committee of that asso-

ciation has refined and reworked some 24 model clauses to have them available for the various companies to use. As Mr. Jackson commented, the clauses cover such areas as the insuring clause, the relationship of beneficiary and owners, contestability, policy dividends, exchange options, and misstatement of age particulars and certain other matters.

[5:00]

It is clear that the end result will be better understanding and comprehension for the policyholder, as Mr. Jackson had said.

At the recent annual meeting of the Mutual Life Assurance Company of Canada in Waterloo, part of the address of the president, Mr. John Panabaker, related to the practice which that company is undergoing.

Mr. Nixon: Graduate of McMaster.

Mr. Breithaupt: He stated as follows: "Visibly the new policies have been given a bright, informal appearance, they have also been completely rewritten to make them easy to read and understand. We have reduced insurance jargon and verbiage to a minimum. For example, one paragraph which formerly contained three sentences totalling 130 words, now gives the needed information in two sentences of only 44 words."

I am sure that members of the House in asking questions and in answering them, as well as in making speeches and comments generally, would all benefit from the reduction of that kind of verbiage so that more clear and simple results are available—

Mr. Roy: It's important for new cabinet ministers.

Mr. Breithaupt: —not only to the people of the province listening to politicians, but also in this way as consumers.

A visit to a Mutual Life office this morning obtained for me a copy of some of the provisions which that company is using. They are clearly set out, they are well defined. I am sure that is an example of only one company that is proceeding in that kind of a manner. I might say that even I understood the provisions once I had read them over a second time.

The second area is one that has been referred to by the member for Simcoe Centre (Mr. G. Taylor). That is particularly the approach which has been taken by the Royal Insurance Company as it has developed its homeowner's coverage. There have been a series of advertisements which have attempted to bring forward the principle upon which this kind of policy is being written.

The select committee on company law has noted during the past two years of our study

of automobile insurance that there are many changes which could usefully be made to clarify the terms of the standard auto insurance policy. These changes have been actively reviewed by a number of the companies and I would commend Royal Insurance for their moves to bring out their new home shield select policy.

Mr. Alan Horsford of Royal Insurance has sent up to us an example of the policy. Royal of course, as one of the largest purveyors of insurance coverage, have used their approach in the market to give leadership in this matter. I believe this will have a great effect on the insurance market generally. The policy is clearly printed; it is crisply worded; and I would think properly understandable to the average citizen. The seven pages of it are clearly set out, and then there is the additional page which sets out the conditions required by this Legislature. The wording there isn't as clear as is the wording in the earlier seven pages, but that is the kind of thing which we as legislators can work upon.

This policy sets out the who and the why and the where and the what and the when so far as the individual policyholder is concerned. I commend Royal Insurance and Mutual Life as only two examples of companies taking this kind of approach. Of course, there are many others, not only in the insurance field but in the finance and credit granting institutions which are moving in the same way. Government here has an opportunity to give leadership and to deal with these kinds of approaches in a positive and intelligent way.

I commend the member for Simcoe Centre for bringing forward this resolution. I hope that its approval by members of the House will give the government encouragement to move to draft legislation and forms in much more clearly understood ways so that the people of the province will be better served by us as legislators, as well as by the various financial and commercial aspects of our society, of which the activities we have are a reflection. We should certainly encourage this approach, and I commend the member for bringing forward this resolution.

Mr. Davison: I also rise to congratulate the member for Simcoe Centre, and to support the principle of this resolution that consumer contracts be written in non-technical language and in a clear coherent manner, using words with common and everyday meaning. I have found in my experience, and my constituents have found in their experience, that consumer contracts for everything from automobiles to bank loans are not written in that

fashion, and indeed not in the English language but in an off-shoot of the English language called legalese.

This language of legalese is readily identifiable from English in a number of ways. First, it takes a minimum of 10 times as many words to describe the same thought or matter of fact. Second, it contains a substantial number of words that are merely combinations of simple English words all run together with the spaces missing—words such as notwithstanding. Third, it is peppered liberally with hyphens between words instead of spaces such as herein-before. Fourth, it can only be understood or translated by someone with legal training or by one of those rare citizens in our community that understands these matters and specializes in the art.

Some time ago a gentleman who is familiar to all of the lawyers in the House, Mr. Justice Reilly, offered what I think is a rather fine and excellent comparison of the English language and legalese to the Canadian Bar Association. If I might quote a not overly long sentence from that address, I think members will get the point quite well. Mr. Justice Reilly said: "When a man gives you an orange he simply says, 'Have an orange', but when this transaction is entrusted to a lawyer he adopts this form: 'I hereby give and convey to you all and singular my estate and interest, right, title, claim and advantage of and in said orange together with its rind, juice, pulp and pits and all rights and advantages therein with full power to bite such and otherwise to eat the same or give the same away with or without the rind, skin, juice, pulp and pits, anything herein-before or herein-after or in any other means, whatever nature or kind whatsoever to the contrary in anywise notwithstanding.'"

Mr. Ruston: He sounds like Pat Lawlor.

Mr. Davison: And he said it without taking a breath.

Mr. G. Taylor: He probably had to buy the orange. He wasn't giving it away.

Mr. Martel: It says a lot about lawyers.

Mr. Davison: Lest any of us think we can escape this off-shoot of the English language, legalese, by dealing and entering contracts in our other official language, French; or in any of the languages which are in common usage in my riding, such as Polish, Italian or Portuguese, we should all be aware that legalese does not recognize such linguistic bounds and jumps freely back and forth. I believe every consumer has an absolute right to know and understand what he is signing without having to seek legal advice or the services of a lawyer.

Mr. Warner: It sounds revolutionary.

Mr. Davison: In most consumer contracts of any length, this is not the case. Frankly, rather than requiring all of the citizenry of the province to take courses in legalese and become lawyers so they can understand contracts, it is much more sensible to do as the member for Simcoe Centre has suggested and to change the nature of the contract so that the contracts are written in plain language which is understandable to the vast majority of people in the province.

Hon. Mr. Norton: Think of the teaching jobs that will create.

Mr. Davison: A second matter touched on by the member for Simcoe Centre in his resolution and in his comments today is the question of the very technical nature of languages in some contracts. To some extent, of course, that is unavoidable, but it does present an equally difficult problem to the consumer.

We, unfortunately, live in a society where it would take a chemist to discern the contents of cosmetics, it would take a pharmacist to comprehend the contents of patent medicines, and an engineer of some great skill to interpret the assembly instructions for a child's model car kit. All of those situations are bad enough, but the fact is that before the consumer can even come to that problem he has to get through the contract. While at some other point I hope we can seek solutions and adopt solutions to the problem of what he does with the product when he gets it, today at least we can make the argument that that kind of language really doesn't have a place in consumer contracts.

Consumers in Ontario very rarely purchase products such as nuclear power stations, so I can see no reason why the contracts for everyday items and everyday services should be written in a language which draws on the same technical requirements in many cases.

While I fully support, as I suspect most members of the House do, the fine principle embodied and expressed in the resolution, I can also understand the difficulty our colleague from Simcoe Centre must have had when he considered whether he would put this to the House as a resolution or as a bill, and as he has alluded, it will be a difficult bill to write but one that I think has to be written. It will also be a very difficult bill to enforce without a lot of good will on the part of people writing these contracts.

However, that said, I would hope that, regardless of the outcome of any vote today, the most excellent Minister of Consumer and Commercial Relations (Mr. Grossman)

will read the record of Hansard today and on his own initiative, as he so often does, bring forward the proper legislation so that sometime not too far down the road the members of this House can have the opportunity of debating legislation to simplify these contracts.

Finally, lest I be subject to criticism, I'm not supporting this bill because I think it would be nice to see a few lawyers on the unemployment lines as well as a few workers, but simply because the principle of the resolution is a sensible one.

Mr. Eaton: Mr. Speaker, I was prepared to rise and speak to the bill in support of my colleague, but after he came out with that hidden meaning of making work for lawyers, I begin to wonder because it's just like some of the contracts lawyers have drawn up—they've got hidden meanings in them. So it makes one wonder what they're getting at sometimes.

Mr. Warner: That's what he's up to.

Mr. Martel: You don't think they're going to do themselves in, do you?

Mr. Roy: We don't need two bills for lawyers in one day. We just passed one, Bill 59.

Mr. Eaton: However, I do support the principle that is being put forth by my colleague, not necessarily that legislation is required to do this, but that action be taken. I think the trend towards simplification of contracts is obviously one which will continue and one which is to be commended. It does not appear though that legislation of itself will do the job without incredible enforcement, and I think this was pointed out by the member. It's going to take a lot of good will on the part of people without a general enforcement of it to do it.

I think the most important thing to remember is that the consumer interest must come first, and it's not always met by simplification. Thus, for example, it's also important that contracts within a given industry bear a resemblance to each other and that as much uniformity as possible is put into the various types of contracts that are placed before the public.

It's similarly very important that information in sufficient quantity be of assistance to consumers in the contracts that they receive, that contracts can be drawn up too simply so that the information they do need is not before them.

In our Ministry of Consumer and Commercial Relations we have attempted to approach the subject in a broad, general way.

Rather than attempting to specify what may or may not be said in a contract, we have concentrated our efforts on the development of such general areas as warranty legislation, which will have a uniform effect regardless of the industry in question, and on the Business Practices Act, which will deal with improper practices of deceptive wording in contracts or approaches to contracts that may mislead the consumer.

In those areas which are specifically administered by the Business Practices Act, we've had a considerable success in having industry work to develop common and fairly simple forms. Thus, the Motor Vehicle Dealers Act is similar right across the province. My colleague did make reference to that particular form, and stated that on the bottom of it, it said, "Information below this line is not part of the contract." He said there was nothing below the line. It so happens that the portion that he had is the portion that's been agreed to by the ministry. However, it's a long form and the motor vehicle dealers do put some information of their own below it. That's why it says, "The information below is not part of the contract." [5:15]

I think we have had good co-operation from a number of industries in trying to make contracts simple. There are a few problems, and I think there are probably two major criticisms of the legislation. There is the fact that statutory requirements often make it almost impossible to word contracts simply while still complying with the requirements of the law, the law that we have sometimes created here; sometimes we get into committee, especially the lawyers in our committee, and we wrangle over a word or something and add three or four extra clauses in a sentence to clarify what a word means, when I think most of us recognize the common need.

In that regard, I think there was reference made to the insurance contracts put out by Royal Insurance and how clear they are. I would like to read into the record a couple of statements in these contracts that do show very clearly what is intended. For instance, they point out examples in their contracts: "Your son is playing baseball in your neighbour's backyard and he breaks a window with a wild throw; if you want the cost of replacing the window covered, it can be done under this policy."

However, with all that simplification, our legislation requires certain things at the back of it; so you go to the back page and you read something like this: "Statutory conditions misrepresentation. If a person applying for

insurance falsely describes the property to the prejudice of the insurer or misrepresents or fraudulently omits to communicate any circumstances, that is material to be made known to the insurer in order to be able to judge of the risk to be undertaken, the contract is void as to any property and relations to which the misrepresentation or admission is material."

That's required to be put in there by our statute. So rather than bring in more legislation that would require them to put certain things in contracts, such as that does, we should be reviewing some of the legislation we already have which requires statements like that be put in. There is one sentence in the contract that covers about 10 lines. That's the kind of thing that has developed from the legalese inside our ministries, where they are trying to see that everything in a statement that is going out to the public is clarified.

The other thing I think we must guard against in these contracts is making sure, in telling the company that certain things should be done, we don't get away from using phrases that have become particular in their meaning in law, phrases that people recognize in contracts that are before them every day.

So, in general, I would say we certainly support the thrust of the resolution of my colleague. It is consistent with government policy and we should certainly encourage all industries or trades or associations to work towards developing uniform forms that are simple contracts that can be understood by the public and will protect the consumer.

Mr. Blundy: I am very pleased to arise in support of the resolution that has been placed before the House by the hon. member for Simcoe Centre.

I believe there is a possibility of us improving the situation for consumers. You know, we have always heard the dictum "read before signing." If the consumer is to be really protected, then he has to read it and he has to understand it. But I suggest that some of the words and some of the phrases that are used in contracts today and for many years past do discourage very much the people from reading before signing. So I think it is important that we try to put across not only to the government but to people in business and commerce and the province of Ontario that we want to protect the consumers and to do that they must be able to read and understand what is in the contract.

There are many technical terms in contracts and I don't believe these are essential for either the consumer or the person who is

putting out the product. There are complicated legal phrases that certainly do not have to be used. I think common English could very well take their place.

The member for Simcoe Centre gave several very excellent examples of the language and phrases used in contracts. They are glowing examples of what we are trying to avoid in this resolution. Many of these words and expressions that are now used in contracts in general use in the province were words that were used in previous days. They were used by those who were educated in the use of contracts.

We are living in a new era—an era in which nearly every one of us, regardless of our position, our education or our income, is faced with such contracts—from mortgages, automobile and other loans, right down to buying a hair dryer. In all of these things, the ordinary consumer in the province is being faced with these contracts. I submit that they must be very discouraged when they remember that they have been told, "Read carefully before signing," and they come upon some of these very difficult phrases and technical terms.

Times have changed. Our ways of buying and of renting have changed. It's time that the legal jargon and technical phrases in consumers' contracts are also changed. I know that it may be very difficult to do this, and I know it can't be done overnight; it's going to take a little encouragement and, above all, some leadership to accomplish what the resolution of the member for Simcoe Centre has in mind. It is going to take leadership on behalf of the government; particularly, it is perhaps going to take leadership on the part of the Minister of Consumer and Commercial Relations. It will be not too long before the examples that can be set, particularly by that ministry, will filter down.

I would think that many of these companies, with their long, wordy and difficult-to-understand contracts, probably could save a great deal of money in printing up a contract that will be so much less wordy.

The member for Kitchener gave us examples of how many terms of the contract, which are so essential to the buyer and the consumer, could be put in fewer sentences and words.

I must support the resolution, Mr. Speaker, and I hope that there will be some action taken on it because if we are truly to protect the consumers of Ontario, we must make it easy for them to protect themselves; and I submit that, under some of the present contracts that are to be signed, that is very difficult.

Mr. Foulds: On a point of order, if I might, Mr. Speaker: I believe the Attorney General would like to interrupt the proceedings, with which I fully agree.

Hon. Mr. McMurtry: With your permission, Mr. Speaker, I wanted to revert very briefly to bills for the introduction of two bills.

Mr. Speaker: Agreed?

Some hon. members: Agreed.

INTRODUCTION OF BILLS

LAND TITLES AMENDMENT ACT

Hon. Mr. McMurtry moved first reading of Bill 33, An Act to amend the Land Titles Act.
Motion agreed to.

REGISTRY AMENDMENT ACT

Hon. Mr. McMurtry moved first reading of Bill 34, An Act to amend the Registry Act.
Motion agreed to.

WRITING OF CONSUMER CONTRACTS (continued)

Mr. Foulds: I rise to speak on the resolution before us with some mixed feelings. I support the aims and objectives of the resolution because I think it is important, as a number of speakers have indicated previously, that both seller and buyer understand the terms of the agreement that they come into.

However, I do find it strange that the lawyers of the province and of the Legislature have taken such a kicking, if you like, in the Legislature today. I find it strange that legislators themselves have taken such a beating in the Legislature during the debate on this resolution. I can understand fully why the hon. member for Simcoe Centre has introduced a resolution rather than a bill because, if he had introduced the bill, I suspect that it would have suffered from all of the faults of a contract that he decries. I suspect that is one of the difficulties that faced him when he came up with this idea.

I found it strange that—

Hon. B. Stephenson: You're supposed to say "passing strange".

Mr. Foulds: Passing strange. I found it strange that so many members of the Legislature felt compelled, not only to condemn business for the contracts that are afloat in the province, but also to condemn themselves. It's almost as if we had, in the Legislature, a massive public confession of guilt. I frankly don't want to participate in that. If I have confes-

sions to make I'll make them privately, I think.

I think we must admit that in any contractual arrangement, no matter what it entails in terms of sale, there must be some precision of language, some precision in the terms that both buyer and seller agree to. What I find a little worrisome is that in the debate that has taken place there has been no recognition of the necessity for precision. If we devise contracts or terms of sale that are so simplified that the words are ambiguous and vacuous, we will get into more problems than we already have.

Earlier in the day we had a long involved debate involving Bill 59. Many of the speakers referred to the "real world" as if there were a single real world out there that we speak of. There are, in fact, a number of real worlds.

With reference to this bill, we have to admit that every profession and every endeavour has its own specialized language. If we, for example, are engaged in buying or selling an automobile, there are certain precise descriptions of the mechanics of that particular consumer good, and a precise relationship between its moving parts. How do we design consumer protection that fits that and fits a box of corn flakes? I don't know how you do it with one simplified single contract. Engineering has its specialized language of necessity. Drafting has its specialized language of necessity.

[5:30]

I would suggest that probably the activity that receives most attention by the general readership of the province and by the populace generally is sports. Sports activity in all of its areas has its own precise meanings for its own language. For example, in baseball we talk about a foul ball. There is a specialized meaning to that expression that is quite different from the meaning of the term as taken in general parlance. We talk about icing in hockey which has the specialized meaning of the momentum of the puck down the ice and it being touched or not touched for certain lengths of time. That meaning is quite different and quite precise but different from the term icing generally, which either has to do with frozen water or sweetness on top of a cake.

We talk in tennis, for example, about scores like one or two love, and love there has a very precise and specialized meaning.

An hon. member: It usually means hate.

Hon. B. Stephenson: Don't talk about one or two love. You haven't played tennis lately.

Mr. Foulds: I have never played tennis, but it has a quite different and specialized meaning from the usual four that arise as a result of the original four Greek words that have to do with that particular activity. I would say there is a little bit of a danger that we could be jumping on a bandwagon, when we talk about simplified language, of getting into ambiguous and vacuous language. While I would support the aim and the objective, I really have yet to be convinced that the member has come up with a practical solution so that if this Legislature passes this resolution there will be immediate and responsible response from the government side.

He has said he would like this resolution to act as a prod. The word "prod" itself has a number of specialized and different meanings that the member didn't go into. I point out to the House the particular bon mot with which the hon. member concluded his address which was that when a buyer buys a gold mine, he hopes the buyer will actually get the gold mine and not the shaft.

From those words themselves, the definition of a gold mine is extremely difficult in terms of grades of ore, where the veins happen to run, in terms of geography and in terms of depth. "Shaft" in that context has a deliberately ambiguous meaning, a deliberately double meaning which I think we should avoid at all times in consumer protection legislation and consumer contracts throughout the province.

Mr. Rotenberg: I rise to support the motion and I commend the member for Simcoe Centre for bringing forth the motion. I do so for one reason, because it seems it's one of the few private members' motions that has seemed to receive unanimous support around the House. But also I commend him for bringing this forward as a motion and not as a bill.

I have been listening to the speeches around the House and I find myself most in agreement with the last speech of the member for Port Arthur, and that made me instantly want to reconsider my position.

Mr. Lawlor: He is perfectly right.

Mr. Nixon: Don't you always agree with the last person?

Mr. Rotenberg: Had this been brought forward as a bill, I probably would have had great difficulty in supporting it.

Mr. Lawlor: In reading it.

Mr. Rotenberg: Yes, in reading it and supporting it. A bill which tried to solve this problem for the total consumer industry, let alone for just a wee bit of the consumer

industry, would not only be very difficult to draft but before we even get into the bill stage, before we consider legislation, there has to be an awful lot of research done as to what effect any legislation would have on various areas of the consumer industry.

I also want to echo the warnings by the member for Port Arthur. We have to be very careful in not going too far the other way, because consumer contracts are legal documents, and whereas some legal documents have too much verbiage, whereas some legal documents may be loaded in favour of the vendor—as some are—legal documents are there for the protection of both sides, the consumer and the vendor. If a document is written ambiguously in non-legalese, if a document is written in such a way that lawyers in court will have trouble interpreting it, I think it would be a great disservice to the consuming public.

Mr. Deans: The problems are the lawyers. The lawyers are the problems.

Mr. Rotenberg: Sometimes they're the problem—

Mr. Deans: Let's be perfectly frank about it; the lawyers create the problems.

Mr. Pope: Oh, no, not unless they are from Kilmarnock.

Mr. Rotenberg: Mr. Speaker, lawyers sometimes create the problems. As the member for Wentworth knows, lawyers also do sometimes assist in putting out fires, and they are legal fires, so he would have some knowledge of that as well.

Mr. Deans: They set a few, too.

Mr. Rotenberg: So we have to be very careful before we draft legislation. But this doesn't take away from the principle that the member for Simcoe Centre has brought forward, and it doesn't take away from the fact that we should be adopting the motion and giving consideration to it.

The member for Kitchener earlier brought up the matter of insurance policies and the work we have been doing on the select committee on company law. Certainly in insurance, as in other fields, there is room to improve the language in a contract, not only in the statutory conditions, as the parliamentary assistant has brought forward, but simply in the total language of the contract.

I don't want to give a commercial here, but I do commend the Royal Insurance Company for the new type of contracts it has brought forward. I think a number of members have the contracts before them. The parliamentary assistant to the minister, the member for Middlesex, read out from some of

the simple language and read out from some of the legalese. I think the Royal Insurance has come to a very good compromise and a very good solution for this problem, because in a way it has the best of both worlds. It has given, in a non-contractual part of the form, a simple explanation that the public can understand. Yet it has in the back page, the required conditions, the statutory conditions, the legalese which are necessary to protect, yes, the Royal Insurance Company, which puts out the contract, but also to protect the consumer who purchases insurance, the person who wants to or may eventually get to court, the person who may have a legal argument.

There has to be—as the member for Port Arthur said—precise language in at least part of the document so that if there is a dispute as to what the contract meant, the lawyers who drew it up in the first place will be able to sort it out, and if it ever gets that far, the courts will be able to adjudicate as to who is correct, who is wrong, who has to pay whom.

I think, really, the purpose of this motion is a message to the government, a message specifically to the Ministry of Consumer and Corporate Relations. I think there are some industries and some ministries whose contracts can use some clarification. Some of them are statutory conditions where legislation may have to be amended; some of them are simply the contracts which these industries use, and a redrafting for clarification would be necessary.

There are probably some industries where there will be required legislation, or change of legislation, in order to make those contracts reasonably readable and to bring them into conformity with present-day practices. Probably the vast majority of industries simply need a nudge to do the sort of thing the Royal Insurance Company has done. I think it is within the purview of the Ministry of Consumer and Commercial Relations to look into the various types of contracts, to look into the various industries, and to bring forward legislation where necessary, but in most cases to give the industries this nudge, this prod to try to bring their contracts into understandable form without giving up the necessary legal protection to both the vendor and consumers.

For these reasons I will support the motion and hope that the members of the House will do likewise.

Mr. Speaker: The hon. member for Lakeshore, for about three and a half minutes.

Mr. Lawlor: The passion for the meticulous has dried all the sap and ardour out of my veins. That's the whole history of law.

Hon. B. Stephenson: It obviously flowed to some of your colleagues.

Mr. Lawlor: There are two kinds. As in most things, there has to be some balance in this. Every profession, every group and every self-interested little clique in the country, no matter what it is—the country club in golf or whatever area; women purling in a knitting contest, in any other area—each area, particularly professional associations, has its high priests, its witch doctors and its mumbo jumbo. They enter incantations in the night and feed one another the pabulum of tricky words. That's to be understood.

On the other hand, there is the sloppiness that goes with most of our speech where we don't say precisely what we mean, mostly because we don't know precisely what we mean and therefore adopt some kind of vacuity, blathering around. If the layman were permitted to draft most of the legislation in this House, because of the monumental lawsuits, the estimates of the Attorney General would have to be expanded at least 12 times in order to provide enough accommodation for courts and judges.

I just want to say a word at the end of this debate, giving commendation to the professional draftsmen bringing law before us in this House. I think they do an exquisite job, because most members of this House understand the legislation that's set out before us and I would defy many of them to be able to boil it down to simple terms.

Simplicity is not something one starts with. It comes at the end, after great ardour and enormous struggle. You boil yourself down in terms of purification to some form of simplicity. It's a state of mind which I hope never to reach.

Mr. G. Taylor: I thank my colleagues in this House for such great support for my resolution. I'd like to speak on the member from Lakeshore's comments, but he talked in so much legalese I'm having difficulty in understanding him, Mr. Speaker.

Mr. Foulds: No, it's just the richness of language that you don't understand.

Mr. G. Taylor: I'm so pleased also that my resolution brought such soul-cleansing into the House this afternoon. Every organization and body needs that from time to time, and if it's brought just that to this House, I'm gratified.

The other part one might say—and I hope some people will accept this in jest—if you were wondering why I introduced a resolution

and not legislation, in my calculations of the number of participants in this House there are 22 lawyers, and you know what it takes to veto legislation. I'm not so sure I would succeed in bringing to my side 22 lawyers. The other grouping—there are 14 teachers in this House and I'm not so sure they would agree with the motives of 22 lawyers.

Mr. Foulds: I thought there were 17 in our caucus alone.

Mr. G. Taylor: So that the resolution was the more honoured form to bring this in.

Mr. Roy: How many LLDs?

Mr. G. Taylor: There are a few QCs who still have wet documents, Mr. Speaker, and I'm not sure they would understand my resolution.

Mr. Roy: It is a shiny gown.

Mr. G. Taylor: Once the ink dries on the QC of the member for Ottawa East then he may comment on it.

The other thing—and I comment upon it as a prod and a catalyst—is that there are some organizations that have gone forward with this type of contract, being Royal Insurance, Mutual Insurance, and Citibank. There is presently one state in the United States, the state of New York, that has the legislation in place and going forward, but it's receiving, as you can imagine, the greatest amount of challenge from the lawyers in that area.

I heard my friend from Port Arthur there comment upon language. Of course, we put language in and he talked about love and items such as that. Of course, when you put your contract together, you hope that when the words are put in the words have some meaning pertaining to that type of object that you're contracting.

If he's discussing tennis and love, you'd think that would go together with tennis and he would understand the type of love. If he was into some type of body shop and contracting with love there, he would know the style of love and the meaning that might have.

And if he was going to a body shop that has to do with cars he would understand that they are not in love with him for wrecking the car. So the type of love that would be inserted in any one of those contracts would be, I am sure, understandable.

My friend from Lakeshore comments that I was whistling in the moonlight.

[5:45]

Mr. Foulds: You can't even tell the difference.

Mr. G. Taylor: The difficulty with whistling in the moonlight on contracts that are presently in the consumer field today is that they

are not always playing the same tune; the whistling is not always there. I had hoped this resolution would bring some tune to the contracts that are in the consumer field so that at least those receiving them on both sides of the bargain would have some harmonious music in what is being put forward to them so that the discordant vibrations, after they have discovered what the words mean, would not lead them to slow up the orchestra and stop playing altogether and head for the courts into the arms of those lawyers who would naturally charge them large fees to discover what is in the contracts.

Mr. Foulds: A bad analogy.

Mr. G. Taylor: If the member for Lakeshore comments further I could use up more minutes, Mr. Speaker, but how many do I have left?

Mr. Speaker: We cannot vote before 5:50 p.m.

Mr. G. Taylor: With that I thank all the members and my colleagues. I hope they will support my resolution and that it will bring some semblance of the problem to the Minister of Consumer and Commercial Relations (Mr. Grossman) that he will prepare some legislation in the near future; or maybe no legislation, just the resolution will bring to the people of this province the idea that there can be words simplistic enough in nature to put in contracts to ease the problem.

FOODLANDS PROTECTION ACT

Sufficient members having objected by rising, a vote was not taken on Bill 12.

WRITING OF CONSUMER CONTRACTS

Mr. Speaker: Mr. G. Taylor had moved private member's resolution No. 2.

Resolution concurred in.

ANSWER TO WRITTEN QUESTION

Hon. Mr. Welch: Mr. Speaker, I wonder if I might be allowed to table the answer to question 13 standing on the notice paper. (See appendix, page 902.)

The Honourable the Lieutenant Governor of Ontario entered the chamber of the Legislative Assembly and took her seat upon the throne.

ROYAL ASSENT

Hon. P. M. McGibbon: Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sitting thereof, passed a certain bill to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

Clerk Assistant: The following is the title of the bill to which Your Honour's assent is prayed:

Bill 59, An Act to reform the Law respecting Property Rights and Support Obligations between Married Persons and in other Family Relationships.

Clerk of the House: In Her Majesty's name, the Honourable the Lieutenant Governor doth assent to this bill.

Mr. Speaker: May it please Your Honour, we, Her Majesty's most dutiful and faithful subjects of the Legislative Assembly of the province of Ontario in session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and government, and humbly beg to present for Your Honour's acceptance, a bill entitled An Act for granting to Her Majesty certain additional sums of money for the Public Service for the fiscal year ending March 31, 1978.

Clerk of the House: The Honourable the Lieutenant Governor doth thank Her Majesty's dutiful and loyal subjects, accept their benevolence and assent to this bill in Her Majesty's name.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

Mr. Deans: I hope you spend that money more wisely than you spent the rest.

Mr. Renwick: He said it's all gone.

Mr. Deans: It's all gone? Did you dribble it away again?

Mr. Speaker: I would remind members that the adjournment today is until 2 of the clock, Tuesday afternoon, March 28, pursuant to the order passed on March 9.

On motion by Hon. Mr. Welch, the House adjourned at 6 p.m.

APPENDIX

(See page 901)

The answer to a written question was tabled as follows:

13. Mr. Peterson—Inquiry of the ministry: Would the ministry provide a list of all independent studies commissioned by the government in the fiscal year 1977 as well as the names of all personnel and companies employed and their method of payment, per diem rates and total costs of the studies to the government? [Tabled March 2nd, 1978]

Answer by the Chairman of Management Board (Mr. Auld):

It is noted that the question refers to "fiscal year 1977." If this is intended to mean 1977-78, the information is not available since fiscal year 1977-78 will not close until March 31, 1978. If the question is concerned with 1976-77, then it is essentially identical to the question asked by the member for Beaches-Woodbine (Ms. Bryden), on November 21, 1977 (question 46, order paper 37, 1977 fall session). Therefore, the same answer would apply, as tabled on December 8, 1977 (Legislature of Ontario Debates 73, p. 2778).

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 Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
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 di Santo, O. (Downsview NDP)
 Eaton, R. G. (Middlesex PC)
 Edighoffer, H.; Deputy Speaker (Perth L)
 Foulds, J. F. (Port Arthur NDP)
 Gigantes, E. (Carleton East NDP)
 Hall, R. (Lincoln L)
 Hodgson, W. (York North PC)
 Kerr, Hon. G. A.; Provincial Secretary for Justice and Solicitor General (Burlington South PC)
 Kerrio, V. (Niagara Falls L)
 Laughren, F. (Nickel Belt NDP)
 Lawlor, P. D. (Lakeshore NDP)
 Lewis, S. (Scarborough West NDP)
 Lupusella, A. (Dovercourt NDP)
 MacDonald, D. C. (York South NDP)
 Mackenzie, R. (Hamilton East NDP)
 Maeck, Hon. L.; Minister of Revenue (Parry Sound PC)
 Martel, E. W. (Sudbury East NDP)
 McCague, Hon. G.; Minister of the Environment (Dufferin-Simcoe PC)
 McKeough, Hon. W. D.; Treasurer, Minister of Economics and Intergovernmental Affairs
 (Chatham-Kent PC)
 McNeil, R. K. (Elgin PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Norton, Hon. K.; Minister of Community and Social Services (Kingston and the Islands PC)
 Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
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 Ruston, R. F. (Essex North L)
 Samis, G. (Cornwall NDP)

Smith, S.; Leader of the Opposition (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Labour (York Mills PC)
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Warner, D. (Scarborough-Ellesmere NDP)
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No. 22

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Second Session, 31st Parliament

Tuesday, March 28, 1978

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, MARCH 28, 1978

The House met at 2 p.m.

Prayers.

STATEMENT BY THE MINISTRY

DEATH OF ADRIENNE PAQUETTE

Hon. Mr. Norton: Mr. Speaker, I wish to inform the House of the completion of my ministry's investigation into the management of the case of Adrienne Paquette, a victim of child abuse, who died in her own home and who had been in the care and under the supervision of the Ottawa Children's Aid Society.

The ministry's staff has now completed the review and forwarded to me a report which included their findings and recommendations. For the information of the members and the public, I am today making these findings and recommendations available along with this statement. The findings have identified a number of concerns about the society's case management and supervisory practices, its policies and procedures and the adequacy of decision-making and services provided to the family. The recommendations propose a number of specific actions to be taken in order to address the concerns identified.

I see no basis in this report to justify the ordering of a judicial inquiry. The facts of the case are known and are agreed upon between the ministry and the society. The need for further action and the nature of that action are clearly identified in the findings and recommendations of the report. The most important aspect of the matter is now to ensure, with the co-operation and the assistance of the society, that appropriate steps are taken.

Following the completion of the review, a special meeting of the board of directors of the society was held at which the findings and recommendations were presented by the director of child welfare and the two staff members who conducted the review. I believe that meeting has laid the groundwork for an analysis by the society of the report's implications for its services and for a commitment to the resolution of the problems identified. The board has appointed an ad

hoc committee to work with ministry staff to this end. With this commitment to joint action by the ministry and the board, I am confident that everything possible will be done to prevent the occurrence of any similar circumstances in the future.

Mr. S. Smith: Can I have a copy of that? I don't have a copy.

FOREST REGENERATION

Hon. F. S. Miller: Mr. Speaker, I'd like to inform the House of an important conference of forest regeneration taking place in Thunder Bay this week, beginning tomorrow. I have invited more than 150 representatives from the forest industry, the universities and the Ministry of Natural Resources—and I might say I would be glad to have the official critics of the two opposition parties—

Mr. Reid: Now you ask.

Mr. Foulds: That's a little late.

Hon. F. S. Miller: —to meet and discuss all aspects of closing the gap between the number of trees harvested annually in Ontario and the number required for future use and enjoyment.

Mr. MacDonald: You're 40 years too late.

Mr. Foulds: It's not two for one.

Hon. F. S. Miller: As members know, my ministry estimates that of the licensed area cut over each year approximately two-thirds is adequately regenerated, leaving one-third which is not.

Mr. Foulds: That is not what your ministry estimates.

Hon. F. S. Miller: While that is an improvement over what it used to be, it's still not good enough—

Mr. Foulds: You are right.

Mr. S. Smith: Two for one!

Hon. F. S. Miller: —nor will it be good enough for the thousands of Ontario residents, in the south as well as in the north, who depend on trees for jobs, recreation and the well-being of their community.

We are at a critical point. We must satisfy ever-increasing demands for timber and fibre and yet guarantee that our forests

will flourish. The participants at this Thunder Bay working conference have been asked in advance to come prepared to identify problems, present their views, talk frankly about possible solutions, and come to an agreement or consensus on certain basic realities and what should be done to close the regeneration gap.

I have also taken steps to ensure that what goes on at Thunder Bay is well publicized by inviting the news media in Ontario to send representatives to all general sessions and the sessions of the 14 working groups.

Mr. Reid: If you planted as many trees as you have news conferences, we wouldn't have any problems.

Hon. F. S. Miller: Afterwards, there will be briefing sessions and plenty of opportunity to question delegates. I will also participate in the conference through its three days.

I expect that this will be a productive, exciting coming-together of experts who know our forests. These people collectively share more than 2,000 years of experience managing and working with our forest resources. I am confident they will be able to provide positive ideas to enable all those responsible to do the best job possible in managing our forests now and for the future.

ONTARIO ADVISORY COUNCIL ON THE PHYSICALLY HANDICAPPED

Hon. Mrs. Birch: Mr. Speaker, earlier today I deposited with the clerk copies of the second annual report of the Ontario Advisory Council on the Physically Handicapped. It is not a statutory requirement that the report be tabled in the Legislature, but I did want to bring it to the attention of all the members of the House. The council, as you know, is made up of a group of very dedicated individuals who have done excellent work in bringing the concerns and aspirations of the physically handicapped to our attention. I am very happy to be associated with the council and want to express my appreciation for the outstanding job that they have done.

HYDRO CORRIDORS

Hon. Mr. Baetz: Mr. Speaker, I rise on a point of personal privilege. The hon. member for Halton-Burlington (Mr. Reed) was quoted, both on CBC radio and in the Hamilton Spectator of March 17, as saying that the decision reconfirming the Bradley-to-Milton transmission line "was not made by the cabinet but was an informal decision made by the Minister of Energy."

The member, as quoted in the Hamilton Spectator, said: "A couple of ministers appar-

ently haven't heard a thing about it. I have reason to believe there was never any formal presentation to cabinet on this matter. I suspect Mr. Baetz discussed it with Darcy McKeough and was told to go to blazes."

Mr. Roy: Right on.

Mr. Reid: That's a pretty safe bet.

Mr. Reed: You are right sometimes, Darcy.

Mr. S. Smith: Was Darcy ever that moderate? When did Darcy ever speak that moderately?

Hon. Mr. Baetz: I continue the quote of the member for Halton-Burlington. He said: "He's a very naive politician."

I wish to point out, Mr. Speaker, that the government of Ontario does not function in such an irresponsible, arbitrary and ad hoc manner as the member has suggested.

Mr. Peterson: When did you change?

Mr. Bolan: How is the hot seat there, Reuben?

Hon. Mr. Baetz: I wish the record to note that the decision on this transmission line route was reconfirmed by the Ontario cabinet subsequent to my meeting with interested citizens' groups on March 6. This formal decision taken by cabinet reconfirmed earlier decisions taken by cabinet on the same transmission route. For any member to suggest publicly that this decision was taken in any other way is the height of irresponsibility, in my estimation.

Mr. Roy: Reuben, did he say you had an LLD?

Mr. Reed: Mr. Speaker, I wonder if the minister is referring to a statement in his letter to the ICG where he referred to the fact that he had discussed the question with his cabinet colleagues, because that is the area of the letter to which I was referring. Information came to me from the ICG that some checking had been done, and certainly not all of the cabinet ministers were aware that contact had been made with cabinet.

Mr. Foulds: They were sleeping through that part of the cabinet meeting.

LAND SALE BY FORMER PC PRESIDENT

Hon. Mr. McKeough: Mr. Speaker, I rise on a matter of privilege. I refer to a story and headline in the early edition of the Globe and Mail of Tuesday, March 28, which reads: "Order by McKeough helps Former PC President sell Money-Losing Site." There are several inaccuracies in the story, and I am consulting my solicitors.

Mrs. Campbell: Did it help him?

ORAL QUESTIONS

INCREASE IN OHIP PREMIUMS

Mr. S. Smith: A question for the Treasurer, Mr. Speaker: With regard to his budget statement of 1976, does he recall, when he raised premiums for OHIP by about 45 per cent then, making the following statement in budget paper B in 1976:

"Premiums will now generate approximately 28 per cent of the total financing of OHIP. This is a more appropriate level than the 23 per cent raised in 1975-76 and is a suitable long-run norm to maintain as health care costs increase in future years."

Does he recall that statement? What was it based on, and why has he changed his mind?

Hon. Mr. McKeough: Mr. Speaker, honestly I don't recall that particular statement. Although most of the words in my budgets are indelibly engraved on my heart, I don't frankly recall that.

Mr. Reid: Or don't want to recall.

Mr. Foulds: Is it engraved on your brain?

Hon. Mr. McKeough: However, I would say to the hon. member that the committee on health costs, the Taylor committee, recommended approximately a third and I was guided by that advice.

Mr. S. Smith: Supplementary: The Taylor committee made its recommendation based on two documents, a 1973 Ontario Council of Health report, and the 1976 budget statement of the Treasurer. Since it obviously came three years after the OCH report, they must have taken it into consideration. How can the Treasurer now justify moving to 34 per cent when he already said that 28 per cent was a legitimate goal? Does he agree that if he stuck to his original 28 per cent long-term goal—which is the statement he made in 1976—he would only need to raise OHIP premiums, given this year's estimate, approximately nine per cent and not 37.5 per cent?

Hon. Mr. McKeough: Mr. Speaker, I doubt the member's arithmetic.

Mr. S. Smith: If the Treasurer doubts the arithmetic, I shall now read to him. Is he familiar with the fact that OHIP insured services include in the estimates, practitioners, ambulance services, hospitals, extended care and home care, totalling in this year's estimates \$3,289,002,600? Does he agree that 28 per cent of that total is \$920,921,000, and that he is generating, by his increase, \$199 million more than he would need according to that guideline, which he himself assured the people of this province two years ago was fair and reasonable?

Hon. Mr. McKeough: Let me repeat myself. I said, apparently, in 1976, that that was an appropriate norm—

Mr. S. Smith: Long-term.

Hon. Mr. McKeough:—a long-term norm. What I had been guided by was the report, as I have indicated, of the committee on health costs, which recommended about a third. I think we can play with percentages in any way we like if we wish to. The Minister of Health (Mr. Timbrell) points out that in terms of his total budget the cost met by premiums is something in the neighbourhood of 27 or 28 per cent. There is also a figure, which is used from time to time, that the cost to those who actually pay premiums as opposed to those—the 1,800,000 or so people who do not pay premiums—is in the neighbourhood of 47 or 48 per cent. But I would say now, irrespective of what I may have said in 1976, that about a third is an approximate figure and in my judgement, would be about right.

Mr. S. Smith: Would the Treasurer then admit that the numbers he is drawing out of a hat have no relationship, either to his own original estimate nor to the Taylor committee—which only based its statement on his original statement—and the preceding statement, which presumably it took into consideration? Will he now admit that he is looking for some place to raise an additional \$200 million of revenue and picked on the OHIP premiums to do it, because he knows that people are worried about health and because it is a high-profile ministry behind which he can hide the fiscal irresponsibility which put him in this box in the first place?

Hon. Mr. McKeough: I don't think it is fair to say that the Taylor committee relied only on a statement I may have made in 1973 or 1976. Those six or seven members of the committee went into all aspects of health costs and of premiums; they did an exhaustive study. I doubt very much that they only looked at my particular words of advice in 1976 or the view of someone in 1973. Therefore, ergo, the Leader of the Opposition's question is based on a completely wrong assumption, like so much else that he says.

[2:15]

Mr. Speaker: Final supplementary, the hon. member for Renfrew North.

Mr. Conway: I would like to have the Treasurer reiterate whether or not he is prepared at this point to abandon the principle which he stated very clearly in his budget paper of 1976, that premiums would be expected to pay no more than 28 per

cent of insured health services and that this would be an acceptable long-term norm. Is he saying today that 28 per cent is no longer an acceptable long-term norm, and that in fact 33 per cent is his new long-term norm?

Hon. Mr. McKeough: Mr. Speaker, obviously if that's what I said in the 1978 budget, then the member has the benefit of my latest thinking.

An hon. member: Which changes yearly.

Mr. Roy: We can't rely on the Treasurer's word. He changes his mind from one year to the next.

QUEBEC POLICY ON CONSTRUCTION HIRING

Mr. S. Smith: A question for the Minister of Labour, Mr. Speaker: In view of the fact that the Quebec government is proposing to bar qualified Ontario construction workers from working in Quebec by regulation 77-587 section 12.14—to take effect in July, 1978—while, as the minister knows, Ontario permits qualified construction workers from Quebec to work here, which is only proper; will the minister indicate whether efforts to preserve the traditional common labour market in the Ottawa-Hull and Cornwall-Montreal areas might result in modifications to the proposed Quebec regulations? What is the present status of the negotiations which have been going on?

Hon. B. Stephenson: I would remind the hon. Leader of the Opposition that the barring of Ontario workers from construction jobs in the province of Quebec is not something of recent origin. In actual fact, the government before the PQ government brought in the kind of legislation which encouraged this activity; and indeed there was a great deal of movement which prevented much of the interchange which had been traditional for Ontario construction workers along the Ontario-Quebec border.

However, there is a certain refinement of that activity going on at this time, which is becoming, I think, much more obvious, and obviously much more painful to Ontario workers in a time of high unemployment in the construction industry. As a result of the concerns which have been expressed by members of the construction unions, by the Construction Industry Review Panel, by members of the unions in the Ottawa-Hull area and in Cornwall, we have indeed had a number of meetings with our opposite numbers in the province of Quebec—the latest one having been about 10 days ago—in an attempt to resolve this difficulty.

Mr. Speaker, I would have to say that I am not at this point hopeful we will be able to persuade the government of the province of Quebec to modify the regulation. I am sufficiently optimistic to hope that we can do something which will circumvent this problem, but I would have to say quite honestly at this point that I do not see a change in the drafting of that regulation as a solution to the problem. Therefore, we are moving on a different tack in order to attempt to solve the problem for the benefit of the workers in the province of Ontario.

Mr. S. Smith: By way of supplementary, may I ask a brief, two-part question: One, what is this different tack; is the minister at liberty to share this with the members of this House? The second question: since all of us realize that retaliation is not the proper way to build a country, is the minister considering launching a legal challenge in concert with the Attorney General (Mr. McMurtry) against the constitutionality of the regulation 77-587 section 12.14 that I have brought to her attention?

Hon. B. Stephenson: I would have to say that as soon as I feel that I am at liberty I would be pleased to share with the members of the House the route we are considering following. I would also remind the hon. Leader of the Opposition that, indeed, labour matters have been traditionally considered to be of provincial jurisdiction rather than federal jurisdiction, and whether indeed there is any challenge to the constitutional argument in this situation is something which we have explored. We have not as yet received an opinion from any of the learned gentlemen in this area which would give us any feeling of security that an argument on constitutional grounds would be a winning argument for the province of Ontario.

I would like to say to the hon. Leader of the Opposition, however, that in spite of having been urged by the now leader of the third party to draft retaliatory legislation, I have resisted this impulse, and will continue to do so—

Mr. Kerrio: Shameful.

Hon. B. Stephenson:—because I really do not believe, Mr. Speaker, that balkanizing Canada is the way in which we can unite Canada.

Mr. Martel: Your government didn't tell Sun Life to stay at home.

Mr. Roy: Supplementary: Recognizing the difficulty of the problem and recognizing as well the fact that in the spirit of this country retaliatory legislation is not the answer,

would the minister advise, since we have been raising this problem since 1971, why we can't work out some reciprocal arrangement with the province of Quebec, since we have had a problem in the Cornwall-Ottawa-Hull area since 1971? Why is it we can't work out reciprocal agreements with them, especially in light of the fact that the benefit has been mostly one way as Hull workers were working in Ottawa? They are starting to get tough now when there is more construction on the Quebec side than there is on the Ontario side.

Hon. B. Stephenson: That is a delightful suggestion but I would remind the hon. member that it takes two to reciprocate. We have been trying since 1970-71 to develop some kind of reciprocal arrangement and it has not been possible to do so.

Mr. Roy: In view of the suggestion by my leader, has the minister received a constitutional opinion as to challenging the legislation in the courts? If she has, who is the author of that opinion; because we are somewhat suspicious at times of opinions coming from certain ministries, and I won't be personal?

Mr. Speaker: That question has already been asked and answered.

Hon. B. Stephenson: Yes. Although I would support consistently the value of the opinions which arrive from the Ministry of the Attorney General and others, it was an independent, external opinion.

Hon. Mr. Rhodes: We got it from Ron Basford and we are suspicious of it.

Mr. Roy: He's never wrong.

NICKEL MINING

Mr. Martel: I have a question of the Minister of Natural Resources: After the report prepared by the Ministry of Natural Resources, entitled *The Ontario Metal Mining Industry*, which was tabled in February, 1977 and which warned, "unless the markets improve rapidly in the near future it is difficult to see how cuts in the Sudbury mine output can be avoided"—to which the government failed to respond; what action is the government prepared to take now as a result of the Mohide report, entitled *Towards a Nickel Policy for the Province of Ontario*, wherein he recommends: "Encourage, through special Ontario income and mining tax adjustments, the adaptation and use of currently idle nickel refining capacity in Ontario and Alberta to refine part or all of the significant proportion of Ontario mine outputs of nickel which still goes to Wales and Norway in semi-refined

forms for refining, so as to create jobs in Canada?"

Hon. F. S. Miller: In the mid-term break, this report received a fair amount of press. There were one or two conclusions apparently reached from it. One was that the Treasurer had not accepted the advice of my ministry as shown in that report. I think that was a misunderstanding. The very authors of that report and myself advocated to the Treasurer the kinds of policies he adopted in the budget. There is quite a difference between penalizing offshore processing and encouraging processing at home.

Mr. Laughren: Oh stop it.

Hon. F. S. Miller: We were penalizing offshore processing. We have strong encouragement for processing at home. The committee that studied the problems, the select committee of this House, amongst its recommendations did point out that we should encourage, wherever possible, the maximum employment of miners within Canada.

I have to say we are currently at a stage in the mining industry where any capital required for home processing is not available. Section 113 of the Act, which prohibits the export without our permission, will be used, whenever it is feasible, to produce and process those ores at home; it is our opinion that currently it is not.

Mr. Martel: Supplementary: Is it not a fact that there is excess capacity for refining purposes, both in Alberta and in Ontario, for nickels being exploited from the Sudbury basin; that those avenues have not been utilized but rather we have shipped the ores to Wales and Norway for refining, as opposed to using the capacity which exists in Canada?

Hon. F. S. Miller: One of the processing plants—I think it's the one out west—doesn't have the ability to extract the precious metals. The other one may or may not have, I'm not sure, but the fact is it is not geared up to handle Falconbridge ore, as I'm told; and in fact I was told, and I believe the committee was told, that the current investment requirement would be \$30 million or more to allow it to process these ores.

Obviously, the hon. member and I share one common objective—whether we agree upon the way of getting there or not remains to be seen—and that is to protect the most jobs we can in Canada, the maximum number.

Mr. Foulds: Maybe create a few too.

Hon. F. S. Miller: We believe, currently, by judicious use of section 113 and the continuation of some processing offshore, which allows that metal to enter the European

market—don't forget that, metal could be supplied by other mines in other parts of the world—that in fact the maximum number of jobs are being protected here at home in Canada.

Mr. Reid: Supplementary: That's the first justification I've heard of the \$5 million gift to them. Can the minister explain if there was any commitment by Falconbridge or Inco that that \$5 million credit the government is giving to them for their offshore refining in Norway and Wales is going to go into capital investment in Ontario or in Canada?

Hon. F. S. Miller: Mr. Speaker, the hon. member has assumed it comes from Inco and Falconbridge. The \$5 million appraisal made by the Ministry of Treasury was based upon all of the allowances and all of the changes in the mining taxes mentioned in the budget, not just the offshore processing allowance. Right now, in the last year, I don't think that would have had any effect upon the total revenues to the province. It would be in the future that it would have.

We are simply looking very carefully at the world markets, as the hon. member's leader said we should—I recall this very clearly in the opening debate—the fact we hadn't allowed matte to be exported in 1972 was—

Mr. S. Smith: Not to be refined elsewhere; only if it was to be used in the unrefined state.

Hon. F. S. Miller: All right. The fact remains that the world markets for electrolytically-refined metals are shrinking as these other forms take their place. I think the hon. Leader of the Opposition would agree with me there.

Mr. S. Smith: Not to be refined elsewhere.

Hon. F. S. Miller: The fact remains that very low cost electricity is being used in Norway for the processing of the Falconbridge ores, electricity which Ontario currently does not have available, and which would cost more if it were available in Ontario. We believe that the combination of lower offshore costs and entry to the foreign markets is protecting jobs within the nickel industry in Ontario right now.

Mr. Laughren: Supplementary: Could the minister give us any reasons, other than self-serving or bureaucratic ones, as to why that Mohide report was not made available to the select committee on the layoffs, in view of the fact that the report was dated December, 1977? While the minister is on his feet, perhaps he could explain to us if he understands that there is unused capacity in the mineral refining industry in Ontario today?

Hon. F. S. Miller: Of course there's some unused capacity; the fact is that every ore requires a different processing technique, and I'm sure the hon. member knows that.

Mr. Renwick: Do you know that?

Hon. F. S. Miller: As for the report, I can assure the hon. member that if it was dated December, 1977, it was because it was in typewritten form then and it certainly wasn't even read by me at that point. Secondly, was it available for the committee? I read the transcript of that committee, because Dr. Mohide was present at the committee, and I read the comments made by Mr. Geddes-Brooks, is it?—

Mr. Martel: Webster.

Hon. F. S. Miller: —who referred to that report in the context and said that this report was available and had been examined by the committee. That was my understanding.

Mr. S. Smith: Supplementary: Does the minister not agree that it is important to draw a distinction between allowing exemptions to section 113 for the purpose of exporting into those markets which can use matte directly in the steel-making process, and therefore are going to shop around for such matte, as opposed to those possible markets that intend to further refine the matte outside the country? Does the minister not agree that it's important to draw that distinction and to allow exemptions mainly in markets which otherwise could use unrefined matte from some other place, but not to further refine it outside the country?

[2:30]

Hon. F. S. Miller: Yes, Mr. Speaker, I would agree with the hon. Leader of the Opposition, providing that there was not an alternative source of the raw material for that particular refinery. It happens that the Wales' operations of Inco can now process ores from other locations in the world; and the Falconbridge overseas operations can also.

Mr. Laughren: Where have you been all these years, Frank?

Hon. F. S. Miller: Therefore, we're faced with other willing suppliers of the raw materials for those two refineries for entry to the European market. I still say it is much better to keep the seven to 10 jobs-per-ton of capacity through the mining process from going overseas, than to try to get back the one in the refining that is now overseas; because it's that kind of a ratio, a 10-to-one ratio.

Mr. Speaker: We'll have one final supplementary from the hon. member for Sudbury East.

Mr. Martel: In view of the fact that the platinum group metals have been extracted for over 50 years and that nowhere in Canada, as yet, do we refine any of that, what action is the government prepared to undertake to ensure that those platinum group metals are finally refined in Canada?

Hon. F. S. Miller: For a change the member and I are going to agree. I think those should be refined in Canada. I have asked for an explanation as to the amount of investment that will be required and the number of jobs that would come back. I'm told that in the range of 50 to 60 jobs could come back to the Sudbury area or some other area. I would very much like to see the platinum group metals refined in Ontario and I intend to serve notice—and have unofficially—that I need that explanation before I'll be prepared to continue exporting.

Mr. Laughren: We've lost over 1,000 jobs at Falconbridge refining and you dabble with 60 jobs.

Mr. Speaker: The hon. member for Sudbury East has a second question.

AUTO PACT

Mr. Martel: I have a question of the Treasurer, in view of the Premier's (Mr. Davis) absence today. Regarding the announcement by American Motors that 1,000 employees face two months' layoff beginning in June, and some 350 will be terminated until such time as the Jeep line of production reaches the desired production rate, has the government of Ontario done any analysis to determine the production level which has to be achieved in order to restore the lost employment? How long will it take to reach the production level, which I think W. S. Pickett said would have to reach 70,000 or 80,000 to guarantee all the jobs which are being lost? Maybe I should direct that to the Minister of Industry and Tourism.

Hon. Mr. McKeough: Or the Minister of Labour.

Hon. Mr. Rhodes: Mr. Speaker, I don't believe we have done such an analysis. My understanding is, of course, that American Motors have done so and they are very confident that the future market for the Jeep product is such that with the product being made exclusively at the Brampton plant the total work force will come back to what it is at the present time, and perhaps even surpass that.

Mr. Martel: In how long?

Hon. Mr. Rhodes: No, we have not done a total analysis of that subject.

Mr. Martel: A supplementary: In view of the Chrysler layoffs in Windsor and in view of the American Motors situation in Brampton, what steps has the government of Ontario taken by way of direct communication with the industry—the four producers—to insist on a fair share of auto production on first-line products for Canadian plants, as opposed to Jeeps and vans as is the case in those two areas?

Hon. Mr. Rhodes: I believe that certainly Jeeps and vans and what-have-you would be considered first-line, as compared to others; unless, of course, the member is referring only to the larger automobiles and family automobiles.

Mr. Martel: Cars and trucks.

Hon. Mr. Rhodes: In discussions I had with American Motors, their feeling is that they are not able to capture the size of the automobile market that they would obviously like to have, and they could see a better future for their company, and more employment, by moving into the Jeep line as their most prominent product.

In the case of Chrysler, we are going to be meeting with the Chrysler people to discuss just what is happening as it relates to their operations in Windsor, and some of the discussion will be revolving around information that has been brought to my attention about what is happening to their facilities in Detroit.

Mr. Ruston: A supplementary, Mr. Speaker: While the minister is meeting with Chrysler, I assume he will also be asking them about their small cars, since they are now into the small car industry and going very well. Will he be proposing that some of their parts for small cars be made in Canada, even if the small cars are not made here?

Hon. Mr. Rhodes: Certainly we can make that proposal, but I think the member is aware of the fact that the whole matter is up for a considerable amount of discussion as it relates to the manufacture of parts—well, the whole auto pact area. There is a lot of concern being expressed by the unions, by governments, and in some cases I think by the automobile manufacturers themselves, as to how this is going to work out; certainly the auto parts manufacturers have a great deal of concern. This whole matter is being discussed.

I certainly can suggest to Chrysler that we think this would be desirable. What effect that will have, I don't know. I think right now that one of the things we are going to have to do is to enter into very serious discussions with my federal counterpart with a view to finding out just what is happening, if there is in fact severe political pressure being brought to bear on the major car manufacturers in the United States which is drawing some of the potential jobs out of Canada and into the United States.

Mr. Renwick: Of course there is.

Mr. Mackenzie: Don't send the Minister of Labour (B. Stephenson) to find out.

Hon. Mr. Rhodes: I can agree with the hon. member when he says, "Of course there is"; but I think rather than simply standing and saying "of course there is," let's find out to what degree it is and whether or not the companies are prepared to recognize that they have a responsibility towards investment and the creation and the continuation of existing jobs in this country.

Mr. S. Smith: You still don't know?

Mr. Bounsall: Mr. Speaker, since the economy of Ontario is so dependent upon the auto industry, where 40 per cent of the work force in Ontario is either directly or very closely indirectly associated with the auto industry, and the minister has mentioned the non-operation in the proper sense of the auto pact, is it not time, in his opinion, that a committee of this Legislature should bring the auto companies before us and ask them and demand from them that the production in parts and finished products in Ontario equal the sales in Ontario, which was the intent of the auto pact, and find out why they have not done that to date?

Hon. Mr. Rhodes: Mr. Speaker, I am not completely satisfied that a select committee of this Legislature is going to produce the sort of answers that are wanted, I am not saying it isn't possible that that may be the way we want to go, but it does seem to me that we are in a position now where we must go—and I am not saying this as a matter of passing the buck—to the federal government, who have the responsibility to negotiate with the United States government as it relates to the auto pact, and to find out why we are not receiving our fair share, if we are not. The select committee will do nothing more than bring in the auto manufacturers, who will sit down and discuss with us what their situation is.

Mr. Bounsall: That's where the power is.

Hon. Mr. Rhodes: It's still a federal responsibility and we would like to work in conjunction with the federal government, but it's really of no value for us to go off by ourselves in this thing.

Mr. Martel: They've been dragging their feet for years.

Hon. Mr. Rhodes: The opposition members continually want us to do things as a province which are really in the jurisdiction of the federal government.

Mr. B. Newman: Supplementary: Would the minister not consider it right that he demand that industry immediately inform him whenever any substantial changes are contemplated by them that can adversely affect the work force in all communities in the province of Ontario?

Hon. Mr. Rhodes: Mr. Speaker, that requirement is already there. The companies are required to notify the Ministry of Labour when there is any change that may affect the work force at those particular plants.

Mr. B. Newman: They didn't know about the Chrysler layoff.

Hon. Mr. Rhodes: I am the first to admit to the member that there seems to have been some lack of communication in that particular situation as it reflects on Chrysler, but that requirement is there—that the reporting is supposed to be given by advance notice to the Minister of Labour.

OLIVETTI LAYOFFS

Hon. Mr. Rhodes: Mr. Speaker, on March 13, the hon. member for Algoma (Mr. Wildman) asked a question regarding the work force at Olivetti Canada on Don Mills Road.

Employment at the plant has been reduced. Three years ago 180 persons were employed at the plant; two years ago it was at 150; employment now stands at 88, not at the 55 that the hon. member stated. But dumping in Canada of offshore-produced typewriters cannot be blamed for this cut.

The reason for the reduction in staff over the past three years is twofold and hinges on market conditions. First, electric typewriters are increasingly popular, which has caused the sales of manual typewriters to fall off by 50 per cent. Secondly, economic and competitive conditions have caused the sale of Olivetti's electric typewriters to suffer. If the sales of electric typewriters were as had been projected, I am informed that employment at Olivetti would be approximately 128.

Perhaps the question of dumping would be relevant if Olivetti's competitors were im-

porting at lower prices. But Olivetti is not complaining of this, nor are this company's competitors complaining that Olivetti's overseas plants are dumping in Canada—at least, no official complaint has been registered with the federal Department of Revenue anti-dumping directorate.

Olivetti does not anticipate any further plant layoffs and the company does not intend to close the operation on Don Mills Road.

Regarding the question from the hon. member on government purchases, I would like to explain that although each ministry makes its own purchase decisions, government-wide purchasing and supply arrangements for typewriters, as well as other products, are made by the Ministry of Government Services. Government purchasing policies are established by my colleague, the Minister of Government Services (Mr. Henderson), and I would suggest that the hon. member's question on the purchase of typewriters should be placed as a question on the order paper.

CRIMINAL RECORDS

Mr. Roy: I have a question of the Solicitor General: Would the Solicitor General advise whether we have here in Ontario a policy whereby the use of and access to criminal files and records are limited to accredited police forces or Crown agencies? Do we have a policy like that here or not?

Hon. Mr. Kerr: Yes, Mr. Speaker, criminal records are only available formally to the police and to solicitors—for example, to defence counsel for trial—and in cases such as mentioned by the hon. member.

Mr. Roy: Supplementary: Then how does the Solicitor General justify the fact that a situation has been allowed to exist, in Ottawa at least—and I am not naive enough to think that it is limited to Ottawa; it probably goes on right across the province—whereby a private agency—in the case of Ottawa it is called the Universal Investigation Services—were allowed to get access to these criminal files and records and then turn around and sell this information to such agencies or stores as Hudson's Bay, Eatons, and so on, to check on their employees?

How is it that this situation was allowed to exist for five years in Ottawa—and, I suspect, across the province—and how is it that if it has been going on for that period of time the Solicitor General's ministry is not aware of it; and if the ministry is aware of it, what has been done about it?

Hon. Mr. Kerr: The procedure, as the hon. member explains it, is not proper. I noticed

just this morning a press report on the incident in Ottawa and have asked for a full report from the people within my ministry. I would therefore expect to report to the hon. member later.

Mr. Roy: May I ask one further supplementary?

Mr. Speaker: The hon. minister will report back when he has a full report.

Mr. Roy: There is one other aspect to this that I wanted to ask the minister about, if I may, Mr. Speaker. An important—

Mr. Speaker: The hon. member originally asked a come-on question and then he had a three-part supplementary. Surely the hon. member can organize his questions in such a way that he doesn't pre-empt too much time of the question period.

Mr. Roy: I don't think I've taken up—

Mr. Speaker: You can't naturally assume that you are going to get three supplementaries to every question.

Mr. Roy: I appreciate that. It's an important question and that's why I want to ask about one aspect of it, if I may.

Could the minister advise on, and investigate as well, the fact that in the Ottawa situation there appeared to be a distribution of juvenile records? I understood that in this province police forces did not keep what are called "juvenile records."

Hon. Mr. Kerr: I can't agree with the hon. member that juvenile records are not available. But as I indicated in my previous answer, records of that nature certainly should not be circulated in the way the hon. member has mentioned. I will look into that, and also into the additional information he has given me, and will report back to him.

THUNDER BAY HEALTH REPORT

Mr. Foulds: A question for the Minister of Health: Has the minister had an opportunity to examine the Thunder Bay District Health Council report, Panorama of Mortality, which shows that mortality rates in Thunder Bay District are in excess of those for the province by 20 per cent overall, and in some sub-categories up to 112 and 139 per cent? Can he indicate to the House what his initial response is and what initiatives the ministry might take with regard to that report?

[2:45]

Hon. Mr. Timbrell: I received the report minutes before I walked into the House, along with the letter of conveyance from Mr. Lester, the executive director of the Thunder Bay District Health Council. I may say, too, that in a separate letter accompanying the

letter of conveyance he indicates that the council itself will be forwarding a brief making specific recommendations. In the meantime, while we await that further indication from the district health council of what concrete action they suggest should be taken, the ministry staff have begun a review of the report.

If the member looks at the conclusions—I always start at the end of a book and work my way to the front—there are three areas that they indicate need some further study, one being respiratory diseases. This is an area which is already under study with a grant from the ministry. We'll have more to say on this in the future, I'm sure.

Mr. Foulds: Supplementary: I wonder if while the ministry is examining the report the minister could take a look at two other areas other than those recommended in the conclusions of the health council report? Particularly I would ask whether it is worthy of consideration that ambulance service and air ambulance service in northwestern Ontario be upgraded in view of the high accident rate; and whether or not it is important to look at the infant mortality rate, which is 30 per cent higher generally, and particularly the 93 per cent excess from "symptoms and ill-defined conditions." Would that not seem to indicate that early diagnosis is called for, an up-grading of pediatric service and perhaps more prenatal classes and early child care?

Hon. Mr. Timbrell: The second part of that question, I'm sure, will form part of the review by the health council of its task force report. The first part of that question is under review by the five district health councils in northern Ontario, subsequent to a proposal which was inaugurated by Mayor Piche of Kapuskasing.

FIRE DAMAGE ASSISTANCE

Mr. O'Neil: In the absence of the Premier, I'd like to direct a question to the Solicitor General. During this past weekend the town of Trenton suffered a very severe fire which destroyed a large section of the downtown commercial district. This has resulted in many businesses and people being displaced and will result in extreme hardships for many. Could I ask the Solicitor General what type of aid is available to assist these citizens of Trenton?

Hon. Mr. Kerr: A disaster of this kind would be looked at on an individual basis. We don't have any policy or precedent for situations of this kind. In the event of a disaster, for example a snowstorm or a flood, we

have a policy of assisting during the term of that disaster, with manpower, equipment—things of that nature.

This was, as the hon. member has said, a very serious fire. It involved a number of commercial enterprises and some apartment buildings, I understand. I would have to look into this.

The Fire Marshal at the present time is undertaking an investigation; as the hon. member knows, arson is suspected in these fires. However, I will discuss it with the Premier, because it would have to be assistance by way of order in council and a decision of cabinet; so I'll get back to the hon. member.

Mr. Turner: Supplementary question to the Solicitor General: Having regard to the recent disastrous fire in the town of Bancroft, may I ask the Solicitor General if he is considering any assistance—

Mr. Foulds: Is this your maiden speech?

Mr. Turner:—either to the town or to the individuals involved in that fire?

Hon. Mr. Kerr: The answer would be similar to the one I gave to the hon. member for Quinte. This is also under investigation by the Fire Marshal's office, so I would reply to him in the same manner.

TAGGART SERVICE LIMITED

Mr. Philip: A question of the Minister of Transportation and Communications: Is the minister aware that Taggart Service Limited is presently running west of Toronto on privileges of Jones Transport, a subsidiary of that company? Is the minister aware that Jones Transport is presently undergoing a legal strike and that Taggart is running on Jones' routes by authorization of a power interchange authority issued by the Ontario Highway Transport Board?

Hon. Mr. Snow: No, Mr. Speaker, I wasn't aware of that.

Mr. Laughren: What are you going to do about it?

Mr. Philip: I wonder if the minister then can tell us, is it not his understanding that a power of interchange authority is issued to take care of overflow situations and not for strike-breaking purposes? And is the minister therefore prepared to advise the transport board to withdraw the temporary power of interchange authority from Taggart Service Limited, since the transport board in this case is presently an accomplice in strike-breaking?

Hon. Mr. Snow: I haven't been made aware of any of the matters that the hon.

member refers to. I am most interested in the comments he has made and I'll certainly look into the whole matter.

Mr. Philip: One last supplementary, Mr. Speaker?

Mr. Speaker: The hon. minister has promised to look into the whole question and to get back to you.

JOB CREATION

Mr. Bradley: My question, in the absence of the Premier, is for the Minister of Labour. Since the mayor of the city of St. Catharines has stated, to that travelling road show known as the Conservative task force on employment, that the unemployment rate in the city of St. Catharines is now very close to 12 per cent, which according to his calculations would be the highest in Ontario, would the minister indicate what specific program of direct job creation her government is prepared to proceed with to alleviate this critical situation?

An hon. member: None.

Mrs. Campbell: Zilch.

Hon. B. Stephenson: Mr. Speaker, that is not the role of the Ministry of Labour—

Mr. Laughren: You're not kidding!

Mr. Makarchuk: What is your role?

Hon. B. Stephenson: However, I might counter with a question about the effect of the road show on industry and tourism, and the road show on regional government which the opposition party has been running.

Mr. Makarchuk: Why don't both of you hit the road?

Hon. Mr. Rhodes: How about your road show in Quebec?

Mr. Laughren: That's different.

Mr. Bradley: Supplementary: Would the minister be prepared to speak to the cabinet favourably to have the timetable moved forward for any provincial government capital works in St. Catharines and the remainder of the Niagara Peninsula in order that jobs can be created in the construction industry and allied industries; for example by authorizing the immediate construction of the very much-needed courthouse in the city of St. Catharines? In other words, would she speak to her cabinet colleagues concerning this?

Mr. Makarchuk: As was done by the socialist government of Saskatchewan.

Mr. Foulds: They'll build you a courthouse like the one in Thunder Bay.

Hon. B. Stephenson: I will most certainly look into the interesting suggestions made by the hon. member.

Hon. Mr. Welch: What's the federal member for St. Catharines doing to get our area designated for federal help?

Mr. Mancini: You are the last one to go by.

Hon. Mr. Welch: Jim, what's the federal member for St. Catharines doing to get our area designated for federal help? What's he doing?

Interjection.

Hon. Mr. Welch: Read the editorial last night.

Mr. Martel: Control the government House leader; Robert, stay cool.

Hon. Mr. Welch: Yes.

Interjection.

Mr. Swart: Supplementary: Would the minister be aware that at that road show in St. Catharines the allegation was made by Conservative sources that a GM auto parts plant was going to go to Quebec instead of coming to Ontario? Is she familiar with this and has she made any representation to GM about getting that parts plant in this province?

Hon. B. Stephenson: Mr. Speaker, it is perfectly obvious that this question should be directed to my colleague, the Minister of Industry and Tourism.

Mr. Martel: Come on, John, give us an answer. But you were in the Bahamas.

Interjections.

Hon. B. Stephenson: Do you want an answer?

Mr. Lewis: Before you answer you had better speak to the government House leader.

Mr. Swart: Mr. Speaker, can I redirect the supplementary to the Minister of Industry and Tourism?

Mr. Speaker: If the minister is prepared to accept it.

Hon. Mr. Rhodes: Yes, Mr. Speaker. The hon. member has obviously been hearing some of the stories that have been going around in that particular area.

Mr. Laughren: Our area too.

Hon. Mr. Rhodes: There is reason to believe that General Motors has been looking for a site in various jurisdictions, one being Ontario and the other being Quebec, as well as in some United States areas. It is my understanding that the federal government, through their Department of Regional Economic Expansion, are prepared to make financial assistance available to General Motors if they were to locate in those areas where this money is available; and in this particular case, of course, that would probably be within the province of Quebec.

Hon. B. Stephenson: Certainly not in the province of Ontario.

Mr. Martel: Poor little GM.

DEATH OF ADRIENNE PAQUETTE

Mr. McClellan: I have a question of the Minister of Community and Social Services with respect to his statement and the report that he tabled today on the Paquette case. May I ask the minister, in view of what can only be described as shocking incompetence and mismanagement on the part of the Ottawa CAS, whether he will reconsider his decision to have an in-house, closed-doors, secret review of the matter between himself and the ministry, and instead appoint a full, public judicial inquiry which will, through a process of public hearings, come up with a set of publicly determined recommendations with respect to handling child abuse in the Ottawa society and in other societies in this province?

Hon. Mr. Norton: Mr. Speaker, as the hon. member knows, there is a task force that has been established by me and headed by Dean Garber which is presently undertaking just such a review, not as a judicial inquiry—

Mr. McClellan: It's not such a review at all.

Hon. Mr. Norton: —but it is looking at those very questions the hon. member raises, the questions of the practices and procedures and policies that are presently being followed by Children's Aid Societies in cases of child abuse in the province. It is the mandate of that task force to make recommendations with respect to improved procedures where they see such improvements as being desirable and possible, and also to make recommendations with respect to improved training programs for child-care workers, specifically directed to the question of dealing with child abuse cases.

I fail to see what additional advantage would be gained by the public—

Mr. Lewis: A public advantage; a public disclosure.

Hon. Mr. Norton: —by establishing a judicial inquiry to do that very thing at this point in time.

Mr. McClellan: Let me ask, just on one part of the report, by way of supplementary: Three of the recommendations deal with the total inadequacy of French-language services in the area—

Mr. Lewis: Shocking; incredible in all.

Mr. McClellan: Just appalling. I want to ask the minister whether he has any specific proposals or recommendations or plans to

address that intolerable lack of services to the French community by that society?

Hon. Mr. Norton: First of all, with respect to this specific case, or this specific society, as the recommendations indicate, we will be immediately addressing ourselves to that issue and others with the society with a view to developing some plan—

Mr. Swart: You're faltering.

Hon. Mr. Norton: —by which we can assist the society in order to improve the francophone services. Part of the problem is something that is not entirely within the control of the society. There is a question, as I understand, or a problem, in terms of the availability of trained francophone personnel in that community, surprisingly enough.

Mr. McClellan: Ridiculously enough.

Hon. Mr. Norton: Apparently a number have sought in our neighbour province of Quebec, and there is apparently a shortage of such personnel in the Ottawa area.

Mr. McClellan: That's absurd.

Hon. Mr. Norton: Specifically with respect to the matter of services, I will be making an announcement within the next day or two with respect to something that doesn't arise out of this—our plans for improved French-language services for children in eastern Ontario—which clearly will impact upon such agencies as the Ottawa Children's Aid Society. I will give the details of that within the next day or two.

Mr. Roy: Supplementary, Mr. Speaker: May I ask the minister, apart from his lack of initiative in relation to French-language services for the Ottawa area, how can he possibly justify the fact that in the case of Adrienne Paquette, apparently she was returned to her parents because in fact they could not find what they called "French-speaking foster parents"? How can that possibly be, considering the population in Ottawa? And what steps has the minister taken since this case to accelerate the finding of foster parents who speak French?

Hon. Mr. Norton: At this point in time I don't know the answer to that question.

Mr. Martel: That tells us something about that Children's Aid Society.

Mr. McClellan: Neither you nor the agency know the answers.

Mr. Swart: That's why you need a public hearing.

Hon. Mr. Norton: The child was at one point in a French-speaking home, which according to the information I have was less than an adequate home, apparently—

Mr. Lewis: Right.

Mr. McClellan: The child was neglected in the home.

Hon. Mr. Norton:—which led to the child being returned to her biological parents. I don't know specifically why there has been a problem in that area in encouraging or interesting French-speaking families in taking children in as foster children.

[3:00]

Mr. Laughren: How are you going to solve it internally then?

Mr. Roy: Don't you think we need an inquiry to find out?

Hon. Mr. Norton: We don't need an inquiry. What we need is to get to the root of the problem and that's precisely what we'll do.

Mr. Lewis: As you perceive it.

Hon. Mr. Norton: Some high-profile judicial inquiry is not going to resolve that.

Mr. Lewis: What? But that's what does it.

Hon. Mr. Norton: We will be dealing with that problem along with the society in trying to find out what the problem is in terms of the provision of such services, and take whatever steps are necessary in order to see that it's remedied.

Mr. McClellan: You don't understand.

Mr. Lewis: Supplementary: In view of the answers which the minister is giving today, where he is clearly floundering as much as the society itself, would he not consider reconsidering the decision and the statement that he made today? Does he not feel that the indictment of the society laid out before him is one of the strongest he has received in recent times over the administrative procedures of any specific Children's Aid Society in the province, and surely it cries out for a judicial inquiry or something fairly explicit rather than another little, cozy, in-house review between the minister and the society, which has led to this problem that we're dealing with today?

Hon. B. Stephenson: Balderdash.

Mr. Lewis: It isn't balderdash; that's what happens.

Hon. Mr. Norton: Mr. Speaker, with the greatest of respect to the hon. member opposite, I think that's nonsense. I think there are ways in which—

Mr. McClellan: This report you've tabled is nonsense.

Hon. Mr. Norton: Obviously, it would be desirable for certain members on the opposite side to see some high-profile judicial inquiry

crossing the province that may bring in recommendations two or three years down the road.

Mr. Roy: Sure, we want to solve the problem.

Mr. McClellan: What are you so afraid of?

Hon. Mr. Norton: I am interested in resolving these problems as quickly and as cooperatively as possible.

Mr. Lewis: But you're not doing it.

Hon. Mr. Norton: I do not see a long-term judicial inquiry that's going to be holding hearings across this province—

Mr. Lewis: You can do it in 60 days, for heaven's sake.

Hon. Mr. Norton:—bringing in recommendations two or three years hence, as resolving these problems. We'll see that they're resolved.

Mr. Martel: Your solution is five years down the road for dealing with kids. You'll give us another green paper.

DREE ASSISTANCE

Mr. Hall: Mr. Speaker, I have a question of the Treasurer in the absence of the Minister of Industry and Tourism. Has the government, as a government, asked the federal government for DREE designation in areas of high unemployment such as the Niagara Peninsula?

Hon. Mr. McKeough: To the best of my knowledge, not for the Niagara Peninsula. We have been asking for some time for an extension of the DREE area into eastern Ontario—Renfrew, Pembroke and that part of the province—and indeed on several occasions have said that a good portion of eastern Ontario should be included in the designated area. As late as last night, I looked at a letter from Mr. Lessard, the Minister of Regional Economic Expansion, saying no. Whether his view or their view would be different with respect to the Niagara region, I don't know. It's something which is worthwhile pursuing.

Mr. Hall: I am wondering if the Minister of Industry and Tourism could comment on this, inasmuch as he was out when I directed the question to the Treasurer. At what point would he consider it worthwhile to approach the federal government for DREE designation of this or any other area, but particularly talking about the Niagara Peninsula?

Hon. Mr. Rhodes: Mr. Speaker, I would think it probably is worthwhile to approach them considering the fact that the criteria for designation seem to be very flexible. If Metropolitan Montreal can be designated as a depressed area, certainly the Niagara Peninsula could be too.

Hon. B. Stephenson: Right; precisely.

Mr. Laughren: Why haven't you done it then?

An hon. member: Why can't you designate it for the \$10 licence plates?

Mr. Roy: You are supposed to be the government over there.

Hon. Mr. Rhodes: What do you know about government?

Mr. Swart: Who's the government in Ottawa?

Hon. Mr. McKeough: We have, as I indicated, been turned down on several occasions with respect to eastern Ontario, where the long-term unemployment figures have been much higher than they have been in the Peninsula, which is a relatively recent event. I might say we were in touch with DREE as recently as two or three months ago, once again on the basis that we felt eastern Ontario should be included in the area at the highest rate of the new employment programme—the programme announced by Mr. Chretien and I believe being undertaken by Mr. Cullen. We pointed out that the unemployment figure in eastern Ontario would qualify for the top percentage—seven, I think, or eight; the highest figure—and we were again told that eastern Ontario would not qualify. If members opposite have some greater influence than we do, I would be delighted if they would use it.

Mr. Roy: Would you give us credit for it?

Mr. Ruston: Did you get anywhere with Joe who?

EMPLOYEES' HEALTH AND SAFETY

Mr. Mackenzie: Would the Minister of Labour inform the House as to whether or not she intends to bring Bill 70 on safety and health back into the House in the form in which it left the committee, or are there any grounds to the widespread and persistent rumours that the minister intends to change or withdraw sections of the bill, or indeed the bill itself?

Hon. B. Stephenson: Mr. Speaker, I think the answer to that question is a very definite perhaps.

Mr. Mancini: Supplementary: Does the minister not think it is totally unfair that she should dangle that legislation in front of this Legislature for three years, have it sent to an all-party committee of this Legislature and then back down?

Mr. MacDonald: Then defy the majority.

Hon. W. Newman: Who fouled it up? You fouled it up. Yes, you did.

Mr. S. Smith: Start telling the truth.

Hon. W. Newman: You take the responsibility, because that's where it belongs.

Mr. Speaker: Order, I can't hear the answer.

An hon. member: That's what minority government is all about, Bill.

Hon. B. Stephenson: To refresh the memory of the hon. member, Bill 70 has been dangled only since October of 1977. We have been working diligently upon it, I must admit, for the past year and a half, and it is not my intention to abandon such important legislation.

Mr. Lewis: By way of supplementary, if I may: Since the minister must know that there are very widespread rumours circulating, some of them from within her own ministry, that sections of the bill will never be reintroduced into this Legislature, that there is a great deal of research being done to indicate that sections of the bill are financially impossible to implement, in other words to discredit the intent of some of the legislative amendments which the opposition introduced, since her colleagues are positively apoplectic every time we raise this question in the House, can she not indicate to us in advance what it is she intends to do with the bill prior to its reintroduction so that some work can be done in the public arena to prepare the ground?

Hon. B. Stephenson: Mr. Speaker, first, I would have to deny that any of my colleagues in the cabinet or in the caucus have been apoplectic at all.

Mr. Ruston: Newman is.

Mr. Roy: Take his blood pressure.

Hon. B. Stephenson: They have all been extremely supportive of the bill as it was originally written. They are not supportive of some of the significant amendments which were made by the opposition parties, nor are some of the client groups particularly supportive of those amendments. I am examining those amendments, and all of the implications thereof, extremely carefully and we shall be very responsible in whatever action we take regarding Bill 70, but, as I said before, it is too important a piece of legislation to abandon.

LANGSTAFF LAND FREEZE

Mr. Stong: I have a question of the Treasurer. Assuming that there is nothing unusual in changing the permitted uses of the

Eagleson property, which was purchased in the town of Markham in the parkway belt after it was established and apparently for speculative purposes, when will the minister give the people of Langstaff in that same town, in that same parkway belt, some relief? They have been seeking it for three years and their homes and jobs are at stake.

Hon. Mr. McKeough: Mr. Speaker, I think that question might be put to the Chairman of the Cabinet, who is not here—

An hon. member: Yes, he is.

Hon. Mr. McKeough: Yes, he is here, but I don't know what his timetable is. The parkway belt obviously has left my hands and is now before the legislation committee of cabinet and the member might want to direct that question to him.

Mr. Stong: Mr. Speaker, I understood that the order was made last month and that type of change would still be in the hands of this minister. The people of Langstaff are continually after him for change. When will he take it upon himself to assist them?

Hon. Mr. McKeough: Mr. Speaker, I haven't heard from them, to my knowledge, for some months now. I heard from them after the draft plan and they were satisfied. I don't believe I have heard from them, nor have I heard from the members of recent days, but I will be glad to check that.

Mr. Stong: Mr. Speaker, may I redirect that question for an answer for those people?

Mr. Speaker: The time for oral questions has expired.

INTRODUCTION OF BILLS

WORKMEN'S COMPENSATION AMENDMENT ACT

Mr. Laughren moved first reading of Bill 46, An Act to amend the Workmen's Compensation Act.

Motion agreed to.

Mr. Laughren: The purpose of the bill is to increase and index the level of benefits payable under the Workmen's Compensation Act. In addition, the bill removes the ceiling on average earnings and provides for a new ceiling based on the calculation of a maximum wage rate. The bill also provides for the continued payment of disability compensation for five years following the death of a recipient, where the amount of the disability compensation exceeds the amount that would otherwise be paid to dependants as a dependant's allowance.

AGE OF RETIREMENT ACT

Mr. Leluk moved first reading of Bill 47, An Act respecting the Age of Mandatory Retirement.

Motion agreed to.

Mr. Leluk: The purpose of the bill is to ensure that no person shall be required to retire before reaching the age of 70, where the person is willing and capable of performing his or her job. This is achieved by amendments to the following statutes: the Employment Standards Act, 1974; the Ontario Human Rights Code; the Pension Benefits Act, and the Public Service Act.

Mr. Martel: Put him underground for three years—he would rewrite that so fast it wouldn't be funny. That's what it is when you have never worked a day in your life.

An hon. member: You never worked a day in your life, Nick.

Hon. B. Stephenson: Look who is talking about working.

ESTIMATES SCHEDULE

Hon. Mr. Welch: Mr. Speaker, before you call the orders of the day: On Thursday, March 16, I neglected to indicate which committees would be meeting on Wednesday morning of this week. If I could take this opportunity to report to the House, the standing committee on resources development will meet tomorrow morning at 10 to continue the consideration of the estimates of the Ministry of the Environment. That means that this week the standing resources development committee will meet tonight, tomorrow morning and Thursday night, with the estimates of the Ministry of Environment. The standing committee on social development will meet this afternoon and tomorrow afternoon to consider the estimates of the Ministry of Culture and Recreation.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Mr. Speaker, I wish to table the answers to questions 15, 16, 17 and 18, and the interim answer to question 19 standing on the notice paper. (See appendix, page 950.)

ORDERS OF THE DAY

LAND TITLES AMENDMENT ACT

Hon. Mr. McMurtry moved second reading of Bill 33, An Act to amend the Land Titles Act.

Mr. Lawlor: It is basically a housekeeping matter flowing directly out of the family law legislation, the same as Bill 59. Nevertheless,

I think that rather than take time on second reading—we do agree with the principle of the bill—it would be better to send it into committee.

[3:15]

I simply say on this occasion that I wonder if this is the best way to have done it, particularly with respect to section 1. It is one way of doing it and, therefore, we don't take exception to it. I don't know if it was the better way to have done it. I would have thought that a section which spelled out in the legislation what the right in question was, having to do with matrimonial domicile, would have been more apropos, or possibly one could have done both to make that determination.

On subsection 2, the problem of uses, as I say, in committee I will be asking the minister why he concentrated only upon subsections 8 and 9 and not the other subsections of section 96. There are two or three others. I think the definition aspect should stay. But I would be interested in learning from the Attorney General, in effect, does he see the sum area as retention of the deed to uses concept—outside, of course, of the matrimonial domicile situation—and is that the reason these other sections are retained?

Finally, within section 132, I would direct his attention to the cluster of sections under that heading of dower and courtesy—sections 130, 131 and 133. Ought they not to be either revised or deleted also? Why the segmenting out of section 132, which certainly has to be dealt with? The others might have been considered too. Those are the only thoughts I have on this bill.

Mrs. Campbell: I too rise basically to support this amendment. It is unfortunate that the whole bill, together with the Land Titles Act itself, couldn't go to committee. It would seem to me, having passed the other legislation, it would create some chaos if we were to defer or adjourn the conclusion to this particular bill. I do have some rather serious concerns about the companion piece to this, but we are not opposing the amendments to the Land Titles Act.

Hon. Mr. McMurtry: In response to the questions of the member for Lakeshore on the manner in which this bill was drafted, it might have been of greater assistance perhaps to have followed the course suggested by him. I'm really not in a position to make that judgement. As the member for St. George points out, there is some degree of urgency with respect to passing these amendments, in view of the fact that the family law reform bill will take effect on March 31.

I imagine a very large number of real estate transactions will be closed on that day which will be affected.

In so far as the transfer to uses is concerned, I understand that it's simply overridden by the provisions of the Family Law Reform Act. I think persons can still use the transfer to uses method, subject of course to the provisions of the Family Law Reform Act. The member for Lakeshore had a question in relation to section 132 of the bill. I think the question was why weren't other sections repealed as well as 132.

Mrs. Campbell: It's a little hurried, shall we say?

Hon. Mr. McMurtry: I'm looking at section 133 now. I must confess that conveyancing is an area of the law in which I never had the pleasure of practising—

Mrs. Campbell: For which we are truly thankful.

Hon. Mr. McMurtry: —and for which I am reasonably grateful. But perhaps we might have an answer in relation to that.

Mrs. Campbell: It was just overlooked.

Hon. Mr. McMurtry: Perhaps it would be best just to let it go to committee. I gather this was the wish.

Mr. Lawlor: On a point of order, if I may get in under that pretext, Mr. Speaker, there is urgency in the matter. If it is going to hold this bill up beyond April 1, then it would be most unwise. We can deal with these other matters afterwards. I would let it go through. Is that the case?

Hon. Mr. McMurtry: Yes. I am very delighted to have that assistance.

Motion agreed to.

Third reading also agreed to on motion.

REGISTRY AMENDMENT ACT

Hon. Mr. McMurtry moved second reading of Bill 34, An Act to amend the Registry Act.

Mrs. Campbell: I indicated that I was more concerned about this bill, partly because here again it is quite apparent with the haste with which these amendments have been brought forth that they really don't correct all of the problems within the old Registry Act. We still have retained references to dower and so forth. I am sorry to see sloppy legislation going through.

I presume we have to approve it on the same basis because I don't think I want to be part of the kind of chaos that might result if we delayed the passing of this legislation. I would like to point out, however, that this

one does take me into my problems, as indicated in the debate on the old Bill 59, in that we now have direct references to re-definition of wills as they relate to the Succession Law Reform Act or what I call Bill 60.

We have developed in this province at this point in time a great deal of scepticism as to the bona fides of the government in looking at that particular piece of legislation. I suppose all I can do is once more to ask the Attorney General if we can have a date set so that both the member for Lakeshore and I may meet with him on an urgent matter as soon as he returns to Ontario. I trust that if he might not return for some considerable period of time someone else might be appointed in the interim to discuss it. I trust that he will not be interned or have any other such problems as he proceeds on his tours with the Advocates' Society.

I do have this concern in this particular case. We have unresolved questions as far as they relate to Bill 60 and before this matter goes to a vote I would like to hear from the Attorney General. I must say I do not share the scepticism of others. I have felt his commitment was a very real commitment. But I think at this point I have to ask for a further statement from him since we are referring so specifically in these amendments to the Succession Law Reform Act.

Other than that, I can't quarrel with what I see as housekeeping. I just wish that perhaps we had someone doing a little better housekeeping in bringing forward the amendments to this Act.

Mr. Lawlor: Just two or three niggling points about this particular legislation. Again, because of the urgency and because a number of conveyances and dealings with real property are in the air at the present time, it would be wiser, to say the least, not to force this matter possibly beyond the first of the month.

A couple of points: Isn't it curious that whereas this legislation, the Registry Act itself, makes specific provisions for particular types of affidavit, there is nothing similar in the previous bill that we put through, that is in the Land Titles Act. I suppose that's done under the section on regulations dealing with forms being conducted under the Land Titles Act, over against the spelling out in this particular piece of legislation of precisely what those forms will say, and the specific wording of the forms.

The main point in this clean-up piece of legislation has to do with the definition of spouse. It's been broadened. It covers the situation of the voidable marriage and the

void marriage, where cohabitation continues to exist for a period of time, and encompasses one of the individuals in that within the definition of a spouse.

I make a wry comment that our constant alteration of the basic forms provides not only continuing subsistence for the law stationers of the province of Ontario, but I suspect it is something of a bonanza even at this stage. We all order vast quantities of conveyancing paper, et cetera. I'm sure all law firms do, whether they're directly engaged in that work or not. Every two or three months the process of reordering and the destroying of the old must go on apace—either the shredding or the burning—and so you have to get another thousand of the forms having to do with conveyancing because the affidavit has been somewhat minutely changed.

The change in the one case is the business of when no spouse is mentioned; the affidavit has to say whether the person has a spouse. Previously it had to say whether he was unmarried, a widower or what not, but that old form is now being interred in the course of passing this particular legislation.

The only other question I have to bring to the Attorney General's attention, which would normally be done in committee, is section 2, subsection 4—right at the end, where he is revising the contents of subsection 10 of section 42 of the Act as it is at present. Down at the end it says, ". . . any other person who may be designated by regulation."

Has the Attorney General any notion at all of who these other persons might possibly be? If not, why does he give this kind of blanket—and, I feel, somewhat questionable—phraseology?

That's all I have to say on that, Mr. Speaker.

[3:30]

Hon. Mr. McMurtry: Firstly, I can only express the hope that my distinguished colleagues, the Justice critics for the Liberal Party and the New Democratic Party, have created a hospitable atmosphere in the State of Israel by reason of their visit there earlier in the year and, as a result of the very favourable impression that I know was left by them, both the member for Ottawa East (Mr. Roy) and myself will be reasonably well received as we journey to that distinguished fine little nation at the end of this week.

Mr. Laughren: Is the minister taking his parliamentary assistant (Mr. Sterling) with him? Take him.

Mr. Lawlor: We did nothing to bring any peace.

Hon. Mr. McMurtry: I want to make it clear that my commitment in relation to the Succession Law Reform Act, stands, naturally; and upon our return which, hopefully, would be approximately 10 days after our departure, we'll be able to arrange an early meeting. I would hope that the member for St. George would at least be content to await my return. I am very interested in the matter and while I am quite prepared to have people meet with the member for St. George in my absence, in view of my own personal commitment I would be pleased to be part of that. I can again give her my assurance that it should be possible to arrange such a meeting very shortly after my return.

The niggling matters being raised by the member for Lakeshore may be to him niggling matters but are always to me matters of great pith and substance, matters of great moment, and it is certainly always an opportunity for me to—

Mr. Lawlor: The Attorney General must be going away.

Mr. Laughren: Just go away, just go away.

Mr. Lawlor: Even the Attorney General can't turn molehills into mountains.

Mr. Laughren: It's the other way around.

Hon. Mr. McMurtry: Now, just where was I?

Mrs. Campbell: That's unusual for you, Roy.

Mr. Laughren: On your way.

Hon. Mr. McMurtry: The references to dower, in the Registry Act, are retained in certain places in that Act simply by reason of the fact that in certain cases, of course, dower has vested, and so it's necessary to retain the use of that term.

I'm afraid there was a question from the member for Lakeshore about one of the subsections. I had a little difficulty following it. I was looking for it in the amendments. Perhaps he might assist me by directing my attention again to that particular question; I would appreciate it.

Mr. Lawlor: It's section 2, subsection 4.

Mr. Speaker: This is second reading. Do you have a response?

Hon. Mr. McMurtry: Hopefully. It might be of assistance to me if the member for Lakeshore would direct his query to me again. I must admit, I just haven't been able to follow it, and that's my problem. I'm quite prepared to recognize his greater degree of familiarity with this legislation.

Mr. Lawlor: There is just a minor difficulty between you and me. Somebody by

the name of the Speaker somehow obtrudes or stands between our proper forms of communication, so I would ask for his indulgence.

Mr. Speaker: The Speaker is living up to your rules and not his own. It's traditional that everybody has his say on second reading and the sponsor of the bill winds up the debate. If you want to relax the rules because you're into something fairly complex, far be it from me to intrude further.

Mr. Lawlor: In an endeavour to expedite proceedings, I would ask to stretch a point very slightly. It has to do with subsection 4, the new 10, and at the end, these affidavits which are set out in the bill as having to be taken and saying whether a spouse is a spouse or not a spouse and that sort of thing. The bill excludes a whole host of individuals under the present subsections 5 and 6, and then at the end it says, ". . . and any other person who may be designated by regulation." I went through this carefully, and I think the minister has excluded pretty well everybody he possibly can. It has been in the legislation for an awful long time; if there was any other undreamed-of individual or corporation—and I wouldn't think it would really apply to a corporation anyway—who might it be? Why did the Attorney General put that in?

Hon. Mr. McMurtry: It has been explained to me that this is really a form of escape clause inasmuch as we are concerned about situations which may simply not have been contemplated at the present time because we haven't had an opportunity of considering all the ramifications that may arise as a result of Bill 59.

Motion agreed to.

Mrs. Campbell: Mr. Speaker, I wonder if I might rise on a point of clarification to explain something.

Mr. Deputy Speaker: If it's a very, very brief point.

Mrs. Campbell: Yes. I think the Attorney General misunderstood what I was saying. I did not ask to meet with anyone in his absence. I was just made aware of the fact that there were certain conditions prevailing in the country to which he was going which might not permit him to return, and I was therefore trying to provide for some alternative in that event.

Third reading also agreed to on motion.

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 23, An Act to amend the Highway Traffic Act.

Mr. Reid: Mr. Speaker, having gone through this bill and found a great many errors in transposing to the metric system, I thought I should draw those to the minister's attention.

As far as I can gather, this bill is strictly to change the markings of highways and the regulations relating to mobile homes, street signs and so on into the metric system. We have no quarrel with that, of course, except to wonder whether the minister could come up with some easy way for the public to be able to translate into the metric system. But we will support this bill.

Mr. Philip: Mr. Speaker, we see this as a housekeeping bill that is in keeping with other similar translations into the metric system and we support the bill.

Hon. Mr. Snow: Mr. Speaker, I thank the hon. members of the parties opposite for their support for this bill.

Mr. Foulds: Reluctant in some cases.

Hon. Mr. Snow: As you know, sir, last fall we introduced amendments to the Highway Traffic Act converting the speed limits and distances to metric. This bill completes the conversion of the Highway Traffic Act to the metric system.

Mr. Foulds: Why don't we distribute a free conversion kit for each speedometer?

Motion agreed to.

Third reading also agreed to on motion.

INTERIM SUPPLY

Hon. Mr. McKeough moved resolution 10:

That the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing April 1, 1978 and ending June 30, 1978, such payments to be charged to the proper appropriation following the voting of supply.

Mr. Reid: This is the chance to give my budget address but I will forgo that pleasure. I do want to make a note of the fact that the Treasurer has seen fit to follow our recommendation of some two years ago in cutting down the length of time for which he is coming to the House for supply in advance of the estimates being passed by this Legislature. It was the custom of the government to try to get six months' supply under this motion. I am glad to see we have at least cut that down to three months.

There are a number of matters I would like to discuss, but to facilitate the work of the House I will leave it at that for now.

Mr. Laughren: I too wish to expedite the matters of the House, but I do think I will

make a few more comments than are normal when the interim supply motion is introduced by the Treasurer. We were pleased in this party when the motion indicated it was a three months' notice of motion for supply rather than the traditional six months. I would hope that that is not just a one-shot, three-month time period and that in future it will be either three or four months—perhaps four months. I think the select committee on the Camp commission recommended that it be introduced three times a year rather than twice a year, in which case four months would be appropriate.

What bothers us in this party a great deal about the way interim supply motions are dealt with is the amount of money that is involved. If we do it on a pro rata basis, we are talking here of roughly \$3.5 billion or \$1 billion a month that this provides for the government to expend. That is a considerable amount of money. I can't help but wonder if we shouldn't take a look—I know we should—at the relationship between the interim supply motion and the estimates debates, which will go on for many months now right through until probably the end of December. We should take a look at the whole budget debate. The budget debate has already started and will continue probably until the last day of the session in December 1978. That is something else that seems to be a contradiction, in handing the Treasurer these kinds of funds to dispose of now and then to debate the budget all during the interim periods.

It makes one wonder about a no-confidence motion. The OHIP motion, which we will be debating a week from today, is one which involves the expenditure of provincial funds as well. At the same time, we are handing the Treasurer his interim supply motion. I think it is time we seriously thought about that and gave the committees examining the various spending estimates a different role to play, perhaps gave them more staff and also disciplined them more in terms of time during their debate. This interim supply motion in effect pre-empts a lot of what goes on in the estimates committees.

[3:45]

It's become a tradition almost for this government, particularly since it became a minority government back in 1975, to set up various committees that suit its purpose. In other words, they will establish a select committee when they wish to delay making a decision. They will refer something to a standing committee when it suits their purposes to do so. These are all part of the moneys out of the interim supply, of course, Mr. Speaker. I know you understand that.

I think it's time we realize that the government is manipulating this Legislature. They're giving the Legislature itself power when it suits their purposes and they're taking it away when it doesn't suit their purposes. The committee that was just established with the Minister without Portfolio (Mr. Wiseman) as chairman is a good example of that. As opposed to that, they'll establish a committee to look into the whole process of rent review. That's what I would call political manipulation of a minority Legislature, and I don't think it's what minority government should be all about. We need to watch very carefully when the government attempts to do something like that.

We are going to support this interim supply motion. I'll tell you, Mr. Speaker, we're unhappy about supporting it, but to refuse to support it would be to introduce some kind of fiscal paralysis in Ontario and we simply can't do that. We're going to support this supply motion, but at the same time we've put forth on the order paper a notice that we are not satisfied with the Treasurer's budget—and indeed we've expressed no-confidence in his budget. We've expressed no-confidence in his handling of OHIP premiums and at the same time we end up supporting an interim supply motion like this.

What bothers us is that this interim supply motion doesn't mean simply that we're saying to the Treasurer, "Here's your blank cheque." It is, in effect, endorsing some of the things the Treasurer is doing; or, conversely, some of the things the Treasurer is not doing. For example, we are really giving tacit support to much of what's in the budget when we support the two, three or four different supply motions that are brought before this Legislature. Whether it's an OHIP premium increase or whether it's the exemptions to the Mining Tax Act, that is the form of tacit support that we are giving. Whether or not one imposes a tax or whether or not one exempts one, in effect it's the same thing. If one exempts someone from paying taxes, in effect it is causing the government to spend moneys they would otherwise have collected. That's what this kind of motion allows this government to do.

We're unhappy with it because with that \$1 billion a month that this interim supply motion provides to the Treasurer they are going to continue the same kind of programs that we've indicated we're unhappy with. For example, they're going to continue to ignore the kind of structural problems that we've got in this province, despite our indication that we're not happy with it. Despite, as a matter of fact, the Premier's (Mr. Davis) indication in his very

tough letter to Prime Minister Trudeau in March that he's not happy with the way things are, the Treasurer sits on the sidelines and doesn't do anything about it either.

This kind of supply motion allows the Treasurer to continue to enact policies or not enact policies as he sees fit. It allows the Treasurer to continue to ignore the problems that we in northern Ontario face with the way our non-renewable resources are handled. The Treasurer apparently still doesn't understand that problem because he exempts the processing allowance in the mining industry to allow them to continue to ship out resources when we know they should be processed here, and indeed the experts in the Ministry of Natural Resources agree with that.

By passing this supply motion we are saying to the Treasurer, "You don't have to do anything meaningful in job creation in the province of Ontario other than what you've already promised in your budget, which is in effect 13,000 part-time jobs for this summer." That's simply not good enough and yet this interim supply motion allows the Treasurer to continue to do that.

It allows the Treasurer to continue to ignore what's happening in the auto industry. We see vans and Jeeps being produced in this province—not small cars, not parts for small cars, not the retooling for the small car market that's going to be needed. That's being done in the United States. We end up dealing with the fads, like Jeeps and vans. That's what we end up dealing with. That is not good long-run planning in the auto industry.

Yet the Treasurer sits back and watches this happen. We are not very happy with this kind of approach to running the province, and yet that is what this motion of interim supply allows the Treasurer to do. We think that with \$1 billion a month the Treasurer has more of an obligation to the province than he is displaying. We are allowing the Treasurer with this motion to continue to preside over and to perpetuate an inequitable tax structure in the province. We know that despite 30 years of supply motions we still have an inequitable tax system.

It is very strange the way the Treasurer has done it. He sets up something that makes the system less regressive, such as a property tax credit, and then he does something to take it away, such as increasing the sales tax or increasing the OHIP premium. On one hand, he says, "We are attempting to make the system less regressive," and then he does something with the other hand to make it more regressive.

That is why statistically, in the last 30 some years while this government has been

in power in Ontario, there has been no redistribution of income despite what the Treasurer would have the people believe. There simply has been no redistribution of income and wealth, and we don't think that is right. That is another reason why it bothers us that we are supporting an interim supply motion.

The Wiseman committee is, I believe, a self-serving committee and really a thinly disguised anti-public-sector committee and the Henderson committee, which the government set up two years ago, was a thinly disguised attempt to justify what it was going into the 1975 election with. We think those are the kinds of committees that are abusing the system.

There is another one too: The Ontario Economic Council is going to get some of this interim supply money that we are voting today, and that bothers me. I used to be a fan of the Ontario Economic Council and of the Economic Council of Canada. I thought they did some good, impartial reporting and analysis. But when I see what is happening with the Ontario Economic Council now I am greatly disturbed. I think it is not right.

John Smith notwithstanding, and his views on the Economic Council, I thought for example that the comments of the council on property tax not being a regressive tax were ill-timed. They were not ill-timed for the Treasurer's purpose, any more than were the comments of the chairman, Mr. Reuber, about the effect of the minimum wage on unemployment. Those two comments, I believe, were timed to coincide with the wishes of the government—both in terms of the minimum wage and the problem with unemployment, and in terms of the property tax reform when the Treasurer was bringing in market value assessment.

I think that is not the role of a so-called autonomous body such as the Ontario Economic Council. That really bothers me because there is a real opportunity to do good economic analysis there. And they have done some good economic analysis. But I am very concerned that they will become used by the Treasurer. The document they did on the sales tax exemption is a good example. There was no way that document would have been released for the budget if it had not been a self-serving document beyond 1978. As it is, it shows a loss of 15,000 jobs in the manufacturing sector for 1978, and then the Treasurer says, "That is all right because in the years down the road we will all benefit by it." That is simply not right, to use a body like the Ontario Economic Council to suit the political purposes of the Treasurer.

That is the kind of thing we would like to see changed.

Rather than setting up those kinds of committees, perhaps the Treasurer and his colleagues should consider setting up the kind of committee that the United States Congress has set up—I think it is called a joint economic committee—in which they look at who benefits from government expenditures and who pays. Maybe we should find out who benefits from the distribution of government moneys as it is spent in Ontario. Perhaps it is time we had something like that, rather than these other committees which are set up almost as a self-fulfilling prophecy on the part of the Treasurer and his colleagues. Why doesn't the government set up a committee to do some meaningful research and analysis? We would all be better served by that. You might not like some of their findings but at least it would be good honest research and not self-serving. Perhaps it's time that we in Ontario had something like that.

So, while this interim supply motion is traditionally considered a ritual—and we will support it today—it still bothers us that it's treated like the budget debate and, perhaps, like the Throne Speech debate as well. I think there's room for improvement in the handling of interim supply, and I would hope that members of this Legislature would give it serious consideration.

Mr. Breaugh: Mr. Speaker, I wanted to make some comments on this motion—which we will support, as the member for Nickel Belt has already stated—to point out some of the rather serious difficulties that we've got, even with our new provisional orders, of dealing with the expenditure of funds by this government. The member for Nickel Belt went on at some length; I won't go quite to that degree, but I do want to point out a couple of things in all of this.

Here is an amount of money, really for rather unstipulated purposes. As members of this House attempt to investigate how the government spends its funds and for what purposes each allocated amount will be used, it becomes more and more difficult. There is a good deal of sham and ritual involved in many of the things we do around this House, and I'm afraid that this is one of them. This is, in fact, one of the very specific votes that members will have—where we have an amount of money which is not already spent—although to determine in our mind how this money will be spent is a rather difficult process, because one would have to go through various ministries and determine who

will be spending what moneys over the next three-month period. That's difficult to do.

The one particular point I wanted to raise was this matter of looking at how money is spent by this government and whether the members of this House really have much of an opportunity to make an accurate assessment of how the money is spent, and whether or not it's well spent. I was one of the members of this House who was fortunate enough to have, for a short period of time, a parliamentary intern, a very intelligent and competent young woman by the name of Gail Hogarth, who worked out of my office for about a three-month period. It brought to the office an added dimension for an opposition back-bencher—someone who could do some research, who had the time to pore through government reports and provide the member with additional information. It is often very difficult in a member's schedule to sit down and do that kind of academic work.

I happen to chair a committee that has now been charged by this House with reviewing a number of boards, agencies and commissions. It struck us that one of our most difficult tasks would be to conduct such a review without any kind of staff at all, because we are now dependent on the Clerk's office to provide us with a clerk, and we also have the services of the legislative counsel. We have asked for one researcher, which does not seem to be for a terribly large amount of money, and we have some assurances that we will have some accommodation made so that we can do some research.

It's interesting to note that while a committee of the Legislature, charged by the Legislature with doing this kind of review, has no actual funds allocated for research—and in fact may have some difficulty in getting that allocation made, though it may yet happen—we have at the same time the government, the Premier (Mr. Davis) himself, appointing a committee of his own, of four members of his own party—not giving any consideration to other members of the House—to operate, supposedly without any funding. That's hardly a realistic expectation. It is true, in the newspaper articles that I have before me, that the Premier made a point of saying that the members of that particular committee would not be paid. That's probably all well and good, except that one could probably make the case that they are already being paid as members of this House and, in particular, some of those members are getting additional allowances for additional responsibilities.

But there is a committee which will function, supposedly, almost as part of this Legislature but not quite, and which will conduct a review entirely outside this House. It would be rather difficult for the members of this House to get an accurate assessment of how those costs will be borne. They certainly won't get any information under this kind of motion which provides blanket amounts of money for the government to spend. But there, I dare say, is a quasi-agency of the Legislature, four members of the government party doing an investigation of boards, agencies and commissions over a nine-month period. Someone will do that research; someone will do that typing; someone will print up that report. It will probably be seen by a select group before the minister—or the Premier, in this instance, if he so desires—makes any kind of public statement at all. All of that, undoubtedly, will be done at government expense. Where in the world could you find an estimation even of how that money will be allocated? Under which ministry will that money be spent? How much will it cost? How will it be done?

[4:00]

The members of this House have a very difficult time in determining in a very specific way how moneys will be spent. In fact, the members of this House have a most difficult time in doing so before the money is actually spent. We in this House have great difficulties in examining government expenditures of any kind and, in particular, in examining this kind of supply motion which provides to the government, almost in a moment of urgency, the necessary funds to carry on its business as it sees fit without any serious questioning possible by members of the opposition.

We on this side of the House have made a long and arduous argument to have more accountability on the part of the government. We have attempted, with a revision of the rules of the House, to see if we can determine some technique that really would allow opposition members to investigate expenditures of funds on the part of the government in a detailed and ongoing manner, but that becomes increasingly difficult.

In the instance of this supply motion we would be simply punishing those who least deserve the punishment if we withhold our support. Yet this form of interim supply motion continues to provide us with a very difficult problem—that of supporting the government in a program we disagree with, involving agencies, boards and commissions which we know virtually nothing about. Really, it is asking us to support the financing of an entire mode of government operation

and a type of government expenditure where we're not terribly sure what is going on and where we're not terribly sure of how the money will be spent.

We understand that government must continue and that is important to us so we wouldn't want to take this opportunity to deny our support. But I think it does point out several rather clear instances, and in particular the one I mentioned—where a committee of this Legislature, charged by the Legislature to deal with a specific task, is having difficulty finding the funding. It is important to us that we are given the tools, as members of the opposition, to allow us to do our job and, at the same time, to allow the government to continue its business.

We have no desire to stop the business of the province of Ontario or to see that people who work for the government of Ontario are punished unduly, but we are still seeking a means of investigating expenditures of government moneys that allow us to see very clearly and very directly how this government spends its money before the money is spent.

Mr. MacDonald: Mr. Speaker, may I just emphasize at the outset the importance of this debate that is now taking place. There is an historic right on the part of members of Parliament that is time-honoured, in fact, century-honoured. It is that when the government seeks supply of the money with which to carry on its operations, that provides an opportunity for members of Parliament to present grievances and to seek some redress of those grievances.

In this Legislature, for years even the motion to go into committee of supply, which is historically the opportunity to move a want of confidence motion in the government, withered to a point of non-operation, but in my recollection, and I think I'm correct, in some 22 years around this Legislature I don't think there's ever been a debate other than the ritualistic support of a motion to grant interim supply. Therefore, I just want to underline at the outset the importance of this debate in terms of reclaiming for members of the Legislature a really historic right of Parliament. I want to do it with reference to just one grievance—one grievance alone that has been referred to by the last speaker, the hon. member for Oshawa.

In recent years and particularly in recent months, we have been increasingly disturbed with the growing proliferation of agencies, boards and commissions in the province of Ontario. They've grown like Topsy. Some of them have been around since the First World War. Nobody knows exactly what they

do. The means of accountability have not been clearly established. There's a grave suspicion, in some instances, that they're really accountable to nobody and from where they get their finances for their continued operations is again another matter of mystery.

Therefore, as this government leads the public concern over the size of government, there has grown up even in its own ranks an interest in so-called sunset laws that would provide a mechanism for the review of these existing boards and agencies so that we can find out whether or not some of them aren't so redundant that they should be wiped out, or whether some of them aren't a duplicate of other organizations so that they should be amalgamated, or whether some of them might more efficiently be drawn back into one or another of the ministries and not have this particular emanation of the Crown because, may I remind you, Mr. Speaker, there are, I understand, from 360 to 370 of them.

That's the general background, but there's an interesting conflict which is emerging which I want to draw to your attention, Mr. Speaker. What has built up in this province over the last 40 or 50 years is a dismantling of the historic bureaucracy of patronage, one which is related to the Civil Service Commission. We have moved increasingly to a professional Civil Service Commission by which appointments are made on the basis of ability, experience and training, except at top levels in close relationship to ministers, and not on the basis of friends of the government.

However, at precisely the time we have been dismantling what I would describe as the historic bureaucracy of patronage, this government has been building up a new patronage system in relationship to these 360 agencies, boards and commissions. There are, in the estimation of at least one person, as many as 7,000 to 8,000 people across the province of Ontario who are appointed by the government to an agency, a board or a commission and continue to work without that measure of accountability that I think is necessary and which I noted a moment ago simply doesn't exist.

Who appoints them? Last fall when we had a debate on the resolution that was introduced by the Leader of the Opposition (Mr. S. Smith) with regard to sunset legislation, we discovered, and it was drawn firmly to the attention of the House, that the appointments to these agencies, boards and commissions of these thousands of people, this new patronage bureaucracy, is made by a so-called appointments committee. And what is the appointments committee? It is chaired by the deputy

minister in the Premier's office, Dr. Stewart. It is staffed by a range of people all of whom are party people, from Mr. Kelly, the bagman, to the gentleman whose name escapes me for the moment who is the organizer for the Conservative Party, and so on. It is exclusively the appointment of people on a patronage basis by the Conservative Party.

If we are going to do something about implementation of a sunset law and the dismantling of this great new patronage bureaucracy, obviously it is a matter of great sensitivity from the government point of view. I wonder if the hon. member for London South (Mr. Walker), who introduced the bill last fall about implementing sunset law, realized the extent to which he was moving into a very tender and sensitive area.

The story in the Globe and Mail that announced the appointment of this new four-man committee last week noted there was a bit of a contrast between what they described as the McKeough approach and the Davis approach. The McKeough approach characteristically was to barge ahead with the sunset law, to review these agencies, boards and commissions and come to some conclusion as to whether they had any legitimacy for continued existence.

The Davis approach is the somewhat more sensitive political approach. He is going to have them reviewed. And who is he going to have them reviewed by? Is it going to be by a committee of this Legislature that would be representative of all parties? No, it is going to be reviewed by what one of the news stories rather euphemistically refers to as the Wiseman group—a group of four Tories, not responsible to this Legislature. It's really a party committee. It's a party committee which is going to review this sensitive area as to how to dismantle this great patronage bureaucracy which the government has built up over the last 40 or 50 years, for most of which it has been in power.

Mr. Laughren: I will believe it when I see it.

Mr. MacDonald: That's one aspect of it. The second aspect of it is that this committee appointed unilaterally, appointed without any consultation with the House, officers of the House, House leaders or anybody else, is now going to move into an area which has all the appearances of being in conflict with a standing committee of this Legislature.

Mr. Foulds: Shameful.

Mr. MacDonald: Last year this government introduced a motion which referred to the standing committee on procedural affairs, chaired by my colleague from Oshawa, the

106 agencies, boards and commissions which are statutorily obligated to table an annual report in this Legislature. In fact, last fall, in the debate on the sunset resolution introduced by the Liberal Party, they tried to extend it to include all 360 agencies, boards and commissions. But the government blocked that.

At least the standing committee on procedural affairs has the obligation of taking a look at those 106 ABCs which must table a report. In the motion that was introduced by the government House leader (Mr. Welch), and passed by this House, establishing the jurisdiction of that committee, it specifically said that one of its responsibilities was to examine the operation of these agencies, boards and commissions that tabled annual reports, and to make recommendations with regard to the legitimacy of their continued existence. Are they redundant and should they be abolished? Should they be amalgamated? Should they be absorbed in one or other of the ministries?

The government now moves unilaterally and sets up a party committee, an all-Tory committee, which presumably is going to usurp something of the responsibilities, if not the total responsibilities, of the standing committee of the Legislature. I acknowledge that the Premier is quoted in the Globe and Mail story on May 24 in this fashion: "In announcing the Wiseman group, Premier Davis said it would not infringe on the legislative authority of the standing committee." I think it's about time this House had some explanation as to how it is not going to encroach on the authority of the standing committee.

Is the standing committee now going to be restricted to a routine review of the annual report and excluded from a review of the legitimacy of the continued existence of that agency, board or commission? If it is, I suggest that is an encroachment on the operation of the standing committee.

Mr. Foulds: Shameful.

Mr. MacDonald: We have had no explanation of it, though. I am not going to take any more time of the House. Sure, this government has to operate, it has to pay civil servants and it has to carry on the business of the province. I hope sometime soon it is going to get away from the chaotic pattern of the presentation of business to this House which has resulted in estimates often coming up in October or November of the year when two-thirds—indeed, sometimes three-quarters—of those estimates have already been spent, making a farce of the whole consideration of estimates.

I hope it will get to the point that estimates will be put in the early stages of each session, and will be considered between the budget and the end of June, in the first quarter or so of the year. I know we have very little right to change any estimate, but let's not make such a total farce of it that we don't even have a consideration to take a look at the estimate until the year is two-thirds or three-quarters over.

Apart from all of that, what we now have is an opportunity to say to the government, "We are voting you interim supply to continue the business of the province, but we are raising with you in pretty sharp and firm fashion the questions as to what you are doing with regard to the whole issue of agencies, boards and commissions."

I want to suggest two basic principles: First, if we are going to finally get around to examining this bureaucratic monstrosity which the government has been responsible for building up, this new patronage bureaucracy which reaches out into almost every community in the province of Ontario, then it should be done by an all-party committee, not by an exclusively Tory committee operating in this sensitive area with a report back to the government that nobody will see the substance of, quite possibly.

Second, it should be done within the framework of the Legislature, within the standing committees of the Legislature. Since it has already referred to the standing committee on procedural affairs at least a certain area of this responsibility, I repeat, I think that ultimately that's where the responsibility should be given in total.

Mr. Foulds: I rise to speak on this motion for interim supply. To start off, I would certainly like to second the comments of the member for Nickel Belt (Mr. Laughren) and those who have spoken about the boards, agencies and commissions problem.

[4:15]

I want to shift the debate slightly, because I would like to take a moment or two to focus on the cost of health care, and the health care problem. As I look at Ontario's provincial budget, we spend 28 cents of the budget dollar on health care. The Health estimates, as I understand it, won't be up for debate for a considerable period of time. I want to bring to this House a problem that I consider to be urgent and pressing as it affects the residents of Thunder Bay district.

We have had in the past number of years, starting with the present Minister of Health's predecessor, Draconian measures with regard

to expenditure and cutbacks in health care in terms of active treatment beds, and extended care beds in northwestern Ontario. We have had recently in the Treasurer's budget—and he's asking for interim supply based on some of the budgetary measures in that budget for the next three months—OHIP increases that are, to say the least, shocking, shameful and outrageous. We have premium increases. We have an increased payment for health care, and yet we are getting in terms of that health care less for more.

Last week in Thunder Bay the Thunder Bay District Health Council released a report called "Panorama of Mortality." That report was a good report. I believe that report was a sound report. As referred to by my colleague from Nickel Belt (Mr. Laughren), it was a good honest research report. It was done by a body that is basically funded through government funding from some of the moneys that will be spent over the next three months in this interim supply motion. It was done by a health council that I think is not a tame committee responding merely to the wishes of the central health bureaucracy here in Queen's Park, but one which responds to some genuine concerns and needs of the people in the district of Thunder Bay. It is the kind of health council we should have throughout the province.

What that report showed was that in every category except one the mortality rate in the district of Thunder Bay was greater than that for the province as a whole. There were a number of specific areas. Overall the rate for all ages between 71 and 74 for Thunder Bay was 20 per cent higher than it was for the province as a whole. In several subcategories the rate went up as high as 139 per cent greater than the rate for the province as a whole. Those are serious figures.

I won't go into detail on every item, but I think the report deserves some analysis by the ministry, a further report by the health council itself and some personal examination by the minister.

Mr. Speaker: I don't want to interrupt the hon. member but I think that that commitment was given by the minister during question period.

Mr. Foulds: Mr. Speaker, if I may say to you, I think that some of the answer the minister gave was not fully informed. I was just getting into that. The minister indicated that he had only received the report a few minutes before coming into the House. It is my understanding that the health council sent the report to the minister or if not the ministry, by courier service the moment it was

released. It should have been received by the ministry no later than yesterday; and, by courier, presumably it should have been received late last week.

The minister indicated in his answer this afternoon that the district health council would be doing a review of its own report. It is my understanding that they will be making a submission to the minister for some funding to carry out a study as to the reasons for the findings in this initial report. That is, this initial report tells us what people are dying of in the district and at what ages; what we don't know is why. If the review which the minister referred to is the one that I think the district health council intends to undertake, it falls very much within the whole problem of financing in the Ministry of Health in the next three months and subsequently.

For example, the report indicates that, for whatever reasons, we do have a need for more active treatment beds in Thunder Bay district and that, for whatever reasons, we are experiencing a high death rate in the province as a whole. Although the provision of more active treatment beds won't solve the long-range problem—I admit that—it would alleviate some immediate suffering and it might mean that some of those people who now are dying prematurely could, through various measures, have their lives extended.

It seems to me that, in terms of budgetary matters, the Ministry of Health should be looking at funding for other district health councils throughout the province to provide the kind of study that this report provides for the district of Thunder Bay, so that, to analyse the statistics properly, we could have a location-to-location comparison, and not merely a comparison between the district of Thunder Bay and the province as a whole.

I'll give one small example of what I mean. If, for example, in Metropolitan Toronto and the surrounding areas, because of its high population density and perhaps because of the availability of specialist medical services, for example, the death rate is substantially lower than the rate for the province, then it stands to reason that the rate in most other places in the province will be higher and there is therefore not much to panic about in Thunder Bay.

While there should be no cause for panic, I think there is cause for concern and action on the part of the ministry. If we had the comparison, say with Oshawa, Peterborough or Hamilton, perhaps we could get a better idea of the health care system as it is working throughout the province.

Regarding the report, and especially with relation to the Ministry of Health—and the reason I am speaking on this interim supply motion is that, unless we deal with them in interim supply, these problems will not be able to be debated in detail until, as my colleagues from York South indicated, the ministry's estimates come up in the fall—it may mean, for example, that something like the high infant mortality rate needs to be looked at in detail. It is particularly worrying to me that there is an extremely high rate—93 per cent over the figure for the rate for the province—of deaths in infants from “symptoms and ill-defined conditions.” From that, it seems to me that we need to have better early diagnosis, that we need to have additional help for the existing pediatric care and that we probably need more prenatal training. It may mean that we need to have more training for midwives and that we need to have more training for nurse practitioners, because they may be the only people in the remote parts of the district who are available to have a look at early symptoms that are now ignored.

I think it is important that we do a thorough review—and this is one thing that the minister did not mention, I'm afraid. He mentioned the review with respiratory diseases. What he didn't mention is that the current study is looking only at grain handlers exposed to dust. I think it needs to look at the entire work place and the populace as a whole, and I think it would be very useful if the minister would look favourably upon the speeding up of the present study, if that's possible—if it's possible to do it validly and scientifically and still maintain valid results—but also to include also residents of the district.

My former colleague, the former member for Fort William, Mr. Angus—

Mr. Laughren: Ah, great, great member.

Mr. Foulds:—has fought for many years and continues to fight as a private citizen—and I hope soon a public citizen again—on the whole question of respiratory diseases. He has indicated, for example, that there may be some concern with regard not merely to the grain industry but to the pulp and paper industry. That may be something that the Ministry of the Environment, the Ministry of Labour and the Ministry of Health should be co-ordinating.

Basically, Mr. Speaker, I'm sure you would concur that most of us who live in the Thunder Bay district agree that it's a very fine place to live. We like it there. We live there by choice. But it seems to me that the Minister of Health (Mr. Timbrell) should

look at areas like research and immediate support for immediate problems, such as some additional active treatment beds, such as, for example, upgrading of services, psychiatric services, social work services, counselling services for young people—because of the very high suicide rate in the district. These should be looked at and they should be looked at for the coming year. If, over the next three months, we pre-empt too much of the Health budget, that may not be possible. There has to be some flexibility, it seems to me, in the Ministry of Health budget.

I think we have to meet some very real health care problems that have been pinpointed in the district of Thunder Bay. They have to be looked at seriously. I would hope that the minister, during this period of interim supply, would not hide behind his traditional defence: "We've got a committee of the ministry looking at that; we've got this committee looking at that; that needs a review; we don't have the scientific data."

Mr. Speaker, you know what surprises me? Statistics about death are absolute. You don't have to take a sample. They are all recorded. What surprises me is that this information is not readily available either to the ministry or through the ministry, and this kind of information has not been made public before by the ministry. It would seem to me that the district health council has performed a valuable function by bringing this important and grave information before the public.

Specifically, then, I want to emphasize two points. First, I want to emphasize that in the short term the Minister of Health should not say, *carte blanche*, that he has no funds whatever. He should say, in the case of a request that came to him last week for more extended care beds in order to free up 60 additional active treatment beds in Thunder Bay, that that should happen immediately.

Secondly, he should agree to provide the necessary funds for the further studies that the district health council needs to undertake to find out why these statistics, these mortality rates, are so high in Thunder Bay in comparison to the province as a whole.

[4:30]

Mrs. Campbell: It seems to me that this is, perhaps, an important debate and an important moment in time, because it is through this particular motion that the funding of this province can continue for the next few months. I am of the opinion that those of us in the opposition must certainly take this opportunity to express our deep concern with the kind of incompetency which we see in this government at this point in time.

I had a series of questions on the order paper which would be within the jurisdiction of the Ministry of Government Services but, obviously, from his reply, not within the minister's competence. One of the questions asked, for example, was: "Has Professor Eric Arthur prepared any reports dealing with the legislative building?" This minister can't answer. He needs more time.

"Will the minister table the reports prepared by Professor Eric Arthur?" This minister is incapable of answering without getting more time.

The answers given in this House by ministers of the Crown are deplorable for the most part; they are hiding behind their opportunity to take more time to answer the simplest question.

The situation in this building is urgent. The problems relating to committees and committee work are urgent, and yet this minister doesn't even appear to know that he has no jurisdiction whatsoever, as it relates to committees and the committee function. But he's going to take the time until, perhaps, somebody can get through to him that we don't need to take delays in the matter. We could, perhaps, cut out some of the waste if we could get someone acting competently on behalf of the members of this Legislature.

This, of course, is one aspect of our problems—when you have people who don't understand; when the minister can't even answer the question: "Has the minister personally familiarized himself with the provisions of sections 93 and 94 of the Legislative Assembly Act?" He needs more time to answer that kind of a question. This, of course, is pettifoggery of the worst type, and why we would be countenancing any interim supply to someone who is unable to answer the simplest questions, I don't know.

Reference has been made here today about the Premier's appointment of a one-party committee to look at boards, agencies and commissions. I would like to know just how much money is allocated to that committee, since the committee on procedural affairs which is vested with that authority has no money to make that kind of an investigation. Yet, we're asked to sit here and approve interim supply for what? I don't know. It's time we started looking at the operation of a government which loves to hide its courses of action any way it can.

Of course, look at the Treasurer's performance with reference to OHIP. Reference was made to that today by my leader and others, and we see, again, the complete contempt of this Treasurer for this House in apparently seeking to raise revenues for general purposes

out of the OHIP premiums so that he doesn't have to appear and answer to the House or to the public or to anyone else, and yet he wants us to approve interim supply to carry on the work of this government.

We heard today from the Minister of Community and Social Services (Mr. Norton). Here we have one of the most blatant inadequacies of any ministry as we discuss the matter of the abused child or the battered child. We have seen committees appointed by this ministry and apparently they got lost some place. Certainly there's no accountability from them as to what they found or what they propose. Then they are suddenly replaced by a task force. In the meantime, children are being battered.

I don't support those Children's Aid Societies which undoubtedly and apparently made some bad decisions about children who have been battered. But I want to tell you, Mr. Speaker, that I don't condemn them either in the same way that others do because they don't get the funding they need to do the kind of protective work that is essential in this area.

Mr. Speaker, you may recall some time ago when the hon. member—and I am sorry, I keep thinking of Moonbeam—for Cochrane North (Mr. Brunelle) was the Minister of Community and Social Services, we raised with him—and he's now three ministers ago—the whole question of the prevention of this kind of abuse. We had a meeting which he called—in fairness at the insistence of not only the opposition but other concerned people in the community. Nothing really came of that meeting. Nothing happened. Children have continued to be abused.

I wonder what money was wasted in all of these delays in attacking the problem. I can recall addressing his successor, who is no longer with us as a minister, and pleading with him to at least do some decent funding through the Sick Children's Hospital so that we could then have a base from which there could be an operation as a network across the province in order to try to cope with this whole horrible problem in our society. An election was coming along and so we dribbled here and there with a little money to this group and a little money to that group, none of which was adequate for any of them, so that they could start all over again doing what there was already expertise for in the Sick Children's Hospital.

This is the way in which we spend money, wastefully, unconcerned with the problem and certainly unconcerned with attacking the problems as they exist. I would love to have each and every member of the govern-

ment sit in a court and listen to the evidence from doctors and others and look at the photographs of these battered children. Maybe then they would start looking at some way to spend some money usefully in trying to prevent this kind of tragedy. As long as members of the government sit in here, as long as they don't get out there and see it, then they can go on stumbling from one thing to another, always short of enough money to be effective in trying to cure a problem. What the government does, of course, is cost itself more money, and the people of the province more money, because when it spends money inadequately that is what happens. It then has all of the cost taken up in all sorts of different areas. It doesn't really have to examine the financial costs because it can spread it from one ministry to another. But I will tell you something, Mr. Speaker, it doesn't spread those social costs quite the same way, and it is responsible for those social costs, because it has been in charge all these years when these problems have developed and there has been no real attention to them.

In speaking of the participation of the member for Cochrane North, I am not trying to impugn his motives in calling the committee—I think we were all very much aware of his deep concern—but, unfortunately, as he sits there with some of these others who have less concern, he hasn't had the clout that perhaps the Treasurer has in getting through the kinds of things that he desires.

Mr. Laughren: Is that true, Rene?

Mrs. Campbell: No, he's no longer there—that's the point—and the Treasurer is forever with us.

Mr. Haggerty: There is no hope.

Mrs. Campbell: Then we are looking at the situation of money as it pertains to municipalities. We have seen this Treasurer backing off a commitment made. It's funny. He worries so much about irresponsible municipal officials, but municipal officials have a sense of honour and when a commitment is made they do their very level best to carry out that commitment. They don't sit proudly in the front row reneging on every single possible commitment to municipalities on the basis that they might be encouraged to overspend and blame the provincial government.

Let's just look at what has happened. I can recall seeing the same Treasurer, some years ago, to point out the problems of a municipality such as Toronto with the kind of funding that was available to it. Of course,

he didn't see fit at that time to take any heed of the proposals we made and the concerns which were expressed. He did, I think a year or so later, with a new budget chief at the city, perhaps more malleable than I was, but he did make some kinds of commitments to the city of Toronto.

He was warned that if we did not get some relief we would find ourselves in the position where the city of Toronto, at least, would be funding certain very important functions on the backs of the taxpayers. He didn't, of course, believe that either. One of the interesting things about this particular Treasurer is that he has all sorts of very strange approaches to prognostications. It wasn't ever going to happen. Last year it did happen, and the city of Toronto did fund its education out of its taxpayers, including its levy at Metro.

I haven't seen this Treasurer yet come forward and say, "All right, that has happened; therefore, we will have to pay to the city of Toronto that portion of the tax which is for educational purposes." Of course not. One is trying to be as niggardly as possible in order to protect one's own position. That is difficult, and I have sympathy with the Treasurer, in that it is always difficult to cover up your errors, unless, of course, you can find some whipping boy to take that kind of punishment. Of course, in this government you always have those irresponsible municipal people to play that role.

[4:45]

It is time that this government faced up to its very long record—not all the time, I won't say this, but latterly—of inefficiency and wastefulness. Yet we are asked to be here to approve interim supply to carry on the purposes—and I wonder, you know, if this government thinks they're the purposes of the people of Ontario or the purposes of this Legislature, or if that supply isn't only for the government's purposes, because this government has a very strange way of trying to differentiate between what it wants and what it thinks the rest of the province is interested in.

Mr. Laughren: They don't believe in minority government.

Mrs. Campbell: No, they don't.

Mr. Deputy Speaker: Order.

Mrs. Campbell: Mr. Speaker, I could go on at length. I recognize the fact that this is in essence an exercise in futility, first of all because the motion will pass after all our protestations because those of us who are responsible people couldn't place this province in the kind of chaotic position it would

be in if we didn't. Secondly, because I don't think there's a person over there—certainly sitting there at this point in the front row—who is prepared even to listen to what is wrong with the way in which this government functions today.

I have tried to point out some of the inadequacies. I have tried to point out some of the contempt which I believe the Premier and certainly the cabinet have for this Legislature. And I have tried in some small way to express my concern for those who are really not able to address this House themselves—particularly, as I say, those children who really need our concern and are not getting it because whenever this government wants to delay an issue or has no concern in an issue it appoints task forces and others. Or if it wants to try to take credit for something which has been the initiative of the opposition members, such as the sunset law, then they will appoint people to function in this area.

There is nothing we're voting on at this point which gives any kind of hope to those people who are without jobs. There is nothing in this particular budget to do anything other than allow this government to stumble along for the next three months with very little—very little—encouragement for either the members of this House in their attempts to create some efficiencies or for the people of the province.

I am very saddened that this is so, because I think times are such that all parties in this House, all members in the House, should be pulling together to try to make some improvement in the quality of life for people right across this province. It shouldn't be a partisan approach at all, because the issues are far too serious for the kind of gamesmanship we see here. But I suppose in the nature of things that's exactly what we're going to face. So, Mr. Speaker, I have spoken. I suppose perhaps the member for Cochrane North would recognize the fact that I conclude—as I have heard many of our very fine native people conclude—with some hopelessness and some deep depression about the state of things. Mr. Speaker, I have spoken.

Hon. Mr. McKeough: Mr. Speaker, I do want to thank the spokesmen from the opposite side who indicated they would be supporting this particular motion of the government and that the bills will be paid.

The member for Rainy River—not Rainy River; no, he spoke very briefly. He was the soul of—

Mr. Reid: Brevity.

Hon. Mr. McKeough:—brevity today. But the members for Nickel Belt, St. George, Oshawa, York South, wandered far and wide in their various comments. Some of them were helpful, some interesting and illuminating, I say to my friends opposite. Of course, as the member for York South correctly pointed out, this is traditional on a supply motion of any kind.

The budget motion itself is really a supply motion. I'm looking at the Clerk who is nodding his head, I think. I suppose that is why the budget motion really is in the same way a wide-ranging debate. The tradition has grown, as the member for York South correctly has pointed out, over I suppose hundreds of years, that on supply, members can say what they want—some of it helpful, some of it not so helpful.

I will only answer just one small point. I was interested in the remarks from the member for York South. I am sorry he is not here to hear what is a very brief and will be a very inadequate reply to the rhetoric of what he had to say about the new committee which the Premier (Mr. Davis) announced last week. The committee has obviously upset the member for York South and several other members in his own party. Finally the member for St. George picked up that refrain as well and echoed it—to some extent at any rate.

I would simply point out the genesis of the committee. It was over a year ago, as I recall, that members agreed to enhance responsibilities for the standing committees, which has been referred to. It is my understanding that committee last session was first to be chaired by the member for York South. It is now being chaired by the member for Oshawa and the member for York South has assumed the position of vice-chairman. I'll come back to that.

During the debate last fall on the sunset resolution of the Leader of the Opposition (Mr. S. Smith), the government—we were referred to earlier today as being apoplectic and perhaps that isn't far off the mark. In listening to the Leader of the Opposition, he was calling for legislation which was going to have committees, boards, agencies, commissions, ABCs—called continually before some committee and sunset them all. There was no orderly progression as to what he wanted to do. If we became apoplectic over the remarks of the Leader of the Opposition, so be it.

But we were not comforted by his particular approach to the very serious matter of getting down to looking at whether some agencies or boards need changing, combining,

are redundant, or are doing the job that was originally set out for them by the Legislature—whether it was still necessary that that job today be carried out. This is a very serious business indeed, and one which should not be taken lightly. We certainly were not impressed by the scatter-gun approach that the Leader of the Opposition was proposing in examining that whole subject.

Mr. Reid: Well, it got you moving.

Hon. Mr. McKeough: Then during that debate on sunset, as I recall, the House leader (Mr. Welch) made an undertaking that virtually any report tabled here could be referred—and I think automatically—to the standing committee chaired now by the member for Oshawa. I will close by saying to the member for York South, who chaired that committee previously and who spoke so long and so eloquently today—

Mr. Laughren: Not so long.

Hon. Mr. McKeough:—I say to the member for Oshawa who now chairs the committee—he was shorter and not as eloquent but he did speak on the same subject—as the chairmen of that committee in successive years, what have they done about it? What annual reports have they looked at? It's fine to stand here and criticize the appointment of four government members to get on with the job. But the member for York South should look at his own diary, refer to his own notes, to see just how many meetings of the committee he called and what he did about getting on with what is obviously a very important job.

Mr. Laughren: You can't transfer guilt that easily.

Hon. Mr. McKeough: The member for York South was talking out of both sides of his mouth—

Mr. Laughren: You are too.

Hon. Mr. McKeough:—and the new chairman of the committee, the member for Oshawa, is going to follow in the same footsteps, it would appear.

Mr. Foulds: That's a complete fabrication and you know it. That is a complete fabrication.

Hon. Mr. McKeough: And, therefore, with no expenditure of government funds—

Mr. Laughren: It's your responsibility. You're the government.

Hon. Mr. McKeough: They haven't even met.

Mr. Foulds: You guys were so obstructionist it took us six months to get a letter. You don't even know how many boards, agencies

and commissions you've got. You don't even have a list of them in the Premier's office.

Hon. Mr. McKeough: Listen, I've dealt with a lot more boards, agencies and commissions than that committee which has yet to call anybody in front of it. You're just talk over there, just talk.

Mr. Laughren: You set them up.

Mr. Foulds: You're just wind.

Hon. Mr. McKeough: You're abusing the time of this House in the historic voting of supply on an interim basis by talking such rubbish over there, because your former leader and your near leader, the member for Oshawa, have never got down to the business at hand.

Mr. Foulds: How are you going to finance that committee? Are you going to finance it out of your party hacks' contributions? Or are you going to do it out of government funding?

Hon. Mr. McKeough: Now, within our responsibility—

Mr. Foulds: If there is government funding for your hack committee, why isn't there for the procedural affairs committee?

Mr. Deputy Speaker: Order.

Hon. Mr. McKeough: —we discard and reject the scatter-gun approach of the Leader of the Opposition. We simply can't wait for that tired old socialist chairman of the committee, past or present, to get under way, so we appointed our own committee of fine, well-spoken, albeit Tory, members, who are going to do a very fine job—

Mr. Foulds: How do you know?

Hon. Mr. McKeough: —of doing what your former leader twice removed was supposed to have done, and what your near leader—who has just come into the House—is thinking about doing. While they are talking, we'll get on with the job.

Mr. Foulds: You're speaking out of both sides of your mouth and the back of your neck at the same time.

Hon. Mr. McKeough: Mr. Speaker, again, thank you for your kindness, for your forbearance, and I thank my colleagues opposite for agreeing to vote supply. Civil servants will be paid. Stationery will be ordered.

Mr. Germa: Don't hide behind the skirts of civil servants.

Hon. Mr. McKeough: People, paper and things will be looked after. And last, but not least, the member for Rainy River, high tax bracket that he finds himself in—by his own choice, I might say, because he could do

something about it; he could move into a much higher range of deductions—

Mr. Reid: That's true. I will suffer along with the higher taxes.

Hon. Mr. McKeough: —something which is available to all of us. The member for Rainy River will be able to look forward to receiving his cheque after April 1, which is something all of us can go to bed feeling a great deal happier about tonight. Thank you, Mr. Speaker.

Mr. Foulds: Bombast and bereft of substance.

Mr. Deputy Speaker: Order.

Motion agreed to.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 25, An Act to amend the Tobacco Tax Act.

Hon. Mr. Maeck: I have a very short opening statement, Mr. Speaker. Bill 25 proposes amendments to the Tobacco Tax Act to reflect the objectives announced in the Treasurer's (Mr. McKeough) March 7 budget. Specifically, this bill increases the rate of tax on cigarettes, cigars and cut tobacco products. It also increases the compensation paid after April 1, 1978, to appointed tobacco tax collectors.

Mr. Haggerty: Mr. Speaker, I want to add a few comments to Bill 25, and to support it. I'm not too happy about supporting any government tax increase, but I understand the difficulties that the Treasurer is in with the province of Ontario with deficit spending and deficit financing.

Mr. Laughren: If it's regressive, you'll support it, Ray.

Mr. Haggerty: It's a luxury tax that is perhaps acceptable to a great number of people in the province of Ontario, and it has little effect or little impact upon the tax increase in this particular area. It's one area where the government can have access to this additional revenue, and this is the area they chose to go to this year in raising some \$30 million.

The minister did mention something about the section that applies to the collectors, I believe it is, in the province of Ontario. Just how many collectors do we have in this particular area and what would their income be?

Mr. Deputy Speaker: Perhaps the hon. minister can make a note of that and reply at the appropriate time.

Mr. Haggerty: Those are all the comments I have, Mr. Speaker.

Mr. Charlton: Mr. Speaker, we in this party are also going to support this bill in prin-

ciple. However, there are a number of concerns that we have with the bill. We are happy, for example, to see the increased payment to those who collect the taxes; and I suppose we are able to accept the increases in taxes that the minister has laid out. Unfortunately, the minister has failed to note in his opening statement that this bill is not all increase. That's where our concern comes in.

We understand the government's need to raise additional revenues. We also understand all of the arguments that have been used over the year about tobacco being a luxury product and the need to tax luxury products or luxury commodities. However, the bill contains one major contradiction. The contradiction is in the area of the proposed taxes on cigars and specifically in subsection 1(f) of the bill.

Subsection 1(c) of the bill proposes that the tax on cigars whose retail price before tax is seven cents or less shall remain unchanged.

Mr. Laughren: That's a disgrace, Lorne.

Mr. Charlton: Subsection 1(d) of the bill proposes a one-cent tax increase on cigars retailing for more than seven cents but not more than 10 cents before taxes. Subsection 1(e) proposes an increase in tax of one cent for all cigars whose retail price is greater than 10 cents but not greater than 90 cents before taxes.

[5:00]

The contradiction comes in subsection 1(f), which puts a maximum on the tax of 39 cents for all cigars whose retail price before taxes is more than 90 cents.

Mr. Braugh: It's those Tueros; do you know them?

Mr. Laughren: You've been had by the Treasurer again, Lorne—like every preceding Minister of Revenue.

Mr. Charlton: The contradiction is twofold. Firstly, in the Tobacco Tax Act as it now exists, the tax on cigars is fairly uniform throughout, with a maximum tax of 40 per cent against the cost of any cigar. The tax is assessed on a five-cent price range, or any portion thereof; so the tax fluctuates slightly as a percentage of the retail cost, depending upon whether the price is the first or the last cent of a five-cent range. However, the tax at present is fairly uniform and the maximum is 40 per cent on all cigars.

In this new bill, the tax on cigars is fairly uniform as a percentage of retail cost up to 90 cents, although the tax does decrease slightly as the price increases. However, as the retail price of cigars before taxes goes

over 90 cents, the decrease in taxes as a percentage of the retail price is dramatic.

Mr. Reid: Now we know what the NDP researchers have been doing for the last month.

Mr. Charlton: With this Bill 25, we have a situation where the taxes on cigars between zero and 90 cents will range between 40 and 50 per cent of their retail price before taxes. Cigars whose retail price before taxes is greater than 90 cents will receive a significant decrease in taxes, both as a percentage of their cost and in actual cents.

Mr. Foulds: Shameful.

Mr. Laughren: Typical.

Mr. Foulds: A typical Tory cigar tax.

Mr. Charlton: We have a situation where, in the case of a cigar whose retail price is \$1, the tax will actually be one cent less than it is under the bill as it now exists and it drops below the 40 per cent level that we had before.

Mr. Reed: How much does the Premier pay for his cigars?

An hon. member: He smokes a pipe now.

Mr. Charlton: On a cigar whose retail price is \$2—

Mr. Braugh: Whew, I saw one once.

Mr. Charlton:—there will be 41 cents less in tax payable than under the present bill, or only 19½ per cent on its retail cost before taxes. The contradiction is that this luxury, cigars, will be more costly for those who can least afford it and less costly for those who can best afford it.

Mr. Foulds: Typical Tory taxation.

Mr. Braugh: They are caught with their hands in the humidior.

Mr. Charlton: Surely people who buy cigars that cost 90 cents or greater, plus tax, have more disposable income and more excess income to spend on luxuries than those who buy 10-cent cigars.

Mr. Reed: You better start smoking better cigars.

Mr. Charlton: I am terribly upset with this proposal. I am upset because it reflects for me the government's whole approach to increased revenues. Time and time again this government has used methods to increase revenues that are regressive and which hit hardest those who can least afford it. We have only to take a look at some of the other measures in the present budget to realize that—the OIIP increases and so on.

Mr. Germa: Shame.

Mr. Charlton: We in this party cannot accept this kind of proposal, to increase taxes

at the bottom end and decrease taxes at the top end. During the committee stage we will be moving amendments that we hope will rectify this problem. We ask our Liberal friends beside us at least to have a serious look at—

Mr. Breagh: This will be a test.

Mr. Charlton:—what this government is doing. Although he's not here now, we ask the Treasurer to have a serious thought about his role in this whole thing as well.

Mr. Reed: The government may fall on a 90-cent cigar.

Mr. Deputy Speaker: The member for Sudbury East.

Hon. Mr. Maeck: Nickel Belt.

Mr. Deputy Speaker: Sorry, Nickel Belt.

Mr. Laughren: Thank you, Mr. Speaker. I thank the Minister of Revenue for drawing it to your attention as well.

Hon. Mr. Maeck: I know where the member comes from.

Mr. Laughren: I know there were some smiles in this chamber when my colleague from Hamilton Mountain was talking about the tax on cigars, as though it were a trivial matter. What bothers us about this is that the government never makes this kind of mistake the other way. The Treasurer has consistently used the Minister of Revenue to defend the indefensible in years gone by, and he has continued to do it with the member for Parry Sound (Mr. Maeck). We don't think that's right, but as long as the Minister of Revenue has to defend the tax bills of the Treasurer, I guess it will always be so. It's really strange, isn't it, that—

Mr. Foulds: Would you name the man sitting in the government House leader's seat, Mr. Speaker?

Mr. Kerrio: It is highly irregular.

Mr. Laughren: It may not seem significant but when this bill becomes law someone who buys a \$2 cigar pays 41 cents less, I believe, than he does at present. I think that is important because it reveals the kind of attitude the government has towards regressive taxation. That simply is regressive taxation. I think this is a mistake by the way. It's hard to believe the Treasurer would be so foolish as to put in tax legislation that would make someone who buys a \$2 cigar pay less than he does at the present time, when the sole purpose of the legislation is to increase revenues to the province of Ontario by \$30 million.

Mr. Ruston: An imported cigar too, probably.

Mr. Laughren: I am convinced that this is a mistake. I find it hard to believe that the Treasurer is suggesting that people in Ontario buy more Cuban cigars. I know what his doctrinaire economic philosophy is. He wouldn't for a moment suggest we buy Cuban cigars that sell for \$1 or more. He simply wouldn't do it.

I would suggest to you, Mr. Speaker, that the Minister of Revenue should seriously consider the amendment that will be put by my colleague from Hamilton Mountain. If the Minister of Revenue chooses not to accept the amendment by my colleague—and I have one as well which would go partially towards accomplishing the same goal, except that my amendment does not impose a new tax—then I would suggest to the minister that what he has got himself into is a bind because the Treasurer has slipped one by him.

That always happens. I have been here six and a half years and I have yet to see a debate on tax bills go through in which the Minister of Revenue is not embarrassed by something the Treasurer has slipped by him. I would suggest that that's exactly what's happened here and that the Minister of Revenue should right here and now dig in his heels and say, "I will not be a hack or a flunky to the Treasurer any more. As Minister of Revenue, I have my rights too."

Mr. Makarchuk: Yes, assert yourself.

Mr. Laughren: I want to tell the minister that we will support him. I am sure our colleagues in the Liberal Party—

Mr. Haggerty: I smoke \$2 cigars.

Mr. Laughren:—see the insanity of lowering taxes on \$2 cigars when the purpose of the bill is to increase revenues to the province of Ontario. I don't know how anyone can resist the kind of logic that is inherent in the amendment that will be put by my colleague for Hamilton Mountain, and I would encourage members to support it.

Mr. G. I. Miller: I, too, would like to speak on the increase in the tobacco tax. If you are not aware, Mr. Speaker, I would like to make you aware that I do represent an area that produces much of the tobacco in Ontario. Norfolk county was the first county to produce tobacco to any extent, and that goes back many years, I think to the twenties. It has provided a good return for the agriculture industry there, and it has been the backbone in the last 25 to 30 years. If anyone has the opportunity to come down to that part of Ontario, I think he will realize what it has contributed to the economy of this great province of ours.

I was just going over Hansard, and it was only last June 29 that we were discussing this very same issue. At that time, there was an increase of about 40 per cent in the tax on tobacco. Now again, less than a year later, I see another increase of approximately 20 per cent. I would like to point out that it is an agricultural product that we are taxing, and I think that while it is somewhat of a controversial issue our party has said it will support it.

I would like to make it very clear what it has contributed to Ontario. It is an agricultural product, and it does concern me a little bit that only the Premier can smoke those big fat cigars. I used to like them myself. Since the fact that a Marguerite and a White Owl, the average guy's cigars, are up to about \$1.75 a pack, it does seem a little extravagant. Consequently, I have got out of the habit, although I do use a pipe and smoke the odd cigarette.

As was indicated, we do import our cigars from Cuba and other areas offshore, and with unemployment the way it is maybe the Minister of Industry and Tourism (Mr. Rhodes) should take a look at producing a cigar from our own tobacco, and maybe we could look for new markets. I think that is the direction in which we should be going. To the average smoker, a pack of 25 cigarettes costs about \$1.10 now. It doesn't matter what wage bracket you are in, it creates a hardship. I think we have to take that into consideration, too. While a balanced budget is what the Treasurer is leaning towards, I don't think we should do it at the expense of a flourishing industry such as the tobacco industry.

I think we should be encouraging production. Last year, I think we were utilizing the tobacco rights at about 46 per cent. While they did have a good crop in 1977, one of the better crops, and they are finding the markets exceptionally good, perhaps because of the devaluation of the dollar, which has been helpful, I still think we could encourage an acreage increase and look for export markets to expand that industry rather than tax it out of existence.

I am pleased to speak on behalf of my producers, the tobacco farmers in my area. Hopefully, the government will take this into consideration and at least keep the tax increase within the same guidelines as those affecting wages and rent increases. I would hope in the future that this would be given greater consideration.

[5:15]

Mr. Foulds: I just want to say a few words. First of all, I would really like to call to the

minister's attention the brilliance of the point put by my colleague, the member for Hamilton Mountain, with regard to this particular task. I think although individual members might have some reservations, all parties in the Legislature generally look upon tobacco tax as a luxury tax. That is one of the major arguments that is used that makes us accept it.

I sometimes think we may be getting to the point that we're taxing anything that is considered to be slightly sinful or slightly fun, or both.

Mr. Reed: The wages of sin.

Mr. Foulds: It's not popular for legislators to oppose an increase in taxes on tobacco because of the arguments put about how harmful this is and how it increases our hospitalization costs and it creates diseases by choice.

Mr. Reed: The government is living off the avails.

Mr. Foulds: That's exactly the point that I want to make. I thank the member for putting it so succinctly. The government itself is living off the avails of these vices, if you like. It seems to me that as a Minister of Revenue and as a Treasurer they have to give some consideration to this continual taxing of a so-called luxury. If it is considered a luxury tax, then it seems to me that the government must be consistent and carry that all the way through, so the point that my colleague from Hamilton Mountain makes is that you really tax the luxury items of the luxurious—the \$2 cigars.

Mr. Laughren: They tax them less.

Mr. Foulds: What happens is that instead of doing that, instead of really taxing those luxurious luxuries, the government is taxing more heavily the common or garden variety of cigars, if I may say so, and letting the orchids go free.

Hon. B. Stephenson: It is really a matter of degree.

Mr. Foulds: In a nutshell, this particular tax encapsulates the whole Tory philosophy of taxation: Hit the low-income and the middle-income groups; leave the high-income groups. You put a ceiling on it so you can have a regressive form of taxation.

Mr. Turner: That is ridiculous.

Hon. B. Stephenson: That's nonsense.

Hon. Mr. Maeck: How many of the low-income group smoke cigars?

Mr. Mancini: Do you smoke cigars?

Mr. Foulds: In this one little tax with this clause 1(s) you have a most regressive form of

taxation. I want to say that I have no vested interest in this particular bill.

Mr. Haggerty: How many \$2 cigars do you smoke?

Mr. Foulds: I don't smoke a five-cent cigar, let alone a \$2 cigar.

Mr. Makarchuk: I wouldn't smoke a five-cent cigar anyway.

Mr. Turner: You smoke a pipe though.

Mr. Foulds: I think the minister should accept the proposal that is going to be put forward by my colleague, the member for Hamilton Mountain. It will certainly make the tax more sensible. It will certainly make the tax more progressive, and it may even avoid the contradiction in this kind of taxation; one of the theories is they're used as deterrent taxes and that as one increases taxes on this kind of item the revenue will decrease.

We all know that those who can buy \$2 or \$3 cigars or what have you will continue to buy them because they'll be able to afford them, whereas as my friend from Haldimand-Norfolk indicated the guy who buys a pack of White Owl or Old Port may cut down and therefore cut down the government's revenue and cut down on the avails that it lives off through this form of taxation.

So I would strongly recommend that when we get to committee stage, if the minister accepts the proposed amendment, he should perhaps have a huddled conference with his colleague, the Treasurer. I'm sure that the Treasurer will be glad to know that opposition parties are in favour of one portion of one tax increasing. It may even get him some additional revenue so that he can meet that mystical, magic moment that he wants to make in 1981, a balanced budget. The additional revenue can be obtained this way, in some small way, by the suggestion by my colleague from Hamilton Mountain. I'm sure that the minister should accept it.

I just want to say one last thing, because I think for the first time since I've been a member of this Legislature we have as Minister of Revenue a man of some courage and a man of some thoughtfulness and a man of some competence. I want to underline the points that my colleague from Nickel Belt made. We have generally had as a Minister of Revenue a front man—

Mr. Laughren: Or lady.

Mr. Foulds: —or lady, a front person for the Treasurer, a minister who simply takes the flak on the tax bills that the Treasurer imposes. This particular minister, when he was chief government whip, had the courage

to chew out his then so-called superior cabinet ministers for not attending to their duties in the Legislature. I think it is time this minister chewed out the Treasurer for not thinking through his taxes and having to carry the can for him.

Mr. Makarchuk: He might set a tradition that would be appreciated over there.

Mr. Deputy Speaker: Are there any other members who wish to participate in this debate? If not, the hon. minister.

Hon. Mr. Maeck: Mr. Speaker, I am sure the members opposite realize that tax policies in the province of Ontario are brought in by the Treasurer—

Mr. Laughren: All too well; we know it all too well.

Hon. Mr. Maeck: —and implemented by the Minister of Revenue. I am sure that they are aware that that is the way it has been in the past and probably that's the way it will be in the future or the Minister of Revenue wouldn't need to be here at all, I suppose.

Mr. Laughren: Well, you suggested it.

Hon. Mr. Maeck: It wasn't really a mistake.

Mr. Laughren: That's even worse.

Hon. Mr. Maeck: There are some reasons that we adopted the policy we now have before the House in the legislation. One of the main reasons is simply that even with taking the 90 per cent maximum in cigars we are away beyond any of the other provinces. All of them are much below that. We are much higher than any other province. In other words, we are collecting taxes on cigars at a higher price than any other province at the present time.

Mr. Laughren: We are just asking you to be consistent.

Mr. Makarchuk: It didn't stop you in the case of OHIP.

Hon. Mr. Maeck: We talked about the fact that expensive cigars are imported, and some of them are, but not all of them are. Many of them are hand made here in Ontario and Quebec, and if we increase the taxes we are then going to be perhaps putting the small manufacturer in a bad position.

Mr. Laughren: All OHIP bills are paid here in Ontario, Lorne.

Mr. Reed: Is that the Canadian tobacco firm?

Hon. Mr. Maeck: Yes. Let me also say that cigars as a total represent only three

per cent of the revenue from the Tobacco Tax Act. It is a very small amount.

Mr. Laughren: It's the principle involved.

Hon. Mr. Maeck: Last year we collected something like \$150 million in this branch of the ministry; only \$4.5 million of it was from the tobacco tax—at least, from cigars.

Mr. Laughren: The principle is offensive. It's the ability to pay.

Mr. Foulds: It's an offensive principle you have established.

Mr. Reed: It keeps the superministries going.

Hon. Mr. Maeck: Forty per cent of cigars sold sell for seven cents or less and that's the area that has the smallest percentage of taxes.

Mr. G. I. Miller: They are just big cigarettes.

Hon. Mr. Maeck: The tax is two cents and that has remained unchanged. We haven't increased that at all. The member for Port Arthur suggested that it would be the low income group that would be hit mostly by these taxes. It really isn't so, because we didn't increase the tax on the seven-cent cigar.

Mr. Makarchuk: For seven cents, you are not going to get much of a cigar.

Mr. Foulds: Do you have any brand names? Are these known as Brand X?

Hon. Mr. Maeck: The other thing is, how many people on low incomes smoke cigars to start with? There aren't that many. The member for Erie asked about the number of collectors there are in the province. There are 146 collectors. With the new legislation it would cost in the neighbourhood of \$90,000. That's what they would receive.

Mr. Foulds: I don't think those cigars use tobacco.

Hon. Mr. Maeck: I have very little extra to add. I am not at this point in time going to debate the proposed amendments. I want to see whether they are, in fact, introduced. I would question whether or not the Speaker or the Chairman would find that those amendments were in order.

Mr. Foulds: You can introduce them.

Hon. Mr. Maeck: I would refer the hon. members to section 86 of the standing orders.

Mr. Laughren: Lorne, don't be petty.

Mr. Foulds: Quit hiding behind the rules.

Hon. Mr. Maeck: I believe that we are justified in going ahead with the proposals as they now stand. Thank you, Mr. Speaker.

Mr. Laughren: I am surprised.

Motion agreed to.

Ordered to committee of the whole House.

RETAIL SALES TAX AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 27, An Act to amend the Retail Sales Tax Act.

Hon. Mr. Maeck: Bill 27 proposes amendments to the Retail Sales Tax Act to attain certain budgetary policy objectives, and specifically these are to further assist Ontario in coming to grips with the need for energy conservation. This bill proposes to expand existing exemptions for energy conservation materials and equipment to include storm doors and windows.

Mr. Laughren: That again.

Hon. Mr. Maeck: The bill strengthens the hospitality industry's competitive position within Canada and internationally. Retail sales tax will be removed from all accommodation, including the full price of hospitality services sold at an all-inclusive price under the American plan until the end of 1979.

In order to narrow the disparity existing in the taxation of the various forms of land transportation, and to further meet the objectives of the budgetary policies, this bill proposes the removal of existing exemptions for railway rolling stock. This includes railways, subways, railways in mines, and other such items.

The bill also includes an expansion of the definition of fair value designed to produce greater equity among retailers of similar products. Most retailers must sell their products at an all-inclusive price. The amendment will cause all retailers to collect tax on the same basis.

There are also several other important amendments contained in this bill and these deal with the matter of promotional giveaways, catalogues and suchlike. Members may be aware of a recent decision in the Supreme Court of Canada concerning the application of the New Brunswick retail sales tax to catalogues. The court found that the New Brunswick tax did not apply. In Ontario, we have held since 1961 that the retail sales tax applies to catalogues and other promotional distributions and that the consumer of these items is the promotional distributor.

The purpose of the amendments in this area is to reaffirm and clarify Ontario's policy. The amendments in no way reflect any change in policy. Very briefly, Mr. Speaker, the amendments clarify what is a promotional distributor, who is a promotional distributor, and they make clear that the purchaser of

such materials is a distributor and the distributor must pay the tax. In addition, the bill clarifies that the recipient of this type of material, when he or she receives it free, is not liable for tax.

As I noted earlier, Mr. Speaker, these changes concerning promotional giveaways are for clarification and greater certainty and do not represent any change in the taxation policy of the government.

Mr. Haggerty: Mr. Speaker, I want to add a few comments to Bill 27, and thank the minister for his explanatory notes.

I agree, and I think our party will, with the principle of the amendments. I'm concerned about the matter of the retail sales tax, and I thought perhaps the minister might go a little bit further—perhaps the Treasurer should have gone a little bit further—in reducing the whole provincial sales tax.

We do welcome the extension of the exemption, I guess it is, of the sales tax on insulation and energy conservation programs, such as relates to storm doors and windows. I mentioned, I think a year ago, during the estimates of the ministry, that I thought this area alone would create a number of jobs in the province of Ontario, particularly as it relates to the storm doors and storm windows. It's pretty labour-intensive and I'm sure that it will add to the employment opportunities in Ontario.

[5:30]

I also thought the minister might have included thermal pane windows. I thought they should have been included in here, since I'm sure they will conserve energy.

Regarding the matter of the exemption available at present for railway rolling stock and repairs thereto, I'm a little bit sceptical about that particular section of the bill. There's no doubt that the cost of the taxes generated by this provision will be passed on to those persons using GO trains and GO buses, and the additional cost will be reflected in fares to help supplement the seven per cent increase in sales tax. Although it will raise approximately \$359 million between the loan and trust companies, it's quite an amount that's going to be raised by this particular tax levy. I question at this time of energy conservation whether we should be hitting the pocketbook of those persons using the GO Transit system and even of those using bus service in the province of Ontario. No doubt this will have some impact on the fare rates.

The matter of the tax break given to the travel and tourist industry is welcomed by the tourist industry in the province of On-

tario in that the sales tax on meals and rooms is being removed. While I think that will be some help, again the government comes back and increases the taxes on alcohol. The government takes it from one hand and puts it in the other; it's like robbing Peter to pay Paul. I don't know whether this is going to help the tourist industry or not. I think the government is going to move further in this particular area.

The government is talking about increasing the building of new tourist establishments and the renovating of older establishments. This should create employment, but I don't think this is going to be good enough. If the government really wants to increase employment in this particular area it's going to have to remove the sales tax in this area also to encourage the upgrading of our tourist establishments in the province of Ontario. We pay perhaps the highest, in this area, of any of the provinces, and even in comparison to the United States. The room rates are still away beyond the ability of the travelling public to handle. I suggest that the government, in looking at the area of employment and job creation programs, should be considering removal of the sales tax in this whole industry. I think that's the area the government should be looking at. If it really wants to get the tourist industry to move, the government should be moving in this direction.

I've heard an old saying that as soon as the Canadian dollar is devalued, as it was, say five per cent, a few years ago, that it encourages tourists to travel into Ontario and into Canada. Today, the Canadian dollar is at its lowest level and yet we're not bringing the tourists in from other countries. If we are going to encourage bringing in tourists into Ontario, the government is going to have to take harder measures than it has to relieve the taxes in this area.

My other area of concern is that the Treasurer should have brought in some amendments to the Retail Sales Tax Act. The bill indicates there are areas where the government is going to create jobs. If the government is looking at having a balanced budget and full employment in the economy, it isn't going to happen in the province of Ontario. We can't have further layoffs across the province with unemployment as high as it is now. Questions were asked about the Niagara region this afternoon during the question period; there is unemployment of about 11.5 per cent to 12 per cent in that area, and yet it's supposed to be a highly industrialized area.

One can find industry closing down and phasing out jobs all across Ontario, yet we have nothing definite in here to say that we're

going to do something to create jobs. We can't have industry building huge inventories if the general public is not buying. In 1975, when the Treasurer reduced the sales tax on automobiles to five per cent at that time, there was a boom in sales of automobiles. There is no doubt that in the long run it did generate extra revenue for the province because more people were buying. As long as the government is going to have high sales tax here in Ontario, I don't think it is going to have an upswing in the economy. Until it takes some drastic action to reduce the sales tax, it is not going to encourage public spending.

If the government isn't going to be spending money in projects, then it has to look to the private sector. But we must have something there to encourage the private sector and to encourage the consumer to buy their products. I suggest to the minister if he wants to get rid of the lagging economy in Ontario that he should be taking this approach. There's no doubt the Treasurer will have to bring in a supplementary budget because we have been in a recession now since 1944 with no improvement in our economy, no jobs.

Mr. Foulds: What have the federal Liberals been doing about that?

Mr. Haggerty: We will let them worry about that. I am not elected at the federal level; I am elected here. I think one of the problems here is the responsibility of this government—

Mr. Mancini: Like a fish out of water.

Mr. Haggerty: —to get the economy rolling. It is not good enough for the Premier of Ontario to go to Ottawa and come up with a program and say, "I have a program here that's going to create 500,000 new jobs." Then he talks about energy programs out in Alberta and in the Northwest Territories which have little impact on employment for the people of Ontario. We will get a certain break out of it but I think the matter rests with this government here, if we are serious in the matter of unemployment.

It is going to have to take a second look at reducing the sales tax. In the overall picture, as I said before, we can't have a huge inventory. Almost every manufacturing firm in Ontario has a large inventory, and if we don't have the consumers to purchase it, the government is going to lose additional sales tax. One way to generate more revenue and more employment is to reduce the sales tax. I think the Canadian Manufacturer's Association suggested that to the government, and the Chamber of Commerce in the province has

suggested that too, and I think it is going to have to take a good hard look at it.

But we support the bill in principle. It doesn't go quite far enough, but we will support it.

Mr. Charlton: Again we find ourselves in the position where we are going to have to support the principles that this bill expresses. But we have a number of serious reservations and a number of questions that we feel should be answered before the bill is passed.

The reason we have these reservations and questions is that our support for some of the proposals in the bill is based on a lot of "ifs" and "mays." First, with the repeal of the exemption presently available for railway rolling stock and repairs, has the government done any studies which clearly show what effect the removal of this tax exemption is going to have on the industries that produce the rolling stock in this province? We have Canadian Car in Thunder Bay and National Steel Car in Hamilton that are producing rolling stock and providing jobs in the province.

I don't know whether the Minister of Revenue can answer the question or not since the tax changes are obviously being proposed by the Treasurer. But has the government, has the Treasurer, has anybody done studies which will show what effect the removal of this tax exemption is going to have on the competitive position of those industries? How is it going to affect jobs? I haven't seen anything which indicates the answers to those questions and I am sure everybody on this side of the House would be more than happy to see some answers.

There's another question related to rolling stock: Has the government done any studies or does the government have any figures to show how the removal of this tax exemption is going to affect a city like Metropolitan Toronto where they rely rather heavily on railway rolling stock in their public transit system? Does the government know how many additional dollars this is going to cost the city of Toronto, and the province as well, in order to pay that tax on rolling stock?

Secondly, in the case of the proposal to exempt the rental price of rooms in hotels and motels, et cetera, again we are going to support this proposal for the dollars it may generate in the tourist industry—and I emphasize the "may"—and the new jobs it may create in the tourist industry—and again I emphasize the "may."

I go back for a moment to a point that was raised by the member for Erie (Mr. Haggerty). The government gives a tax exemption to the hotel industry and then it turns around, raises the taxes on alcohol and

takes some more money out of their revenue. It sometimes seems like taking the money from one hand and putting it into the other. The only problem is that the government ends up adding costs in between. Has the government done any studies which project how many dollars this tax exemption will create in the tourist industry or how many jobs this tax exemption will create in the tourist industry? I haven't seen any such studies; none of us on this side of the House has.

The Canadian dollar is down right now. That's obviously going to add some potential for stimulus in the tourist industry. But it is really questionable how much stimulus this tax exemption is going to provide. I would really be interested in seeing any facts or any studies the government has done on the effects of this tax exemption. At the same time that it is giving this exemption, it is allowing gasoline prices to go up in the province of Ontario, and the tourists have to get here somehow. Campsite fees are all going up this year, and it's all an integral part of the tourist industry in this province. I would really like to see something on just what effect this tax exemption is going to have.

I think all of us on this side of the House are probably happy to see the tax exemption for storm doors, storm windows and screens and so on. But it is not really a huge stimulus to the consumer sector of this province and it is not really the answer to the economic problems we are having. I don't really see anything in this bill that is going to provide a great stimulus across the province to job creation or to the overall economy.

Before we finish third reading of this bill, I would seriously like to see some facts and figures and some projections on exactly what the government expects these proposals to accomplish.

Mr. Reed: I would like to dwell for a few minutes on one section of the bill as it pertains to energy conservation and to point out that we welcome the addition of the tax exemption for storm doors and windows. While my friend to the left has suggested that it won't create any stampede in this direction, it does represent at least a symbolic gesture towards encouraging energy conservation in the home.

I would like to point out an area here that perhaps has been overlooked by the minister or perhaps not—and it would be interesting to have his comments. There is now a group of exemptions pertaining to energy conservation. They involve insulation,

wood stoves and so on. But a number of the necessary accessories to some of these purchases are not exempt from taxation. One example would be chimneys. One can buy a wood stove tax-exempt but when one buys the chimney, he pays taxes on it. This creates something of a difficulty for the retailer who really doesn't know whether he should be exempting a product or not. This has resulted in a certain amount of confusion in the manufacturing industry.

For instance, there is a heat exchanger which is being sold for installation in existing fireplaces. The effect of the heat exchanger is to raise the thermal efficiency of what is a grossly inefficient combustion unit from about eight to 12 per cent up to about 25 or 30 per cent. Yet, that Thermo-grade—as it is called—that's one of the brand names for it—is taxed. It is not tax exempt, and yet it is one of the very direct ways in which energy can be saved in a great number of homes.

[5:45]

As we know, fireplaces have been built in thousands upon thousands of homes across Ontario and only a small percentage as yet contain any form of efficiency raising device such as the things we commonly understand as—I think one brand name is Heatilator. Here is another heat exchanger unit which is an add-on to an existing fireplace. It's a very practical thing, a very good idea, and yet the manufacturer feels compelled to charge the tax through to the retailer and the retailer is compelled to charge the provincial sales tax.

This has created confusion in my riding. I have now, in one small area, three new businesses that have started in the last year which are devoted solely to the conservation of energy and to the related hardware, and yet some of the goods that they sell are tax exempt and some of them are not. I would hope the minister would take it upon himself when he's making his windup statement on this bill to clarify this situation, either to recognize that these things might have been genuinely overlooked when they were being considered or whether he would, in fact, consider them for future addition.

Mr. Foulds: It is a little difficult to speak on principle on a bill such as this, which is really a dog's breakfast in terms of what it does, because it increases taxes in some areas and exempts taxes in other areas and they all have to do with the retail sales tax.

Hon. Mr. Maccek: All housekeeping.

Mr. Foulds: There are three particular items that I would like to speak on. As my

colleague has indicated, our party will be supporting the bill on second reading, although we have some questions, and I think even though we don't have any amendments to this bill, we will ask for the bill to go into committee to get some specific questions answered with regard to certain sections of the bill.

First of all, we do approve wholeheartedly the exemption on storm doors and windows. One of my particular worries is that, as has been raised by the previous speaker—to whom I give credit in terms of his continuing battle, both in committee of this Legislature and in the House, on conservation matters in terms of energy; there are members of the House who have similar concerns, but I think he expresses those particularly ably and well—I notice that in the definition of the change in the legislation they say “storm windows and storm doors as defined by the minister.”

I would hope that in the definition that comes out in the regulations, Thermopane, as the previous speaker mentioned, is included, because in the area that I come from in northern Ontario many ordinary people that I've talked to are looking at triple glazing. I think that obviously should be one of the things that is allowed and encouraged in terms of conservation of energy. I don't know, in this bill, whether that will be, because we haven't seen the regulations yet. We don't know what definitions the minister is going to attack. If he includes those and gives us a commitment on that, I would feel much happier.

I'd like to make one quibble. While I approve, particularly as a northerner, the exemption granted to storm doors and windows, isn't it a pity that so many young married couples in their twenties, just starting out to raise a family, can't afford to build a house behind those storm doors and windows because of other budgetary measures of the Treasurer?

Hon. B. Stephenson: The other budgetary measures?

Mr. Breaugh: He just pointed out that you were against young families.

Hon. B. Stephenson: I think that is very serious.

Mr. Foulds: The point is that there was nothing in the Treasurer's budget or in the budgetary measures he brought down to encourage the development of housing for young married couples starting out. Absolutely none.

Hon. B. Stephenson: How about the re-

moval of the federal sales tax on building materials?

An hon. member: Masters at passing the buck over there.

Mr. Foulds: They may be able to buy a storm door and a storm window and store them in the little locker in the basement of their apartment. But it is going to take them some time to actually buy a home.

Mr. Speaker: I think the hon. member is speaking about what is not in the bill, not about what is in the bill.

Mr. Foulds: That's true. Right on, Mr. Speaker. Your accuracy, your acumen—

Mr. Martel: Perception.

Mr. Foulds:—your perception is first rate.

Mr. Roy: You are out of order. That's not going to get you anyplace.

Mr. Reid: You are still out of order.

Mr. Foulds: I simply want to point out the dichotomy, the sort of dog's breakfast—the phrase I used at the beginning of the debate on the principle of this bill—that is the Treasurer's budget, and which is involved to some small extent in this bill. So, while we support that, I think it is important for the House to recognize that it is a modest provision, a limited provision.

Mr. Breaugh: One might even say it's meagre.

Mr. Foulds: Meagre, my colleague from Oshawa suggests. He was the housing spokesman for this party and knows whereof he speaks.

Mr. Bradley: He's health now.

Mr. Foulds: I want to move to another section of the bill about which I have much stronger reservations. In fact, when we get to the clause by clause stage I may feel myself moved to vote against that provision of the bill which lifts the exemption on the sales tax on railway rolling stock, because it seems to me this is an area that should be exempt from taxation. Here we are exempting the tax on storm doors and windows; good. But here we are removing that exemption—in other words, imposing that sales tax on railway rolling stock.

Mr. Martel: That's terrible.

Mr. Foulds: What particularly worries me about that is not so much the Treasurer's neat move to tax the feds through the CPR and the CNR, but the effect that that will have on public transit, because the taxation will be levied on railway rolling stock used by the TTC and by GO Transit. It seems to me that those are areas that we should be encouraging, the use of public transit. Once

again, if we are interested in energy conservation we should be cutting down on the use of the automobile, and should be encouraging the use of public transit.

I raised with the Treasurer—I think it was just before we adjourned—the effect that the tax would have on manufacturers. My colleague mentions the plant in Hamilton and I want to spend a few moments on the plants in Thunder Bay—Canada Car. While the Treasurer says it won't put them in a disadvantageous position in terms of bidding on contracts—and I think the Treasurer is right there that it won't affect sales, although this bill embodies certain contradictions—

Mr. Bradley: I can see the headline now, "The Treasurer is right."

Mr. Foulds: —it seems to me that the Toronto Transit Commission with an additional 7.5 per cent cost to them on the purchase of railway rolling stock for the subway system will look again. My colleague, the member for Scarborough-Ellesmere (Mr. Warner), has some interesting statistics about the additional costs that it would have entailed for the TTC in 1972, 1973 and 1974. It seems to me that they amount to several million dollars in each case. If that happens on future contracts, then it seems to me that what we are doing is putting an inhibition, we are creating an inhibition on the development and the purchase of railway rolling stock for public transit. By doing so, we will be cutting back on the manufacture of those cars, therefore we will have a kind of domino effect: We'll have fewer cars purchased for public transit within Ontario; we will have fewer cars manufactured for public transit within Ontario; in large urban centres such as Toronto and in the golden horseshoe where public transit should be developing, we will have the consumer, the user of public transit, crowded, made uncomfortable—

Mr. Bradley: The horseshoe is no longer so golden.

Mr. Foulds: Right; it's a little bronzed these days, it's gone to bronze.

We will have an inhibition on usage because that usage will be less attractive and there will be a possible decrease in use, certainly not an increase in use; and on the other hand we will have, in the manufactur-

ing sector, a decrease in the amount of units to be produced. That will affect the development, the continuance in the creation of jobs, in Canada Car and in the Hamilton plant. That seems to me to be something that we should be avoiding. We should be developing secondary industry; this particular secondary industry is a vital one that should be developed, the development of rapid transit cars. So I have severe reservations, Mr. Speaker, about that particular clause in this bill.

Finally I want to say a few words, if I might, about the effect on the hospitality industry, and I believe I can complete my remarks before the clock—

Hon. B. Stephenson: In 30 seconds?

Mr. Foulds: —reaches 6.

Mr. Martel: It's the angle, Bette; from our angle it's two minutes.

Mr. Foulds: That's true, as a matter of fact.

Hon. B. Stephenson: There's something wrong with your vision.

Mr. Foulds: I think it is one of the few measures that the Treasurer has taken and this minister is carrying out, that does make an attempt to stimulate the hospitality industry.

Mr. Reid: Time! Gong!

Mr. Foulds: However, the questions my colleague from Hamilton Mountain raises are good ones, because I don't think studies have been done. We don't know how much the hospitality industry is going to be encouraged by the removal of the sales tax; we don't know how much that will be in the interest of visitors from outside the province and how much it will benefit commercial use that would take place in any event. We don't know how much it benefits the hospitality industry in the large urban centres, such as Toronto, and how much it benefits the industry in the rural and northern parts of the province.

It seems to me that it is the minister's responsibility, and the Treasurer's responsibility, to bring that kind of information before the House. I would like to see the minister do that before the conclusion of this debate, Mr. Speaker.

The House recessed at 6 p.m.

APPENDIX

(See page 923)

Answers to questions were tabled as follows:

15. Mr. Ruston—Inquiry of the ministry: How many floors of the building at 145 King Street West in the city of Toronto does the government lease? What is the rate per square foot? How many government employees are located in the building? What is the total square footage leased in the building at this time? Is any part of the building being leased by the government not occupied or used by government employees? (Tabled March 9, 1978.)

Answer by the Minister of Government Services (Mr. Henderson): The government does not lease any space in the building at 145 King Street West, Toronto, at the present time.

16. Ms. Bryden—Inquiry of the ministry: Will the Minister of Health report on the total cost of the advertisements placed since January 1, 1978 on health care services delivery and costs showing separately the amounts spent for: (a) newspapers; (b) radio; and (c) television, including any costs of preparing the advertisements? (Tabled March 10, 1978.)

Answer by the Minister of Health (Mr. Timbrell):

Year	Acres Treated	Insecticide and Amount	Areas Sprayed (MNR Districts)
1974	48,300	3,600 lb. Zectran and 50 gal. Thuricide	Atikokan, Wawa, Chapleau and Algonquin
1975	33,400	22,900 lb. Dylox and 1,900 lb. Fenitrothion	Fort Frances, Wawa, Chapleau, Sault Ste. Marie, Algonquin
1976	101,000	5,060 lb. Matacil 25,300 lb. Fenitrothion 840 lb. Orthene 500 gal. Thuricide	Fort Frances, Wawa, Chapleau, Algonquin
1977	10,500	1,100 lb. Matacil 500 lb. Orthene 80 gal. Thuricide	Wawa, Chapleau, Kirkland Lake

18. Mr. Reid—Inquiry of the ministry: Will the ministry provide a list of public opinion polls commissioned and paid for by the Ministry of Education since January 1, 1975 and any current polls that have been commissioned in 1978? Please provide in each case the name of the company that conducted the polls, the subject matter of the polls and the cost of the polls. (Tabled March 14, 1978.)

Answer by the Minister of Education (Mr. Wells):

Response to question on advertising costs:

(a) Newspapers	\$110,058.00
(b) Radio	102,198.20
(c) Television	nil
Advertising preparation (including testing)	22,500.00
Total costs	\$234,756.20

This amount came out of the normal budgeted allocation for OHIP advertising in fiscal 1977/78. It was not an add-on budget item.

Details of this advertising campaign—including the total cost of the campaign and the fact that costs would be borne out of the established OHIP budget—were released by the minister during a press conference held February 7, 1978.

17. Mr. Reid—Inquiry of the ministry: Will the ministry provide a list of the chemicals used in spraying Ontario forests as a protection against spruce budworm since 1974? What amount has been used, and what area of the province has been sprayed? Has the chemical Fenitrothion been used in the province? (Tabled March 14, 1978.)

Answer by the Minister of Natural Resources (Mr. F. S. Miller):

MNR Spruce Budworm Spraying—Summary

Following is a list of public opinion polls commissioned and paid for by the Ministry of Education since January 1, 1975 and current polls which have been commissioned in 1978:

- 1975: Goldfarb Consultants Limited; Public Attitudes on Education Issues; \$30,000.
- 1975: Goldfarb Consultants Limited; Perspective on Emigration and its Implication on Ontario's Education System; \$60,200.

- 1975; Stevenson and Kellogg (Canadian Facts Company Limited); Secondary/Post-Secondary Interface Study—Project One—Roles and Responsibilities of Secondary and Post-Secondary Institutions (jointly with Ministry of Colleges and Universities); \$150,000.
- 1977; Goldfarb Consultants Limited; Perspectives on Current Educational Concerns; \$40,000.
- 1978; Canadian Gallup Poll; Tests of the Effectiveness of Communication About the Educational System As a Basis for Recommending Improved Methods of Reporting:
- (a) Information Survey on "Fact Sheets"; \$11,080.
 - (b) Perceptions re Effectiveness and Relevance of Expenditure on Education and Related Fields; \$13,000.

19. **Mrs. Campbell**—Inquiry of the ministry: On January 15, 1975, the Lieutenant Governor in Council allocated control of major portions of the Legislative Building to Mr. Speaker. (a) Why and to what extent is the Ministry of Government Services concerned with the use of the areas indicated in Central Drawings File 11-1-10-1A; (b) Has Professor Eric Arthur prepared any reports dealing with the Legislative Building and, if so, do such reports contain references to areas under the control of Mr. Speaker, particularly the chamber, the grand staircase,

hallways or other common areas; (c) Will the minister table all reports prepared by Professor Eric Arthur; (d) Is it the position of the ministry that committee rooms are within the jurisdiction of the Ministry of Government Services? When will the ministry relocate persons from the Legislative Building to provide the space necessary for the Speaker and the Clerk of the House to meet their several and joint obligations in the provision of services to members and committees of the House and have more committee rooms; (e) Has the ministry reconsidered its policy concerning the joint jurisdiction of the Legislative Building and, if so, is it the intention of the ministry to cede jurisdiction of the Legislative Building to Mr. Speaker as has been recommended by the Ontario Commission on the Legislature and the unanimous report of the select committee which examined the 4th and 5th reports of the commission on the Legislature; (f) Has the minister personally familiarized himself with the provisions of Section 93 and 94 of the Legislative Assembly Act along with the Order in Council of January 15, 1975, concerning space in the Legislative Building? (Tabled March 15, 1978.)

Interim answer by the Minister of Government Services:

The complete answer cannot be obtained within the 14 calendar day limit. This interim answer serves notice that the complete answer will be forthcoming as soon as the necessary information has been obtained.

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No. 23

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Tuesday, March 28, 1978

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, MARCH 28, 1978

The House resumed at 8 p.m.

RETAIL SALES TAX AMENDMENT ACT (concluded)

Mr. B. Newman: Mr. Speaker, my comments are not going to be lengthy concerning Bill 27, An Act to amend the Retail Sales Tax Act, but I do want to bring to the government's attention the flip-flop that has occurred on their side of the fence.

Mr. Haggerty: Listen to this.

Mr. B. Newman: Yes, and when I say a flip-flop I really mean a flip-flop.

I can recall back in 1969 when the Hon. Charles MacNaughton was the provincial Treasurer and how he vehemently spoke for a retail sales tax, stating that a retail sales tax on production machinery would have no detrimental effects whatsoever. His successor, the Hon. John White, in 1970 maintained that same attitude. In fact, we on this side of the House tried to point out to the government of the day the harmful effects that there could be.

I can recall raising the issue when Bendix-Eclipse of Canada contacted me, or wrote me a letter; Hull-Thomson Limited—these are all concerns in my own community; many of them are very small operators but they depended on production machinery to be a viable operation—Kelsey-Hayes Canada Limited; Tamco Limited; Fabricated Steel Products (Windsor) Limited; Somerville Industries Limited; Auto Specialties Manufacturing; Fabco Limited; Champion Spark Plug Company of Canada Limited; Duplate Canada Limited, and many others.

At that time we tried to point out to the government the detrimental effects of imposing a five per cent sales tax. It was only five per cent in those days. I'll read this comment only. This was in the November 5, 1969, issue of the Windsor Star.

"Ontario Revenue Chief Defends Surcharge:

"A provincial five per cent sales tax surcharge on production machinery will not have a detrimental effect on Windsor's industry, Minister of Revenue John White said Tuesday." That's Tuesday, November 4, 1969.

He made that statement, by the way, in comments after I had raised a question in the House concerning the harmful effects of the imposition of a retail sales tax, especially on my community, because of the fact that its industries have to compete with American companies and the dollar was on par at that time. They had to compete with American industry where the American industry was a little more productive than the Canadian. Had the government not imposed the five per cent sales tax at that time, I'm fairly certain that many of these small industries in here could have developed to the point where even the imposition of the sales tax at a later date may have not had the detrimental effect.

I bring this to the attention of you, Mr. Speaker, and the members of the House, to show how, in the short period of nine years, the government has completely flip-flopped, maintaining at one time that the imposition of the sales tax would have no harmful effects and now, seeing the light of day after it was pointed out at that time and also by many of the industries since then, that this imposition would have a detrimental effect.

I am pleased to say regarding the Minister of Revenue (Mr. Maeck), for whom I have a very high regard, having been on one select committee with him and knowing his capabilities, that I would hope and I would think that maybe his judgement led the government to see the detrimental effects that this imposition of a sales tax at that time has had, and it has taken some nine years, eight-to-nine years, before they saw the light of day and decided now to eliminate the sales tax.

Mr. Lawlor: Mr. Speaker, in this hodge-podge of various inastute recommendations, I shall only select two for comment this evening.

One has to do with an area that has got scant cognizance. Try as I may, Sherlock Holmes as one might, looking through the Ontario budget as to what the alterations in the sales tax picture may be, no mention, not a phrase, is dedicated to a peculiarly interesting and a peculiar concept. It has to do with promotional materials and a definition for promotional distributors: whether,

as I believe the representatives of the ministry will say, this has been in effect all along—that is the business of loss-leaders or the business of promotional material, something given away or discounted down in price in order to sell a good or a particular service, and then the ministry coming along and setting a true valuation or a fair value on the head of that particular good; and then secondly, of course, imposing its tax upon its then set valuation.

What the condition has been to date, I am not clear or sure. Certainly on the basis of the rather elaborate new sections being interjected into the Act, the government has had no authority to do whatever it was doing. There is a note in here which says that the clarification, as the government benignly put it, of the section in question, the clarification of the Act with respect to its application on promotional distributions is necessary because of a decision earlier this year of the Supreme Court of Canada and the interpretations given in that decision to the analogous provisions of the statute of the province of New Brunswick. The amendments proposed in the bill with respect to the promotional distributions are intended to preserve the application of the Act, and therefore I assume that it has been in effect all the way along; and quite illegitimately, again reading the elaborate provisions that the government has now inserted.

If one looks at subsection (4) of section 1, the definition of promotional distribution is quite elaborate; and then, at 8b, the bill seeks to define promotional distributors. I would like some clarification as to what presumption or efronterly the government has been up to in this particular area at this time. What, in terms of a quantitative measurement, does this new section mean? Third, I am very much concerned with respect to just how the government proposes to make it work.

There are areas in which one has to concede: if you are marketing kewpie dolls and they have a pretty set value and well known, then if you start giving the kewpie dolls away in order to get a tube of toothpaste, then I suppose some valuation can be reached. But there must be a very broad range of goods, and services particularly, upon which this very nice mesmerism or gazing into crystal balls by this ministry will be brought into play, and the sheer administrative complexity would seem to me to cause the minister some pause and halt. Is the minister going to have a group of inspectors fan out, men well versed in kewpie dolls, to be able to determine this? Or, if a particular service has been rendered, these people would have to have

acquired a fair expertise in what, in surrounding circumstances, that particular service is likely to be worth, or to elicit that information. The possibilities of this particular manoeuvre boggle the mind—at least they do mine.

I think this kind of legislation, leaving such great areas of variables and vacillation, probably can only be more costly in the process of its being administered than it would ever hope to bring in revenue over against it. What about all those problems that arise? Ought this section not be reconsidered in full?

The second area with which I am concerned has to do with rolling stock. This is a benighted area indeed—benighted in its implementation and purblind in its conception—if this tax is directed primarily against the federal government, as I surmise is this government's nefarious intent, because it has become a tradition with this government in a roundabout way to siphon away money from what would otherwise remain within federal coffers, or affect federal institutions, into the provincial Treasury—that's where the chief weight would lie; that would be one element of the whole picture.

The second element has to do with the province of Ontario itself and the impact of this particular tax on public transportation in terms of the rolling stock involved and then a fortiori on Metropolitan Toronto, which is the only city in the province that will be vitally and substantially affected by this particular tax, even in a very severe and possibly crippling way.

I put it this way: What I would like to have is the whole picture of the total moneys being brought in, or which the minister estimates—and he is pretty shrewd in the estimate, I trust—arising out of this particular taxation. What portion will be borne by the Ontario Northland Railway, the GO system, and the light transit system operative within Metropolitan Toronto? And what portion, over against that, is this government expecting to garner from the federal government or from federal agencies? I can throw in the CPR, which I trust will soon fall within that demesne. In any event, that division would be terribly important. If it is two-thirds/one-third, perhaps the tax is not as iniquitous as I suspect it may be.

But let us confine our attention for the moment to Metropolitan Toronto. If the TTC decides to spend \$100 million on capital goods in transportation within this city, which is a great alleviation to environmentally and otherwise a hundred things, as we know—and I won't go into them—and which is the direc-

tion of the future, particularly if we don't find a methane substitute for oil, because the shortage will be upon us very soon and public transportation will become crucial for all of us and it will have to expand in order to accommodate us.

[8:15]

If they spend \$100 million, 75 per cent of that comes from the provincial government, 25 per cent of it comes from the municipality itself. Here is Josiah. He gives with his right hand and he takes away with his left; because out of the \$100 million, obviously \$7 million of it will fall under taxation, so the total amount forthcoming would be \$93 million.

Within that particular picture, if you make a breakdown of these sums of money, you will find that Metropolitan Toronto, in effect to get the same amount of capital goods, would have to spend \$32.2 million in order to get \$25 million worth of what it would otherwise get before this tax came into being.

So who are you penalizing? As far as your government is concerned, you're taking back with one hand, as I say, from the contribution or grant that you've already made that's on the 75. So you're no longer giving 75. Is everyone supposed to wink their eye and not to notice this particular piece of sleight-of-hand?

On the other hand you bring the full weight to bear upon the transit riders, in the Metropolitan Toronto area at least, by making them not only pick up that particular amount of money which you've taken back, but to find moneys for tax purposes on top of it, over and above the portion which they are obliged to spend in any event.

It's a retrograde piece of business on the whole. The increase to Metropolitan Toronto—hold on to your hat—is 37 per cent. That's what it's going to cost them for all the benefits you're going to achieve in this particular regard.

So without prolonging the debate, and taking the whole picture into consideration, on a reply we would like to know the total picture here as to the distribution and who's going to bear the brunt, so that we can estimate what the particular brunt being borne by the people of Ontario, and particularly the people of Toronto, might be.

Mrs. Campbell: Mr. Speaker, I too would like to have something of the rationale and something of the facts in so far as the city of Toronto is concerned. I don't know what this government is thinking about, but it seems to me that every time we turn around they've got another hatchet out for this city. I think it's time that we get some explanation

as to what the costs are to the citizens of Toronto.

The government has already put us in a very preferred position on the matter of educational costs. We are unique. We know we're unique, but I don't know that we want to be so unique that we're the only municipality that gets no assistance from this province grant-wise for its public school system. Now we get this kind of thing, and since the city of Toronto is covering off a good deal of the metropolitan costs, it seems to me we ought to have those facts and the minister ought to see that we do have them.

Every single proposal that is brought in, particularly by this ministry, or under this minister's jurisdiction, seems to be an attack on this particular area of the province; this is another case. Metro is not in a position, at this time, to be able to cover up all the costs that the government wishes to shove upon it. It is no longer a growing or an affluent municipality. It now has to have some consideration.

If we are going to have any kind of a system in this particular area which will be useful to the people of it, we certainly should be giving some encouragement, rather than imposing further and additional costs. I trust the minister will give some answers to us before we're asked to go further on this bill.

Mr. Swart: I would like to make a few comments on this bill, because I share the concern of my colleagues about the sales tax which is going to be imposed on rolling stock. It may be said at the present time that it is not a great amount. My understanding is that perhaps it will cost Metropolitan Toronto this year about \$50,000 net because of this tax, which would be a total charge against the transit system of something like \$200,000.

That \$50,000 may not seem to be a very large amount and the government might think we shouldn't put up an objection to this, but I think what we recognize in this bill is that it is the first step towards reciprocal taxation by the government. Perhaps that isn't the best term to describe it, perhaps what should be said is it is the first step on the part of this government to see that every public agency pays just as much taxes as private agencies.

We know from the budget that perhaps next year, whether property tax reform comes in or not, but at least when it is introduced—and property tax reform is a misnomer too; what we really mean or did mean at one time was market value assessment—they are going to introduce certain other taxes against municipalities. There will be full sales tax imposed against municipalities, according to the state-

ment in the budget; there will be full licence fees imposed against municipalities; and there will be full taxes on such things as gasoline and all other things that the municipalities use.

Again it is my understanding, from the information which I have received from the Ministry of Revenue, that this will probably amount to about a \$30 million additional payment that municipalities annually will have to pay over and above what they pay now.

Mr. Speaker: I must remind the hon. member that this is the Retail Sales Tax Act.

Mr. Swart: Yes, I'm coming to that, Mr. Speaker.

Mr. Speaker: I wish you would.

Mr. Mancini: That's why he is in the second row now.

Mr. Eaton: Some time down the road he is coming to that.

Mr. Swart: In fact, I think I have been dealing with that. This principle of applying taxes against public agencies and reciprocity may not be that bad in principle, but what I want to say here is that this and the measures which the Treasurer tells us are going to come later with regard to taxation on municipalities, can't be considered in isolation from transfer payments and assistance from the government to municipalities and to the public agencies.

The reason I am concerned about this bill and have real reluctance to support this bill is that it is significant that they bring in this part of the bill first. Before they deal with the matter of transfer payments to help the municipalities pay these additional charges, they are bringing in the charges against the municipalities. From the history of what has taken place with this government in the last few years, with the breaking of the Edmonton commitment and all of these other measures where they have backtracked on their commitments to public bodies and to municipalities, I have real reluctance to see a further levy against transportation, even if this one only applies to Metropolitan Toronto, without seeing what other measures they are going to introduce to assist the Toronto Transit Commission.

Finally, I want to say there has to be something a bit weird about a budget and a measure like this which was stated in the budget, which on the one hand says, "We are going to remove the sales tax from such things as storm doors because we want to conserve fuel, we want to encourage good insulation," and then, by the next measure,

they say, "We're going to apply additional costs against our public transportation system," which inevitably is going to mean in the long run that fewer people are going to use it, they'll have higher costs, and more people will be providing their own transportation. I say it's a contradiction and we have very real difficulty in supporting a bill such as this.

Hon. Mr. Maeck: The members have certainly raised some interesting questions in this debate, and I'll probably try to deal with each member separately, if I can. I'll deal first with the member for Erie who was the first speaker. He spoke about the rolling stock, as almost all members did. I would like to point out to all members of the House that this isn't something new. This was already in the Act and was exempted. All we are doing is removing the exemption. It's not something that's new.

Mr. Haggerty: That's bad enough though.

Hon. Mr. Maeck: It's already in place in British Columbia, it's in place in Manitoba; it's in place in Quebec.

Mr. Haggerty: What about Alberta?

Hon. Mr. Maeck: And it's in place in Saskatchewan.

Mr. Haggerty: What about Alberta?

Hon. Mr. Maeck: No, Alberta does not have it.

Mr. Haggerty: Alberta doesn't have any sales tax at all.

Mrs. Campbell: Are you going to equate that to OHIP premiums?

Hon. Mr. Maeck: No, I'm not going to equate it to OHIP premiums at all. That's not under discussion at this particular moment.

Mr. Speaker: Order. Order.

Hon. Mr. Maeck: The member for Erie also talked about the exemptions on storm doors and windows and so on, and I think perhaps for the record it might be wise for me to read into the record the actual exemptions that are now used—at least the rules for exemption that are used by the federal government, which we intend to use. There aren't that many of them but perhaps it would help to clarify this particular section of the bill for all concerned.

"Storm doors and storm windows, commonly marketed as such, qualify for exemption. Principal doors and entranceways and similar doors containing small double-glazed window-panes do not qualify for exemptions. An entranceway with the principal door, door-frame and threshold and sidelight unit

does not qualify for exemption. Should this unit contain a secondary or storm door, the value of that door may be deducted from the overall unit price when determining the value."

Mrs. Campbell: What size bureaucracy are we going to have?

Hon. Mr. Maeck: I listened to the member for St. George quite carefully. I would really expect her to pay the same respect to me. She may not like all the answers I am going to give her, but I think I should have that much respect from her.

Mrs. Campbell: I agree.

Mr. Roy: Try not to be so provocative.

Hon. Mr. Maeck: "Double-glazed windows and window units incorporating the insulating features of the double-glazed units; permanent or removable storm units qualify for the exemption, provided that the units are sold complete with their storm units; double-glazed patio doors and patio door units with double-tracked door systems which incorporate the glazed insulating feature qualify for exemption; double-glazed storm windows, screens and slim-shades imported for shop assembly as double-glazed windows with a built-in operating dial at the bottom corner of the sash to enable the slats to be adjusted may be imported exempt of federal sales tax," and also our tax.

There are two more items. "Window frames for sealed-glass window units: sealed-glass window units qualify for exemption; window frames installed separately from the sealed-glass window units are subject to sales tax. If the window frame is sold already installed with the sealed-glass window unit as one complete unit, the frame would be considered as part of the storm window and therefore exempt from tax.

"Heat pumps for use principally to provide heat in the heating system of a building are exempt. Heat recovery units and devices for extracting heat from exhaust air or waste water for recovery of energy are exempt. Solar cells designed to produce electricity directly from the sun for charging batteries are exempt." Those are the items that are exempt under the proposed amendment to the Act.

[8:30]

I believe the member for Port Arthur asked about the triple glazing, and I would inform him that it is also exempt. I think that was one question he asked me.

The member for Erie suggested that perhaps sales tax should be lowered. Of course, that again is a matter that is decided by the

Treasurer (Mr. McKeough) and not by the Minister of Revenue. But I would point out that any time we lower the sales tax the money has to be raised somewhere else. I didn't hear any suggestions as to where that money would come from if we lowered the sales tax. That's the other half of that coin.

Mr. Reid: You can fire whoever wrote the speech for you.

Hon. Mr. Maeck: This isn't a speech, I'm ad libbing for a change.

Mr. Roy: You know what to do then, eh?

Mr. Reid: You shouldn't have admitted it.

Mr. Deputy Speaker: Order.

Mrs. Campbell: What is the cost of the bureaucracy in this bill?

Hon. Mr. Maeck: The member for Hamilton Mountain also spoke about rolling stock. He wanted to know if any studies had been done regarding the effect on industry. He was referring, of course, to those firms that manufacture rolling stock. I'm informed there should not be an effect on that industry. There is no charge as far as the industry is concerned; they don't pay any sales tax. It's the people who purchase these cars and equipment who are the ones who will pay the sales tax; so it should not really affect the manufacturers in any way, shape or form. The only way it could affect them would be if, because of the sales tax, they weren't able to buy as many, but experience in other provinces would indicate that doesn't really bear very much fruit.

Mr. Swart: Which provinces?

Mr. Foulds: Who else has a TTC system?

Hon. Mr. Maeck: I am still waiting for an answer from my staff as to the effect that the rolling stock tax would have on the city of Toronto. As soon as that is at my desk—maybe it's here now.

This is a very rough breakdown of the \$15 million that is anticipated being raised: public transit authorities, including GO Transit, approximately \$1 million; and CNR, CPR, Ontario Northland, Algoma Central and United States carriers—this would be for parts and repairs—\$14 million. The breakdown between railways really is not available. It's just taken on an average.

The member for Halton-Burlington (Mr. Reed) asked some questions regarding the chimneys and so forth. I see he's not here now—

Mr. Roy: Yes, but he asked me to be careful about the answers; I am making notes.

Hon. Mr. Maeck: Okay. He can get the information in Hansard.

With regard to the exemption for insulating materials, the Treasurer was quite specific about the insulation items that are to be exempted. As members opposite know, those decisions are made by the Treasurer and not by the Minister of Revenue. If, however, there is confusion about the interpretation of the insulating materials, my ministry is prepared to re-examine this whole issue and clarify any areas that may be causing difficulties. Also, Thermopane is exempt as well as triple glazing, which I mentioned earlier.

In further reply to the inquiries of the member for Hamilton Mountain (Mr. Charlton), the railway rolling stock is taxed by other provinces, as I indicated, and therefore the competitive position for manufacturers in Ontario should not be more than in any other province. They should all be pretty well in the same boat.

I indicated earlier the expected revenue is \$15 million annually. The Treasurer announced in the budget reciprocal taxation between municipal and provincial levels, which the member for Welland-Thorold talked about, which should leave municipalities no worse off because of the removal of exemptions, and this again is the Treasurer's policy.

The member for Lakeshore mentioned the promotional distribution. Valuation of promotional material is calculated on the basis of cost of material, plus labour costs, plus percentage of overhead. This is a common method of valuing tangible personal property. The legislation makes no change in the method of—I am having a little difficulty in reading this—

Mr. Campbell: Get an interpreter.

Hon. Mr. Maeck: —evaluation and the application of the tax. The method has been in use for many years, I am informed, and poses no additional administrative costs. Revenue estimates of tax collected on promotional material for the last two years amount to approximately \$50 million. The member is quite correct in saying that as far as the promotional material is concerned it has been in effect all of these years. Because of the court case in New Brunswick, we felt that it's best to tidy up the legislation—

Mr. Lawlor: I guess so.

Hon. Mr. Maeck: —and that is the reason this amendment is here.

Mr. Lawlor: If I were a promoter, I would sue you and get my money back.

Hon. Mr. Maeck: As a matter of fact they did sue in New Brunswick, and that is the reason for strengthening the legislation. We are not changing any policies. It is a policy

that has been in effect in this province since I believe something like 1961.

Mr. Lawlor: You make it retroactive too.

Mr. Deputy Speaker: Order. Would the hon. minister please disregard the interjections.

Mr. Lawlor: If he is going to disregard them how can we talk?

Hon. Mr. Maeck: That's quite true. It's retroactive. It goes back two years.

I would like to take this opportunity to thank the member for Windsor-Walkerville for the kind words. I appreciate it very much, and also the kind words that I received from the member for Port Arthur. I don't know whether he was trying to curry my favour a little bit but—

Mr. Foulds: No, no.

Hon. Mr. Maeck: —perhaps it was sincere.

Mr. Foulds: You are beyond currying favour with, I know that.

Hon. Mr. Rhodes: He's got a home buyer's grant he wants to get straightened out.

Hon. Mr. Maeck: I believe that I have covered most of the questions that have been raised, Mr. Speaker.

Motion agreed to.

Ordered for committee of the whole House.

MUNICIPAL ELECTIONS AMENDMENT ACT

Mr. Ashe, on behalf of Hon. Mr. McKeough, moved second reading of Bill 30, An Act to amend The Municipal Elections Act, 1977.

Mr. Deputy Speaker: Does the hon. member have an opening statement?

Mr. Ashe: Just extremely briefly, Mr. Speaker, this Bill 30, the amendment to the Municipal Elections Act which was only enacted by this Legislature late last year, is principally in response to many queries and concerns and possible interpretational misunderstanding by many municipalities. In effect, the amendments hopefully clarify some of the procedures and take out some of the maybe slight ambiguity in one or two sections of the Act as originally proclaimed.

Mr. Epp: Mr. Speaker, I would like to indicate that we on this side of the House would be pleased to support this bill in principle. We have a number of thoughts that we would like to express at this time.

First of all, I am somewhat surprised that less than four months after the other bill was passed by this House, after much discussion and after the ministry consulted municipal leaders over the past two- or three-

year period, it was already necessary, within four months as I indicate, to bring in a number of amendments in order to clear up these ambiguities and vagaries that the parliamentary assistant has indicated exist within Bill 98, as it was called last year when it was passed.

The changes make sense because they are a little more explicit. They are particularly important because they emanate from the municipalities themselves. I am at a loss to know where the ministry has been in dealing with this bill when it had the advantage of the municipalities and their suggestions in originally proposing the amended bill last year. When we dealt with this bill last October and November we dealt with a number of important changes. For instance, we changed the election date for municipalities from the first Monday in December to the second Monday in November.

This party brought in a couple of important amendments at that time, including the elimination of the qualification that British subjects could vote. We wanted to make it equal for all people within the province, in that everyone who was a Canadian citizen could vote, which would mean that one could be here three years and then vote rather than have a particular group be a privileged group within the Municipal Elections Act.

Additional powers were given at that time to the clerks of municipalities. They were empowered to delegate responsibilities to their assistants. This was particularly important in case of emergency. Another amendment at that time was that we removed the occupation of a candidate from the ballot itself. Some of these things were included in the other Act, with the exception of two proposed amendments that didn't pass this House but which will in the near future, I am sure, when the other two parties see the wisdom of those two amendments we proposed.

Nevertheless, we are prepared to support Bill 30 and we will be looking forward to dealing with the various amendments when it goes into committee.

Mr. Swart: We too are going to support second reading of this bill and ask that it go to committee for at least one amendment, or perhaps two which we may introduce.

This bill is before us, as the member for Durham West has said tonight, to tidy up Bill 98 that was passed last fall. Some of the things in here are absolutely necessary for the functioning of the municipal elec-

tions. I am not going to put all the fault on the government for missing these things. I guess all of us on all sides of the House had some responsibility for not catching these contradictions or omissions. The government has far more staff, so I suppose the prime responsibility has to rest with it.

Although we are supporting this in second reading, my party has concern about two specific sections of the bill. I want to deal with those briefly and deal with them now, because I have some hope that the parliamentary assistant to the Treasurer might be willing to incorporate them and accept the amendment, or at least give some thought to them before they are actually introduced.

Section 1 of this bill does two things: First, it assures that council and local board members' term of office this year will expire on November 30 and not December 31; this makes that clear, and it wasn't clear from the bill.

[8:45]

The second thing it does is it legislates that all such members will get for this year only eleven-twelfths of the remuneration which is set by their bylaw if it is an annual remuneration. That second function of this section, in fact, again has two principles with it.

The first is that because they're only putting in eleven-twelfths of a year they should only get eleven-twelfths of the remuneration. That principle, I guess, might be acceptable, but I think I should point out that in many municipalities at the present time the last month is a very slack month. There is not one-twelfth or anything like it of the work done in the municipalities in that month. Very frequently, after the elections are held most municipalities have only one council meeting. That is very short and deals with non-contentious matters.

In the month of December they perhaps put in one-half to one-tenth of the time that they would put in during the month of March. So it may not be quite fair to arbitrarily state that they should only get eleven-twelfths of their remuneration. It is certainly going to create some injustice between those municipalities which pay on an annual basis and those municipalities which pay by the meeting, because if there is only the one meeting in December, those members of council and those members of school boards and so on will lose very little remuneration, a very little percentage of their remuneration, whereas those who get paid on an annual basis will lose one-twelfth of it.

In spite of that, I suppose we could go along with that principle, but the thing we can't accept and to which we object is that this government is telling local governments what they must do about their remuneration. For decades—I was in municipal government for a large number of years—municipalities fought to have their full rights in setting the remuneration for the members of council and for the various boards. Previously limits were set by the Municipal Act that they could only get so much depending on the size of the municipality. Municipal people said, with justification, "Surely when this money is all raised from the local taxpayers and we are accountable back to them, we should have the right to set our own remuneration?"

The government conceded and passed the necessary legislation and now sections 205, 211, 238 and 389 of the Municipal Act all give full authority for councils to set their own salaries, their own stipends, their own remuneration—whatever you want to call it—and on what basis, whether it's on a meeting basis or whether it's on an annual basis.

Now the government is backing off. It is saying to the municipalities, to the municipal leaders, to those who are elected by the local taxpayers, "You are not capable of determining what remuneration you should get this year and we're going to arbitrarily rule that you're going to have one-twelfth of your annual remuneration deducted." I suggest that this section must be based on one of three premises.

One is that they think councils through inadvertency will not deal with this issue, or may not think of the fact that they're only serving 11 months and may not, therefore, consider any reduction because they don't think of it. I say if that is the case then the Ministry of Treasury, Economics and Intergovernmental Affairs could simply notify the municipalities, reminding them that this was an 11-month year and they may want to give consideration to the amount of remuneration that they are going to receive and may want to make some change. If that is not the premise then it must be that the government thinks municipal people are not capable of deciding whether they are entitled to 11 months or to 12 months, whether or not they are entitled to full salary; or else the third presumption must be that they are going to grab it all for themselves when they've got the opportunity.

I suggest this is a degree of paternalism that members of municipal councils and school boards and the other boards don't need. I suggest that they are capable themselves of assessing whether any changes

should be made in remuneration because it's an 11-month period instead of a 12-month period.

I think it is particularly true that they should have that right when every penny they receive for their services as members of council or the board comes from the local taxpayers. The province does not pay one cent towards that remuneration. They should be accountable to the local taxpayers for that and not be told by the government that they have to make these changes.

The second section of this bill that I am concerned about is section 2. We recognize that change is necessary in that clause to some degree, because by the time the court of revision is held to determine finally who is eligible to be an elector, nomination day has come and gone. Thus the 10 nominators of the local government candidates cannot be determined fully at that time; they can't be on a final voters' list and they can't be determined to be eligible voters, at least by a voters' list.

Mr. Haggerty: Should be 100.

Mr. Swart: They can be determined but not by a voters' list, so there had to be some change. But the change is bad, it is not well thought out and it is backward step.

The principle of nominators has always been that they should be eligible voters, that they should have the right to vote within that municipality for the offices they are nominating people to fill. This is clear whether we go back to the old Act—and I want to read these because I am very seriously trying to impress upon the parliamentary assistant what the change we have here really means; if I can find this quickly: The 1972 Municipal Elections Act, amended up to 1976, had this clause, "A person may be nominated as a candidate for an office by filing with the office of the clerk during the normal office hours a nomination paper described, upon which shall be signed at least 10 electors whose names are entered in the polling list of electors entitled to vote in the election to such office." I agree that at that time—and I'm sure the parliamentary assistant would agree—the final court of revision had taken place and they would know who were eligible voters. Nevertheless, it said people "entitled to vote in an election to such office."

Bill 98, the one we are amending now, had a section which said: "The nomination papers shall be signed by at least 10 electors whose names are entered or entitled to be entered under section 33 in the polling list of electors entitled to vote in an election to such office". This is the section which we are amending.

The reason we must amend it is that it refers to the final list of electors, and as that list is not prepared by nomination day we have to amend it. I point out that it says: "Shall be signed by at least 10 electors whose names are entered and entitled to be entered under section 33 in the polling list of electors entitled to vote in an election to such office."

If we go then to the provincial Election Act, Revised Statutes of 1970, we find there the same principle expressed.

Mr. Deputy Speaker: Order, please. There are a number of private conversations, which may be necessary but I believe they are unnecessarily loud.

Mr. Roy: Who is that, Mr. Speaker?

Mr. Swart: Thank you, Mr. Speaker.

Mr. Roy: Try to keep it down over there.

Hon. B. Stephenson: The member for Windsor-Walkerville (Mr. B. Newman) is talking.

Mr. Swart: The provincial Election Act states, "Nominations shall be by writing, signed by at least 100 duly qualified electors of the electoral district," et cetera. All it says is that they must be duly qualified electors.

Then we come to the bill which we have before us at the present time and we find that it does not in fact say that. It says: "shall be signed by at least 10 electors, either whose names are entered in the preliminary list of electors or who have furnished to the clerk an affidavit in the prescribed form that they are entitled to vote in the election to such office." In no place does it say that those preliminary lists of electors are people who shall be entitled to vote.

The courts of revision are held after the nomination papers are submitted. It is conceivable, then, that in any nomination paper there could be one person whose name was taken off because he doesn't live in the municipality; for a great variety of reasons his name could be taken off. It is conceivable, although unlikely, that one could end up with the nomination of a candidate who wasn't nominated by a single qualified elector in the municipality from the way this is written.

I suggest that was not the intent of the parliamentary assistant or even the minister, but I do suggest that is exactly what this says. Therefore, some consideration should be given to changing the wording in that section so that only duly qualified voters—people who are entitled to vote—should be eligible to sign the nomination papers.

I'd just say again that may not happen very frequently, but I suggest at some time in the future that it will be one of those chickens

that come home to roost. Somebody will have a nomination paper which was not signed by 10 duly qualified electors or 10 people entitled to vote and some other candidate will challenge that. Yet under this Act they'd not be able to do anything about it, even though he is not duly nominated.

The other part of this section that bothers me is where it says, "or who have furnished to the clerk an affidavit in the prescribed form that they are entitled to vote in the election to such office." I think we have to take that within the context of what the Municipal Elections Act now provides. It provides, first of all, that the clerk need post only two lists of the preliminary lists of electors and that one will be in his office and the other in some other public place.

[9:00]

There really is not the opportunity now that there was formerly. Granted many people didn't use it, and the lists often didn't stay up on the poles. Nevertheless, it provided greater opportunity than is now provided for a person to find out if his name was on the voting list, and therefore he was eligible to nominate a candidate. But the other aspect of this, and I hope the parliamentary assistant will recognize and admit this, is that under the present Municipal Elections Act there is a requirement that the preliminary list, the list that is going to be posted in two places, has to be up only one day ahead of nominations. The sections of the Act provide that very clearly and if the parliamentary assistant is not aware of it, I will tell him to check sections 25(2) and 25(3), which will tell about the posting of the lists and require they be posted 22 days prior to election day; and section 35(1), which says that nominations shall be 21 days prior to election day.

The facts are that the opportunity for an elector to find out if his name is on that preliminary list before he signs the nomination papers involves a minimum one-day posting and two lists, one in the municipal office and one elsewhere. From a very practical point of view, of course, what will happen is that a person will expect his name is on the voters' list as it has been for the past 10, 20 or 30 years and will sign that nomination paper; when the candidate takes it in, he'll find that name is not on there. He may be able to rectify that, but we know of instances in this province where people, top-notch candidates—and that's a subjective view—have been unable to run because their nomination paper was short one name; they found one name wasn't accurate or something of that nature. I suggest that the parliamentary assist-

ant should take a pretty good look at those sections. I'm sure he'd have to agree that it only requires but one day.

Not only is that a minimum, of course, but I would point out that in any year when there is only 62 days between the start of the enumeration and election day, the timing is such that the clerk will not be able to post that list ahead of that deadline and, in fact, there will only be that one day. When there are 69 days between those dates, as there will be in some years, then there will be a bit more time.

I think what has been done in this change probably has been done at the request of the clerks, in that they didn't want any responsibility for determining whether the names on those nomination papers were, in fact, eligible voters in the election; therefore, this lets them off the hook from even having to give opinions, although the Act itself, the Municipal Elections Act, says that the onus is on the candidate to determine that he submit a bona fide nomination paper.

I would ask the parliamentary assistant whether he might consider wording something like: "It shall be signed by at least 10 electors who are entitled to vote in the election to such office." I think that would clear it and overcome any of the difficulties that I have mentioned. I leave that suggestion with him to think about before we go into second reading of this bill.

Mr. Speaker: Does any other member wish to become involved in the debate?

Mr. Foulds: Mr. Speaker, I just want to speak on the last point that my colleague from Welland-Thorold has raised with regard to the timing. I just want to say to you and to the House that if the parliamentary assistant and the government had accepted some of the amendments that my colleague had put forward on the original debate on the bill we wouldn't be into the difficulties that we are into now in having to rectify this legislation so early on. I suspect that we'll actually have an encore every four or five weeks, having spotted a new weakness in the bill that the parliamentary assistant piloted through the House in the last session, once again adopting in half-hearted measure some of the more pungent and straightforward amendments that my colleague had submitted earlier. Too bad we didn't accept them at that time.

An hon. member: The party of perfection.

Mr. Foulds: No, no.

Mr. Speaker: If there are no other speakers, the parliamentary assistant.

Mr. Ashe: Mr. Speaker, I will try to cover the various points that have been made. As far as the reason and necessity for the bill, I would suggest some of the changes are, yes, possibly slight misinterpretations or not enough clarity in particular sections; but as was already indicated by the hon. member for Waterloo North, all through the procedure the government was working with a committee set up by the municipal associations and they were quite convinced that the words in the legislation were sufficient to describe what the intent was. In actual fact, in some of these sections we still do, but on the basis that there are some municipalities that maybe because of their size do not have the sophisticated personnel to be involved in some of these questions, they were a little concerned and had some few questions, so we felt that since we like to protect and respond to the needs of all municipalities, whether they be small, large, rich or poor, for the sake of amending a few clauses to make it clearer we would be very happy to bring forth this kind of an amending bill and take the wrath of the opposition, if you will, in criticism and get them through to protect these municipalities, their municipal clerks and so on.

The hon. member for Welland-Thorold has proposed two amendments, one of which I did receive by telephone at noon today. The other one I have still not received, the second one. I do have the one regarding the amendment proposed to section 1. I am not prepared actually to acknowledge that his amendment is a good one. I would go so far as to say it is a very poor one and whether you want me, Mr. Speaker, to go through all the reasons now or wait until committee, I suppose it can be debated one way or the other.

Just touching upon some of the issues very briefly, I support many of the thing that the hon. member has said regarding the municipal councils' right to set their own pay, et cetera, and it's exactly for that reason and it is exactly because they do have to be accountable to their electorate that this particular amendment is put forth the way it is in this particular piece of legislation. We have had questions from municipal clerks, from treasurers—

Mr. Swart: Explain that. I don't understand.

Mr. Ashe: —from heads of council saying that if their bylaw now reads "per annum" some of them took the literal interpretation that they could not make that eleven-twelfths even if they wished to by their own decision. The member can challenge whether some-

body should ask that kind of question or put forth that kind of statement—

Mr. Swart: Change the bylaw.

Mr. Ashe: —but we got them. We also had a lot of just straight questions. “What do we do? Do we have two councils in office during the month of December? Do we pay two councils in the month of December?” Of course the answer that we are making very clear is no. If a council does feel that eleven-twelfths of what would normally be its per annum salary is not sufficient to pay for 11 months of work—and I acknowledge what the hon. member has said relative to the work load over the year, that December has not been considered to be one of the busier months, although I think with the new term of office it will become somewhat busier—let the council take the option that it now has to amend its bylaw relating to compensation. If councils now have a bylaw that says it shall be \$5,000 per annum, they can amend their bylaw as soon as they wish and change it to a different sum if they feel they are being short-changed for having a pro rata salary for the whole year because of the month of December.

There was reference made to the inequity between those councillors who are paid on an annual basis versus those who are paid on a per diem basis, and in the strictest sense again the argument is probably relatively true, but I would also submit that in actual fact, generally speaking—and I appreciate there are exceptions to this—those councils that are on an annual basis are usually receiving a significantly higher sum per diem than if they were being paid on a per diem basis. Therefore I don't think the inequity that in theory is there, actually exists in fact.

Last but not least on this particular section, we are, I think, making it sound like a real big deal. It is for clarity. We also know that probably 75 per cent of those in office today will be in office December 1, 1978; so in actual fact we are talking about a relatively small percentage of turnover in the council. It is that group of people to whom the council should address itself in terms of the adequacy of the remuneration.

So on that basis we do not feel that the proposed amendment by the hon. member for Welland-Thorold (Mr. Swart) is the right one. We think that the section, as proposed, is the way the municipal people, both elected and otherwise, have asked that it be. They said, “Make it very clear. We know how to handle it after that; but make it very clear what you mean.” We feel that the particular section in the bill, clause 1, does make it very

clear; and the municipalities and the municipal councils can judge their actions accordingly, both to themselves and to their electorate for any change they feel necessary in their remuneration bylaw.

On the proposed amendment to clause 2, I must say I don't buy the argument of this one day business again, not in the least. I would go so far as to say that any potential candidate, whether he is at present in office or not—and I don't mind this being in print—but anyone who goes forward with 10 names on his nomination list and stops there probably shouldn't be a candidate for office in any event.

So again I think we are talking about virtually no one in the province who does that. They are going to get 12, 13, 15, 20, 25—so you're not worried whether one or two or three; or 10 even—

Mr. Davidson: You had better check with the former mayor of Cambridge trying to run for alderman.

Mr. Ashe: —as in the case put forward by the hon. member, would be declared ineligible.

The posting of the list means nothing. Think about it: Whoever has really suggested that nominators go and look at the post—even when the lists were on the posts—to see if they were on the list before they signed. Surely it is not only implicit in the legislation but even in common sense that it should be up to the particular candidate to make sure that the nominators he is getting on his nomination forms are legitimate, or at least appear to be legitimate electors.

There is one point in his argument that I do agree with—

Mr. Foulds: Appear to be, at least appear to be; it's okay if they appear to be.

Mr. Ashe: Probably appear to be.

We have to make it clear that the municipal politician, or potential politician, has to think for himself. The hon. member has been saying this over and over, and I agree with that. It may appear to him, it may not appear to others.

Mr. Foulds: But there may only be two copies of the list he can check against.

Mr. Ashe: In any event, as I was saying, there is one part of his argument that I do buy, and that is to possibly further clarify the clause, which is now section 2 of the bill, to further clarify at the beginning, “shall be signed by at least 10 electors, either whose names are entered in the preliminary list of electors”—and there it probably should be clarified—“and are entitled to vote in the

election to such office"—as well as saying it again when we talk about the affidavits. So that part of the amendment I think is reasonable and probably it should say that anyway. It possibly does say it in other sections, I really haven't had the opportunity to fully check; but clarifying it even further there would ensure there was no ambiguity.

Mr. Foulds: You use a lot of split infinitives, do you know that?

Mr. Ashe: I see nothing wrong with leaving the section in relating to the affidavits. These affidavits, by the way, will be available with nomination papers, so anyone who wants to stop it at 10, 11, or 12, and has any hesitancy about some of his nominators can have the affidavit attested to by one or more of his nominators.

[9:15]

The main reason—and the hon. member did touch upon this—that this section is being put in, is the clerks, I think, generally as a group, through at least some of their spokesmen, felt that the onus should not be on them to make decisions that were not really, in their minds, their responsibility to declare whether somebody may or may not be ultimately an eligible elector. I think with that one addition the clause is correct, basically, in its present form.

Motion agreed to.

Ordered for committee of the whole House.

TOBACCO TAX AMENDMENT ACT

House in committee on Bill 25, An Act to amend the Tobacco Tax Act.

On section 1:

Mr. Charlton: I move that subsection 1(e) of section 1 be amended by adding thereto: "thereafter an additional three cents for each additional five cents or part thereof that the price at retail of a cigar purchased by him exceeds 90 cents."

Mr. Peterson: Why are you punishing the Premier (Mr. Davis)?

Hon. Mr. Maeck: On a point of order, Mr. Chairman, I would refer you to rule 86 of the standing orders which says: "Any bill, resolution, motion or address, the passage of which would impose a tax or specifically direct the allocation of public funds may not be passed by the House unless recommended by a message from the Lieutenant Governor, and may only be proposed by a minister of the Crown." I submit to you that this amendment falls into that category.

Mr. Deputy Chairman: The member for Nickel Belt on the point of order.

Mr. Laughren: I find it passing strange that the minister chooses to take this position in view of the fact that the tax already exists on the cigars. It's not as though the member for Hamilton Mountain was proposing a tax that does not presently exist. Secondly, it is even more passing strange in view of the Treasurer's (Mr. McKeough's) behaviour with the OHIP premiums that the minister would see fit to take a position based on standing order 86 when in fact what the member for Hamilton Mountain is proposing is simply to make an existing tax more equitable.

Mr. Roy: He is changing it.

Mr. Deputy Chairman: The member for Port Arthur on the point of order.

Mr. Foulds: Mr. Chairman, I'm a little confused. I thought the procedure was at least for the Chairman to read the amendment that was put before we discussed whether or not it was in order.

Mr. Deputy Chairman: The amendment was put and immediately the hon. minister rose on a point of order and I must hear the point of order as soon as it is raised. I have no alternative.

Mr. Foulds: Then I will speak specifically to the point of order that was raised as it is enunciated in standing order 86. I submit to you that in the strict interpretation of that standing order the amendment as put forward by the member for Hamilton Mountain does not fall into that category. It is not a motion, it is not an address, it is not a resolution, it is not a bill; it is an amendment to a bill and nowhere in our standing orders is there a definition that defines motion, address, resolution, bill in the terms that have been put by the member for Hamilton Mountain; I would suggest to you that the suggested change is entirely within his rights and is proper and is in order.

Mr. Deputy Chairman: Do you wish to speak further to the point of order, Mr. Minister?

Hon. Mr. Maeck: Yes, Mr. Chairman. I would only direct your attention to the phrase, "specifically direct the allocation of public funds". I believe that is pretty definite, that members of the opposition, or as a matter of fact any private member, does not have the authority to bring in this type of amendment.

Mr. Davidson: Mr. Chairman, in speaking to the point of order, I would just like to refute what the parliamentary assistant has just said. The proposal, as put by the member for Hamilton Mountain, is in no way specifically allocating the direction of public funds.

Hon. Mr. Maeck: Yes, it is.

Mr. Davidson: Raising them, not allocating them.

Mr. Peterson: On a point of order, Mr. Chairman. I would have to say very clearly this is out of order and I have to support the minister in this particular matter. If one allowed this kind of amendment it would open a door and the floodgates to all sorts of amendments to all sorts of bills, changing tariffs or financial structures of certain taxing statutes. And clearly, in my judgement at least, the opposition has no right to introduce this. This could clearly become a matter of confidence, if you chaps so decided that it became such; and if you wanted to punish the Premier in some of his bad habits, of smoking cigars, you could certainly come out against this.

But it is my view that the opposition has no right to amend this kind of a section in a bill, and therefore we would have to side with the government on this issue.

Mr. Davidson: Do you agree with the principle?

Mr. Foulds: On a point of order, I would simply like to indicate, to the best of my knowledge,—and nothing that the Chair or any other member has pointed out has brought it to the attention of the House—that any of the subjects—if I may use the grammatical phrasing—in rule 86, which is the basis that the minister cites—have been defined or included in what my colleague from Hamilton Mountain has proposed. May I suggest that when the minister rises and uses the second half of the phrase “specifically direct the allocation,” et cetera, he must make the connection grammatically, and the connection is to bill, resolution, motion or address.

Mr. Deputy Chairman: Mr. Charlton has moved that section 1, subsection 1(e) of Bill 25, An Act to amend The Tobacco Tax Act, be amended by adding after the words “90 cents and” in line six the following: “Thereafter, an addition of three cents for each additional five cents or part thereof, that the price at retail of a cigar purchased by him exceeds 90 cents”; and further that section 1, subsection 1(f) of Bill 25 be deleted.

Firstly, Mr. Charlton has moved a motion. It is a motion of amendment but it is definitely a motion as defined in clause 86. Secondly, on reading the motion and studying it, the motion does increase the amount of taxation that would be imposed on cigars and therefore is imposing a tax. Therefore it is a motion, the passage of which would

impose a tax. And that is contrary to section 86 of standing orders.

I therefore must rule the motion out of order.

Mr. Foulds: I have no desire whatsoever to challenge the ruling, but I would—

Mr. Deputy Chairman: Then you may not debate the ruling.

Mr. Foulds: I think you have explained the position of the Chair very well. I wonder if you could cite a precedent or two, or the case for your definition as it is included in rule 86.

Mr. Deputy Chairman: I do not have any precedent as such, but I think the precedent is very simple. Any imposition or increasing of a tax is considered to be imposing a tax, and the fact is that the motion increases the amount of taxation, which makes it out of order.

Are there any further discussions on Bill 25?

Mr. Foulds: That is a good amendment.

Mr. Laughren: I regret that the Chair has ruled the member for Hamilton Mountain out of order.

Mr. Peterson: If you don't like the ruling, challenge it.

Mr. Laughren: I was worried about that, I must confess to you. For that reason, I have prepared another amendment on the same section.

Mr. Peterson: The one-two punch of the NDP party.

Mr. Foulds: The P stands for party.

Mr. Laughren: I move that section 1(1)(e) of the bill be amended by deleting the words “and does not exceed 90 cents” in the sixth line.

Further, Mr. Chairman, I could move on to clause (f) if you wanted to do them at the same time.

I then further move that section 1(1)(f) of the bill be deleted.

If I could speak to my motions, they clearly are not the same kind of amendment as put by my colleague from Hamilton Mountain.

Hon. Mr. Maeck: I'll have to say actually the same thing about this amendment as I did about the last one.

Mr. Laughren: You're predictable.

Hon. Mr. Maeck: I believe it's contrary to rule 86 of the standing orders, and as such I rise on a point of order and ask for your decision, Mr. Chairman.

Mr. Laughren: I don't want to delay this on a technical hassle. I really would ask the

Chairman to look at it seriously and consider the fact that "does not exceed 90 cents" is simply deleting a proposed change in the legislation and does not impose any new tax on cigars. That's in clause (e). In clause (f), deleting the section, you would have to use some legal gymnastics to interpret that as imposing a new tax on cigars.

I would ask you, Mr. Chairman, to try to make the distinction between the amendment that was put by the member for Hamilton Mountain and this amendment. Truly there is a distinction in the fact that while in the other you might, and you did, put the case that it was the imposition of a tax, in this one you can hardly do that in view of the fact that it's just asking you to delete an existing one, and secondly, to delete a section which makes reference to the price of a cigar and the amount of tax.

Mr. Charlton: To reiterate and perhaps further clarify what the member for Nickel Belt just said, the Tobacco Tax Act as it presently exists imposes a tax of two cents for every five of retail price over 15 cents with no ceilings. That tax is already in existence. All that the member's amendment is doing is deleting a new cap on that tax. The deletion of that cap will merely leave the existing tax in force. It is not a new tax and it is not an increase in tax. As for as we can see, this is a perfectly legitimate amendment.

Mr. Foulds: On the point of order, I would draw to your attention before making any decision, Mr. Chairman, that in my view the proposed amendment by my colleague from Nickel Belt is an administrative amendment rather than a taxation amendment. It's virtually a housekeeping amendment. I would point out to you that rule 86 specifically uses the word "impose." The amendment, as suggested by the member for Nickel Belt, does not impose a tax.

Mr. Laughren: That's right.

[9:30]

Mr. Foulds: Nor does it, as is specifically outlined in that section, specifically direct the allocation of public funds. Those are the only two operative points of standing order 86.

The two verbs are "impose"—this amendment does not impose a tax; and the other verb is "direct"—this amendment does not direct the allocation of public funds.

Those are the only two conditions—because they are the operative words in the rule—that prohibit a bill, resolution, motion or address, from being put forward to deal with the matters subsequent. Thank you.

Mr. Peterson: May I assist on this? It's strictly my understanding of this, and I would again have to agree with the minister, where under standing order 86 it says, "the passage of which would impose a tax." It is my judgement that this would impose a specific tax.

Let me use a specific example: If you had, for example, a \$3 cigar, the kind which the Premier (Mr. Davis) is used to smoking.

Mr. Laughren: The tax exists.

Mr. Peterson: As I read the legislation now, the maximum tax on that cigar would now be 39 cents.

Mr. Charlton: That is not legislation.

Mr. Peterson: If that section was removed, there would be an incremental tax, an additional two cents for every five cents over 15 cents. So in fact there would be a very much higher tax at a higher level.

Mr. Charlton: That tax already exists.

Mr. Peterson: And I think that in effect what you're doing is imposing a higher rate of taxation on that particular item—

Mr. Davidson: The tax is already in effect.

Mr. Peterson:—in my judgement, at least, is precluded under 86 of the standing orders.

Mr. Deputy Chairman: The member for Port Arthur.

Mr. Foulds: Thank you. I would draw to your attention the parallel situation in debating of the estimates. It is generally accepted that the opposition parties have the right to reduce expenditure, that a motion could pass to delete the minister's salary, for example, or part of the salary, or we could eliminate a vote. What is generally agreed is that the opposition doesn't, in the estimates debate, have the power to add to the estimates, I would suggest that the tax exists. We're not imposing a tax by the amendment as proposed. We are simply, as my colleague from Nickel Belt said, introducing a housekeeping administrative amendment.

Mr. Deputy Chairman: The member for Ottawa East.

Mr. Roy: Mr. Chairman, I've listened to the debate on this point of order and of the previous point of order as well. I would not like to differ with my colleague from London Centre but I'd like to make this clarification, and make this very clear to the Chair.

An earlier comment by the minister concerned me when he said there was a proposed amendment to this Act. I clearly had the impression from the statement by the minister that it would become exceedingly difficult for the opposition to bring any

amendments to any legislation dealing with any taxes or any revenue legislation. That concerns me. I would like to make very clear to the Chair the importance of its role in this, that each amendment must be looked at very closely so that if we in the opposition feel that a particular amendment is an amendment that has merit and it receives the support of the majority of the members in the House, then that amendment should not be ruled out of order because it happens to be a particular amendment to revenue legislation.

I just wanted to make that point very clear. It's important that the Chair, in reviewing whatever amendment is brought forward, look at it and scrutinize it very closely, so that standing order 86 is not used as a shield or as an umbrella to deflect any amendment brought forward by the opposition pertaining to revenue legislation. I just wanted to make that point clear.

The other point is that, obviously, the first amendment brought forward was clearly an additional tax, but I'm not sure on this one. My colleague, the member for London Centre, understands this type of legislation better than I do, but possibly the minister will tell us this; what happens if this is deleted? Is there an open ceiling then, as my colleague from London Centre says, so that there's no limit up to 90 cents and then the tax is imposed for every other above? If that is in fact the case, that may well be an additional tax and in that sense may well be out of order.

I am not saying anything about the merit of it or not, I am just saying on a point of order, if it is not in fact—if we revert to the legislation that at present exists as to how that is taxed—then that is another matter. I must admit to the Chair that I am not very clear on it and possibly we should get some clarification or some undertaking on the part of the ministry, because it seems to me that this amendment is one that, on its face, is not absolutely clear as being an additional tax.

Mr. Charlton: Mr. Chairman, could we just reiterate again that the legislation, the Act, as it at present exists, already imposes the tax of two cents for five cents of retail price with no limit. That tax already exists, is already in force, is already being collected. We as an opposition party, with this amendment and these deletions, are just very simply stating our preference for the existing legislation as opposed to the new and proposed legislation. We are not proposing an amendment which creates a new tax. We

are not proposing an amendment which increases the present tax. We are proposing an amendment which deletes sections of an amending bill and shows a preference for an existing piece of legislation.

Mr. Roy: Just on that point, if I may, Mr. Chairman, to the member for Hamilton Mountain, I am not sure that that is in fact the case. You are not deleting the whole section; you are deleting parts of it. I am just wondering whether the existing part of the section in fact becomes the operative section if the amendment is allowed to pass. That's just what I am wondering.

Mr. Deputy Chairman: I would first like to thank the member for Nickel Belt for giving us a copy of this earlier. I have had a chance to study the amendment and the effect of the amendment, and compare the amendment to the existing legislation. If the bill were amended as recommended by the member for Nickel Belt, the net effect of the total bill would not leave the tax as at present on cigars over 90 cents.

The net effect of the total bill would increase the amount of tax on cigars over the price of 90 cents. As such, the effect of the amendment as proposed by the member for Nickel Belt would increase the amount of taxation over the present amount and therefore the amendment is out of order because it is imposing a tax.

Mr. Foulds: Just on a point of clarification, Mr. Chairman, are you saying it raises the level of taxation or simply that the revenues—

Mr. Deputy Chairman: The amount of taxation on a cigar over 90 cents would be more under the bill if it were amended under the terms of the member for Nickel Belt. It would be more than the present amount of tax; and therefore it is imposing a new tax and therefore in my ruling would be out of order.

Hon. Mr. Macck: Mr. Chairman, if I might just clarify a little bit—

Mr. Deputy Chairman: You cannot debate a ruling.

Hon. Mr. Macck: I wasn't really going to debate it but there are some questions on the opposite side and I only wanted to clarify them. I am not going to debate it.

Mr. Deputy Chairman: When we get to the section then.

Mr. Foulds: On section 1(e), it seems to me that the form of taxation that the minister is suggesting in this clause is an unfair form of taxation. Basically the bill pretends to be a luxury tax bill, but by putting the limitation that he has in this particular clause, it seems to me he has refused to take that luxury

tax concept to its logical conclusion. That is, he is not using a progressive form of taxation within this kind of taxation, because on the more expensive item he has put a limitation on the taxation level, and therefore the tax does not escalate as it does with other parts of the tax, and that the expensive cigars that have been referred to previously, proportionately speaking, get off at an easier rate of taxation than do middle-income cigars. I would therefore oppose this section.

Mr. Chairman, I think you have ruled out of order a couple of what I thought were pretty sensible amendments but the section as it stands does not deserve to pass. I would feel it is a bad section and that the minister should rethink the section and either amend it himself so that there is a form of progressivity in the taxation or withdraw it.

Mr. Roy: In relation to section 1(1) on the raising of taxation by taxing cigarettes and cigars, I was at one time going to make a long-winded speech on the demise of the five-cent cigar—

Mr. Peterson: But he smokes so much he can't speak that long.

Mr. Roy: —and small wonder with the taxes being imposed. I would just like to say to the minister that I know he is not the initiator of the tax but, as we have seen over the years, the fellow who takes the flak is often not the one who causes the problems. Be that as it may, it is your function and you will have to suffer the slings and arrows of the opposition, considering that your boss, the minister imposing the tax, is not around.

It just seems to me, and I think my colleague from London Centre said this before, that this government over the years has lacked an awful lot of imagination in relation to the raising of revenue in this province. It seems that every time they overspend—and, God knows, they have been doing that regularly since 1971—the only thing they can possibly turn to is either liquor or tobacco. In this case, we have tobacco.

I find it somewhat strange that a government with the number of experts and the so-called competence of some of the people within that government can't find more imaginative ways of raising revenue, apart from every year imposing a new tax on cigarettes or alcohol.

Mr. Foulds: You will note they found OHIP recently.

Mr. Roy: OHIP is another matter, and I don't want to be out of order. But I do want to say that it's some reflection of the competence and the imagination of that government that from year to year when the budget

comes along, there are only two things that are really certain, at least since we've been here and many of us have been here since 1971. One is, there is going to be a deficit, and a huge one. Second, taxes are going to be raised in the areas of cigarettes and liquor. I find it passing strange that this government which prides itself on having imagination, competence and so on can't find a more imaginative way of raising revenue.

As a closing shot, I might say I suppose that the Premier knew some time ago they were going to be raising additional revenue from cigars and that's one of the reasons he switched from cigars to a pipe.

Mr. Foulds: They are not raising it as much.

Mr. Peterson: He wants to be like you.

Mr. Roy: Yes, he wanted to have a bit of class. I am sure the Minister of Health (Mr. Timbrell) would have us believe that it was on his expert medical advice the switch took place. But I would hazard to think that possibly he had some lengthy forethought. He had some premonition of what the Treasurer was bringing forward and he thought it would be cheaper to suck on that pipe than those big, fat cigars.

Mr. Eaton: A great contribution. We could have got along without that.

Mr. Peterson: An excellent contribution.

[9:45]

Mr. Charlton: I just don't think subsection 1(e) of Bill 25, the section that we in this caucus find objectionable, can be supported. I am very disappointed that both our amendments were ruled out of order.

Mr. Eaton: Wasted the time of the House and now you are leaving, eh, Albert?

Mr. Laughren: You would see it that way.

Mr. Charlton: A number of the government members feel—and one is shouting out there—that we're wasting the time of this House—

Interjections.

Mr. Eaton: I was referring to the member for Ottawa East.

Mr. Deputy Chairman: Order.

Mr. Charlton: This may seem like a trivial point to some, but the principle that is laid out in this bill in subsection 1(e), this precedent of reducing taxes on a luxury item at the most expensive end of that luxury spectrum is just a principle which is not acceptable. It may be a small thing in terms of dollars but it is just not acceptable. Where will this particular direction take us next? OHIP increases are bad enough, but this kind of principle is

just outrageous and we find that we cannot accept it. We cannot accept this subsection 1(e) of the bill as it presently stands.

Hon. Mr. Maeck: Very shortly, the member for Hamilton Mountain completely ignores the fact I stated earlier that there are some small cigar manufacturers who produce expensive cigars. If we were to go ahead with the type of taxation that is being proposed by the NDP we could effectively put some of those people out of business.

Mr. Peterson: In Havana.

Mr. Haggerty: Why don't you buy it from Cuba?

Hon. Mr. Maeck: That's one of the reasons we decided not to impose the tax on the more expensive cigars. I mentioned that in the debate this afternoon. You chose to completely ignore it and that's your privilege, but I think it should be taken into consideration. There is more to this story than just the one side.

Mr. Peterson: This is supporting your friends, the cigar makers in Havana.

An hon. member: You should consider it overall, before you propose a tax.

Mr. Haggerty: I just want to speak on section 1(1) of the bill for clarification. It says, "Every consumer shall pay to Her Majesty in the right of Ontario a tax computed as follows: 1.1 cents on every cigarette purchased by him." It goes all the way through there in four sections; it says, "by him." Does this tax not apply to both sexes?

Mr. Foulds: I fail to follow the logic of the minister when he says that the ministry considered this matter long and hard and decided not to impose a tax on luxury cigars because there are one or two small manufacturers of such items in this province.

Mr. Breaugh: Who are they?

Mr. Foulds: If that is the main argument of defence that the minister is going to use, I would suggest that he apply that right across the board and give up the whole idea of taxation, because any form of taxation on any manufacturer large or small, but particularly small, will in fact perhaps, using his logic, adversely affect that industry. Yet in another bill the minister says the imposition of the sales tax, for example, on rolling stock will not affect the manufacturers.

Mr. Chairman, I submit to you that the minister and his colleague, the Treasurer, cannot have it both ways. When a tax is imposed either it affects the manufacturer or it doesn't. If he's going to use the argument that the imposition of the sales tax on this item will

adversely affect the manufacturer, then he must also accept that logic when talking about the retail sales tax with regard to rolling stock for railways.

Mr. Deputy Chairman: Any further discussion on this bill?

Shall the bill be reported?

Mr. Foulds: No. You haven't asked us if the sections are carried.

Mr. Deputy Chairman: All right. Shall section 1 carry?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Section 1 agreed to.

Sections 2 to 5, inclusive, agreed to.

Bill 25 reported.

RETAIL SALES TAX AMENDMENT ACT

House in committee on Bill 27, An Act to amend the Retail Sales Tax Act.

Mr. Chairman: Are there any comments or discussion on Bill 27? Mr. Charlton, are you talking to the entire bill or to one section of the bill?

Mr. Charlton: There are a number of sections which I wanted to refer to.

Section 1 agreed to.

On section 2:

Mr. Charlton: My concern here again is the discussion that we have already had on railway rolling stock. For us, the Minister of Revenue, the Treasurer, no one, has effectively been able to say that the government knows or has any realistic idea how this tax is going to affect the industry that produces the rolling stock. He gave us the breakdown on some of the—I think the minister mentioned that it was going to cost the municipalities \$1 million—specifically Toronto, and GO Transit. We have had no indication where that money is going to come from, or if the province is going to make it up. The minister himself suggested that as a result of this tax perhaps those who buy the rolling stock from the industry would not be able to purchase as much. In other words, the minister has admitted the possibility of an effect on jobs in this province.

But the government doesn't know, and it seems to us a bit premature and almost a bit ridiculous for the government to be proposing legislation such as this at this time when unemployment in Ontario is at its highest since the great depression—when they don't know what effect the tax is going to have on the employment situation. They don't know exactly where the city of Toronto and the TTC

are going to come up with the extra \$1 million to pay for the additional costs in the TTC. This section, although it may be valid, hasn't been proven. For the government to offer this without the projections, without the facts from studies, just seems a bit premature to me.

Mr. Laughren: This is one of the frustrating parts of debating with the Minister of Revenue. I am fully aware that the Treasurer has said this is the way it is going to be, and the Revenue minister must defend it. But what I don't understand is when we asked the Treasurer in the Legislature about the imposition of a seven per cent sales tax on rolling stock he said, "Don't worry about jobs; the purchaser pays it." He really had us scratching our heads over here as to what in the world he was talking about. He can't in one breath say that because the purchaser pays it, it will have no effect on jobs, then turn around and be talking about the seven per cent sales tax exemption on the hospitality industry and say that because the purchaser pays it this will create jobs in the hospitality industry.

I don't know how you can defend your colleague with those kinds of gymnastics that he went through, but there are some quantum leaps in logic there. I know it is difficult to ask the Minister of Revenue to defend anything that the Treasurer does, in view of the dirty tricks that the Treasurer plays on him. But, I really think this minister needs to have more information from the Treasurer (Mr. McKeough). I would like to know what studies the Treasurer has done or what documentation is available to show that removal of the seven per cent sales tax on storm windows and storm doors will have a significant bearing on the purchase of those products; and secondly, to an extent that it will be any kind of meaningful energy conservation program. I really find that hard to believe.

I would also like to know, in terms of the hospitality industry, what studies have been done to show that the utilization of rooms is so closely related to a seven per cent change in price. He must feel that way or he would not have granted the exemption and it would not be in this bill.

I would appreciate knowing, first of all, if the Minister of Revenue has access to the documentation; whether or not he has the documentation. I would like to know whether it has been made available to him by the Treasurer, or whether he said, "Well, here it is. This is what we're doing. Get your people to put it in the form of a bill." Or perhaps there was more of a sportsman-

like approach to it and he said, "Look, if you're going into the arena in there, Lorne, you've got to have some information at your fingertips," and, in fact, he gave the minister the documentation and said, "Now you've got something to defend it vigorously with," so you could proceed to fight off the socialist hordes over here who are attempting to make the tax system more equitable—and not just equitable, but to make more sense, because that's a pretty sad excuse for an energy conservation program. The same is true in terms of the additional tax being imposed on rolling stock when we're attempting to increase the utilization of public transit, for example, in the province.

I would be very surprised if the Minister of Revenue has information, but I certainly wait with bated breath while he tells us of all the documentation he's been provided by the Treasurer.

Hon. Mr. Maeck: I wonder whether it wouldn't be better if I replied to each speaker as he speaks, rather than attempt to remember what each one says and reply to them all at once.

Mr. Roy: You could make notes.

Hon. Mr. Maeck: I would remind the member for Nickel Belt that there are other energy exemptions that were already in the Act and this is an addition to them. So it's not a case of this being the only one to conserve energy. It's just an addition to what we already have. I would be happy to go over them with him if he wants to hear them all. I have them here. There's quite a list. But I'm sure he's aware of them.

It's very difficult to project what effect the seven per cent reduction of sales tax in the hospitality industry is going to have. I don't think anyone can come up with a proper projection as to what's going to happen in a situation like that. I think all that can be done is that it can be assessed after the tax is eliminated to see if it is effective or not.

I understand there were some projections from the Ministry of Industry and Tourism. They talked about a figure of something like \$30 million, which doesn't seem to make very much sense to me, because the tax exemptions are going to cost the coffers of the government something like \$20 million.

I'm sure the members opposite realize the tourist industry in the province of Ontario is in some difficulty. The reason for bringing in the exemption of sales tax in that area is to give that industry a shot in the arm to try to assist it. It's not going to be the answer to all of that industry's problems—there's no question about that—but it will

assist it. The members will realize, of course, that this exemption is only for a certain period of time, until the end of 1979.

I don't believe anyone could produce a proper study that would project what effect this exemption of sales tax would have on the tourist industry. I don't think that's possible.

Mr. Laughren: Has the minister met the whiz-kids in the Ministry of Treasury, Economics and Intergovernmental Affairs? They've got an econometric model for everything. I would suggest to the minister that if they're saying the decrease in revenue is going to be \$30 million a year—

Hon. Mr. Maeck: No, I read \$20 million.

Mr. Laughren: No, they say tax cuts in tourism will amount to \$30 million; I assume that's what they mean. That decrease in revenue is shown on page 18 of the Ontario budget statement. The minister is saying it will increase revenues by \$20 million.

[10:00]

Hon. Mr. Maeck: No, I didn't. Pardon me, I said Industry and Tourism had mentioned a figure of \$30 million that they hoped the tourist industry would benefit by. But I'm saying it's costing the Treasury of the province \$20 million to reduce the taxes.

Mr. Laughren: If I could just correct you. It's costing the ministry \$30 million, unless there is some other tourism gift that I don't see in here. It's costing \$30 million in revenue, and if the industry is going to benefit to the tune of \$30 million, it's costing you dollar for dollar for all benefits to the industry, which seems a bit much to me.

Mr. Swart: It's a great employment program. It's very effective.

Hon. Mr. Maeck: These figures I have before me—

Mr. Laughren: Look at the budget paper.

Hon. Mr. Maeck: I'm more interested in my own figures because they come from my own ministry.

Mr. Laughren: I know.

Hon. Mr. Maeck: What I'm saying is that it's \$20 million.

Mr. Peterson: I want to speak very briefly on this because this seems to me to speak to the problem with your government. I think you're hitting on two of the most fundamental problems that we have in the economy in this province today. Number one is the energy problem that I've spoken upon at great length and I will continue to speak upon. It's the single biggest drain that we have in our economy here. We're running about an \$8

billion energy bill, roughly 10 per cent of our gross provincial product, and the best you can come up with is a dismal exemption on storm doors and windows.

Mr. Ashe. Speak to your friends in Ottawa.

Mr. Peterson: It has absolutely nothing to do, in my judgement, with an integrated energy policy. When we in this province are the highest per capita consumers of energy in the entire world, you have an obligation, as a member of Her Majesty's cabinet, to do something more worthwhile than you are doing. I don't blame you exclusively. I blame the Treasurer mostly. I blame the Premier even more than that and I blame the Minister of Energy (Mr. Baetz).

I have a real problem with the way the Premier has handled the administration of this province. He's always treated energy as a junior portfolio. He's either stuck in a guy on his way up or his way down and most of them, with the exception of the one about two ago, have been on the way down. He's never treated it seriously and we come up with a hodge-podge of miscellaneous proposals that have nothing to do with an integrated energy policy.

There is probably very little you can do. Obviously, we're going to support this bill but it's a dismal, feeble attempt. If I were you, as Minister of Revenue, I would use your new-found power, the power that you projected out of your licence plates and all the good things that happened to you therefrom, and use it to develop something worthwhile for this province in terms of an integrated, conserver, renewable form of energy policy that we need so desperately.

Mr. Laughren: Put the Treasurer in his place.

Mr. Peterson: I will continue to argue this way with the Minister of Energy and with the Treasurer. I see these as miserable little sops to two of the most important problems we have in this province. I am so terribly disappointed when it is an established fact that it is so much easier to save a barrel of oil—to save a few megawatts of power—than it is to create them. It is so much cheaper.

It strikes at the heart of our economy, particularly when we're so vulnerable. When we are importing 80 per cent of our energy, when every barrel of oil that we import strikes at the cost of living index and at the number of jobs in this province, you have an obligation to do something far more constructive and worthwhile than you have done. I'm disappointed that this is such a paltry, miserable little effort in that area.

We in our party have listed, and my colleague from Halton-Burlington has talked of, hundreds of things that would be constructive. I, in my halting way, have talked about things that I think should be done—not that they necessarily will create more energy tomorrow, but they will save more energy starting tomorrow morning. This is just one of the very small steps. If you're serious, you'd put storm windows on this building, to start off with, and show a little bit of government leadership. The government leadership shown in the energy conservation program, frankly, has been abysmal.

I feel very strongly about that. I will continue to hound you and will continue to talk to anybody who is listening. You happen to be here tonight and you happen to be on the receiving end of some of these slings and arrows because we in this party feel so terribly strongly about it.

We also feel that every person in the province is going to have to make some sacrifices. They aren't going to be major sacrifices and really, in a meaningful sense, they aren't going to affect anyone's standard of living or anyone's happiness. But it is going to call for a massive collective effort with strong government leadership and you people are a very long way from providing that leadership, and I don't regard this as significant or meaningful whatsoever.

You should come up with an entire series of proposals in your portfolio. Why aren't you exempting, for example, assessment on renewable energy in homes, solar devices and wind-generated devices? Why don't you use your imagination?

As the new Minister of Revenue coming in with a new broom—and we have seen lots of examples of new ministers coming in with a new broom, with new ideas—don't get hung up on the old establishment idea of just hanging in and covering your behind. Come up with something creative, because I can assure you that we will support you and I am sure that our friends to the left will support some creative new ideas too. And don't let that guy who sits one in front of you and one to the left bully you around. It's time that you guys started bullying him and telling him what should be done. Use your new-found power, I say to you, Mr. Minister, because it's important.

Mr. Laughren: Borrow a Band-Aid from the Liberal minister in cabinet, Lorne.

Mr. Peterson: Just to speak for a minute to this exemption for hotel rooms; again, I regard this as just a very superficial thing. I understand that the former Minister of In-

dustry and Tourism (Mr. Bennett) yelled for a long time about this and I gather he will consider it a great feather in his cap, particularly now that he is the Minister of Housing. But I say to the Minister of Industry and Tourism who is sitting in the back row yapping, he should be doing far more than he has been doing. It is my experience, when I see new ministers, that they at least have two or three months good grace. When you get into a portfolio, use your energy, use your creativity and come up with something more substantial than a miserable little exemption on some hotel rooms. You should be coming up with an integrated policy to develop tourism in this province.

We have lots of good ideas. We are willing to share them with you. We are willing to sit on your goofy committees. We have all sorts of expertise on this side of the House. And I say with great pride that my colleague from Victoria-Haliburton (Mr. Eakins) knows more than you do about this job and frankly, he should have it, and I say with some pride that he will have it in the very near future.

Mr. Foulds: As soon as you form the coalition.

Mr. Peterson: But I say to all you guys over there that it's a very, very dismal little patchwork, paltry—

Mr. Foulds: Hear that, John; when the coalition comes you are out.

Mr. Peterson: —miserable little attempt at strategy, at policies or any kind of co-ordinated approaches. You can certainly do better.

Hon. Mr. Parrott: Get serious.

Mr. Peterson: And I say to both of you—you are both new ministers—use whatever good grace you have. I assume that the Premier treats you with some degree of respect for the first two or three months in the portfolio.

Mr. Roy: I am not sure.

Mr. Peterson: I am not sure about that. I really don't know how that—

Mr. Roy: You have been seriously abused, John.

Mr. Peterson: —mind can operate, but if you have any credibility, use it. Use it before you get ground down. And I say to you, particularly the Minister of Revenue, you have got an opportunity, use it. Obviously, we are going to support these; how can you help but support these miserable little contributions to these great and fundamental issues? But I say you have a far greater role. Use it. We will support you and we will show Darcy McKeough and Bill Davis that there

are better men in this House, and we can all do better.

Mr. Roy: Point of order.

Mr. Deputy Chairman: A point of order, the member for Ottawa East.

Mr. Roy: Mr. Chairman, I am sure you would not forgive me and my colleagues here would not forgive me if I didn't advise the members of the House that we have the honour of having here a visit by the former member for London South, Mr. John Ferris, who is visiting us under your gallery.

Mr. Peterson: He will be back.

Mr. Roy: Just on temporary absence.

Mr. Foulds: I am disappointed that the minister didn't respond to that peroration by the previous speaker. There is, however, a sort of echo in his phrasing about the far, far better things that can be done. Of course the guy who said that went out and got himself hanged; I should remember that.

Interjection.

Mr. Foulds: I certainly would like to point out to the Chairman that in essence the previous speaker said two things—one, that when the coalition government comes, John Rhodes is going to be out of a job and John Eaton is going to be in—

Mr. Peterson: We like John; we'll still invite John to dinner.

Mr. Foulds:—and two, he said these are miserable, unimportant—

Mr. Peterson: Paltry. Scrawny.

Mr. Foulds:—paltry, scrawny amendments. And he said, "How can you help but support them?" I want to point out to you, what you are getting is miserable, scrawny, paltry support.

Mr. Chairman: The debate is becoming repetitious.

Mr. Foulds: I would like to speak to the principle of the section, section 2, that we are debating; I think the debate got slightly off the rails. We have before us four subparagraphs in section 2, all of which deal with different matters. It does seem to me that the point that was made on second reading by my colleague from Hamilton Mountain (Mr. Charlton), my colleague from Nickel Belt (Mr. Laughren) and, if I may be immodest for a change, myself, about the inconsistencies in the taxation policy of the Treasurer and the inconsistencies in taxation are apparent within this section itself.

On the one hand the government removes the taxation on storm windows and storm doors, and we say, "Good for you, one minuscule step in the right direction." One of the

arguments used by this minister and used by the Treasurer is (a) that will help the conservation program, and (b) it will help create jobs; i.e., by removing the tax we will help create some jobs, because the purchaser, no longer having to pay the tax, will purchase more of these units and have them installed.

Then when we get to paragraph 2 we say, in one part of it, that we are going to impose a tax—that is with the item that will be now numbered in the original legislation 41 and then 41(a). Sorry, with paragraph 2 we are also removing a tax; we are removing the tax on the hospitality industry, and we are saying and the argument is that by removing that tax we will create some jobs. We don't know how many, we don't know who is going to benefit.

What strikes me is that it would appear, because he has not entered into the debate, that the Minister of Industry and Tourism (Mr. Rhodes)—if I could have his attention for a moment—is not going to do any studies, at least I haven't heard him make an announcement that he is going to do any studies, on the effect of the removal of the taxation on the hospitality industry, and also do a comparison of the year or year and a half that the tax was in effect as to what effect the devalued Canadian dollar is having on the tourism industry. I would suggest to him, if I might through you, Mr. Chairman, that both those factors should be monitored in terms of the effectiveness of this particular clause.

We also see within this section that the railway rolling stock exemption will be removed. In other words, we are imposing a tax. In two cases we have made the argument that by removal of a tax, by providing an exemption from taxation, we will be creating jobs. But the Treasurer and the minister have argued that by imposing the tax on the manufacturers of rolling stock for railway transit, subway cars for public transit, that will have no effect whatsoever on employment in the manufacturing sector, the supplier to the purchaser. I simply don't follow that logic.

[10:15]

The minister himself has indicated that large purchasers such as the Toronto Transit Commission, the Ontario Northland Railway and the GO Transit system may purchase fewer cars. They could; they may purchase fewer cars as a result of the imposition of this tax.

Hon. Mr. Maeck: I didn't say that; I said they could.

Mr. Foulds: I would suggest to the minister that if that happens, then jobs will be threatened and possibly lost at the Canadian

Car plant in Thunder Bay and at the Hamilton Steel plant in Hamilton.

Hon. B. Stephenson: National Steel Car, you mean.

Mr. Foulds: National Steel Car. That seems to me to be a fairly serious matter, and that's one argument to which we have not yet had a satisfactory answer from the Treasurer or from this minister.

The other side of the coin is that the imposition of the tax, i.e., the removal of the exemption for rolling stock, will add to the cost of public transit and will therefore discourage an expansion of public transit, the very thing we should be encouraging in terms of convenience and in terms of wise use of energy. It seems to me, therefore, that this particular section is a particularly bad one.

The taxation policies of the government are riddled with inconsistencies; they are highlighted in this particular bill and specifically in this section 2.

Hon. Mr. Maeck: Mr. Chairman, so many members have referred to the removal of the sales tax on storm doors and windows as being such a pitiful little effort that I thought perhaps I should inform the House at this point in time of all the matters that have been exempted since April 20, 1977. This is just an addition to those items that I will now tell you about.

Mr. Laughren: Dispense.

Hon. Mr. Maeck: "Thermal insulation materials; thermal insulation material is defined to be batt, blanket, foam, loose fill, rigid or reflective insulation that is acquired exclusively for the purpose of preventing heat loss in a building but does not include weather-stripping and caulking materials, windows and doors of any type and frames." Remember, this is dated April 20, 1977, and we've taken into consideration some of these things in the proposed legislation now.

Mr. Laughren: We understand.

Mr. Foulds: We follow.

Hon. Mr. Maeck: "Pipe, boiler and duct insulation and wrapping materials; acoustical insulation and acoustical materials; wallboard or drywall; or any materials incorporated into a building primarily for their structural or decorative value and materials serving functions other than thermal insulation, whether or not such materials have thermal insulation properties."

Mr. Foulds: What are the ones that are not included?

Hon. Mr. Maeck: These are the ones that are not included, don't get me wrong.

"Energy conservation equipment," which is included: "Heat pumps which are principally used to extract heat from an area outside the building for the heating of which they are installed; heat recovery units which extract heat from exhaust water, air or gases that are not intended for reuse or recycling in any manufacturing or productive process or otherwise; solar cells used to produce, directly from sunlight, electricity to charge batteries"—all batteries are excluded from the exemption and are therefore taxable—"solar furnaces, panels and tubes especially designed to collect and convert solar energy into heat for use in a solar heating system"—all auxiliary equipment is taxable—"windmills and wind-powered generators, but not including the frame or other supporting structures; automatic timer controls for electrical equipment which are used to control energy and electrical lighting equipment."

The exemption does not include the timer controls used in the operation of any manufacturing or production process or timer controls sold for domestic household use. "Wood-burning stoves and wood-burning furnaces which have a fully enclosed solid combustion chamber to produce heat for cooking or for heating a building. However, stoves and furnaces that are capable of using other solid fuels are exempt if they are designed to burn wood and all the other requirements are met. The exemption excludes fireplaces and stoves that do not have a fully enclosed combustion chamber, wind deflectors which are attached to trucks or the cargo carrying unit of a truck. All other deflectors are taxable. All parts used to repair or maintain the equipment noted in clauses (b) to (i), except as specially provided in the exemption, are taxable."

All of those things were in a package on April 20, 1977, and we added the other two items, the doors and the windows, to that package. It is not such a bad package when you look at the whole picture. I wanted to bring that to the members' attention and put it back on the record so that people would know that we have done a little more than just bring in those two items.

The argument regarding the rolling stock appears as if it is going to be an ongoing one. I don't know what additional information I could give the members. No one knows for sure whether it is going to affect employment or not. I don't personally think it will, because it has already been done in four other provinces. They are already being taxed, and our information is that there has been no reduction in production or in capital expendi-

tures in those other provinces. So, hopefully, it will not happen here either.

As far as TTC is concerned, it must be remembered that we do supply 75 per cent of the grant for capital investment of the TTC—

Mr. Laughren: Are you going to increase the grant in the amount of the tax?

Hon. Mr. Maeck: —and we would also be supplying 75 per cent of the tax, so it wouldn't be that costly for the TTC, particularly the TTC, because it's on a 75 per cent capital grant.

Mr. Laughren: Will you increase the grant because of this tax? Is that what you are saying?

Hon. Mr. Maeck: No, we are not going to increase it beyond 75 per cent, except that the capital costs will include the tax and they will get 75 per cent of the cost plus the tax. I don't think we are going to hit them that hard.

Mr. Laughren: You are still, in effect, reducing their grant.

Mr. Chairman: Order.

Hon. Mr. Maeck: However, as I say, it can be an ongoing argument as far as rolling stock is concerned. Obviously the members of the parties opposite have different viewpoints, but all I can stress again is to say that it has been and is being collected in four other provinces and there doesn't appear to be any disastrous effects.

Mr. Foulds: On that specific point, perhaps the minister could bring me up to date. I would like to know what other specific province in this country has a public transit system on the scope of the TTC, for example. To the best of my knowledge, the only other city in Canada that has a subway system using rolling stock is Montreal, and I believe that their system is not as extensive as Toronto's. Therefore, it seems to me that the comparison that he is using in terms of the effect on the purchaser is not a valid one, because the scale is so different.

If I might continue, Mr. Chairman, I can see his argument as it refers to railway rolling stock, particularly CNR/CPR, but I don't see the argument as it affects rolling stock for public transit systems, particularly subway cars. I have some reservations about the comparison with Ontario Northland and GO Transit, although I suppose there is probably a comparison between Ontario Northland and the provincial British Columbia rail system. I really would like some further explanation of how the argument about other provinces

applies to the public transit as it affects subway cars.

Hon. Mr. Maeck: I guess the only example I can give you is that Quebec does have this tax and, as you indicated, Montreal does have a subway system. I know of no disastrous effects in Montreal because of the imposition of the tax. That's about the only information I can give you on it. I am not familiar with the amount of grants that the city of Montreal receives from the province of Quebec as far as the subway system is concerned, but I would venture to suggest that it wouldn't be any more than what our grants are.

Mr. Conway: They've got DREE designation, John Rhodes tells us.

Mr. Chairman: Order.

Mr. Foulds: I don't want to belabour the point, but it does seem to me that it is the responsibility of the Treasurer, if not the Minister of Revenue, to do a sound analysis of the effect of the taxes, to do comparisons that are not superficial such as we've received in the House tonight, and actually to have some research done before he puts together a budget that imposes taxes such as this. It does seem—very strongly, may I say—that we developed a budget by guess and by gosh and the taxation system that is emerging from it is not one that is consistent, logical or well-thought out in terms of development, either internally of our manufacturing industry or in terms of the development of public transportation.

Mr. Chairman: All those in favour of section 2 standing as part of the bill will please say "aye."

All those opposed will say "nay."

In my opinion, the ayes have it.

Section 2 agreed to.

Sections 3 and 4 agreed to.

Bill 27 reported.

Mr. Conway: The Minister of Revenue will be a hero in South River tonight.

On motion by Hon. Mr. Maeck, the committee of the whole House reported two bills without amendment.

THIRD READINGS

The following bills were given third reading on motion:

Bill 25, An Act to amend the Tobacco Tax Act.

Bill 27, An Act to amend the Retail Sales Tax Act.

On motion by Hon. Mr. Maeck, the House adjourned at 10:30 p.m.

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Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, MARCH 30, 1978

The House met at 2 p.m.

Prayers.

NEWSPAPER REPORT

Mr. Reid: Mr. Speaker, I rise on a point of privilege relating to an article that appeared on the front page of yesterday's *Globe and Mail* entitled, "MPPs Would Have To Pay for Their Own Drinks under Plans To Control Committee Spending." There are a number of remarks attributed to one Mr. Fleming, who is well known in these corridors. I don't know whether Mr. Fleming in fact made those remarks or not, but it seems to me they are completely out of order, if he did make them, and that it reflects on the members of this Legislature. I would ask, sir, that this matter be referred to the procedural affairs committee for discussion and a report back to this House.

Mr. Speaker: I am aware of the article to which the hon. member refers. I am well aware that there are grounds for some consternation on behalf of members. I have discussed this with the director of administration. I have made it quite clear that any remarks of this nature should be made through the Board of Internal Economy, the responsible body for setting guidelines for expenditures under the auspices of the Office of the Assembly.

I can give you assurance that any comments in that regard will not be made by that person and that any comments the House has to make will be made through the appropriate body, which is the Board of Internal Economy. I don't think such an occasion will occur in future.

The hon. member asks that it be referred to the procedural affairs committee. I don't know what the wish of the House is on it. I would hope the explanation I have given would be sufficient. It is within your right to make a motion, if you so desire. It's up to the individual member or the House, I suppose collectively, as to how they want to handle it. I have given that explanation. I think it is a clear indication of what has happened. The remarks attributed to the director of administration were in fact made. With the explanation I have given I think

it is the prerogative of the member himself as to whether he wishes to make such a motion for referral to the appropriate committee.

Mr. Reid: Further to the point of privilege, Mr. Speaker, I appreciate what you have said. However, I view the remarks made by Mr. Fleming to be of such gravity and to reflect on all members of the House so that they are of grave concern to me and, I would presume, all members of the House. I feel the bounds of his responsibilities have been far overstepped in this regard. You, Mr. Speaker, have not indicated that any apology was forthcoming from the gentleman concerned or any statement made by him that he had overstepped the bounds of his responsibility. In view of that fact, I suggest the matter should be referred to the procedural affairs committee, and I would so move.

Mr. Speaker: Is it the will of the House that this matter be referred to the procedural affairs committee?

So ordered.

BEARE ROAD LANDFILL SITE

Ms. Bryden: I also have a point of personal privilege, Mr. Speaker. On March 16, the last day of the session prior to the recess, I asked the Minister of the Environment if his ministry had made a formal request to Metropolitan Toronto for an extension of the right to dump liquid industrial waste at the Beare Road landfill site beyond the present extension which expires April 30, 1978. He replied, "Not that I am aware of."

I have since obtained a copy of a letter from his deputy minister, Mr. K. H. Sharpe, to Metro Toronto, dated January 5, 1978, which requests an extension until December 31, 1978. This letter was written before the appointment of the present minister, but I understand there had been a meeting held between the Metropolitan Toronto chairman and the Minister of the Environment in the week of March 13, before my question was asked, to discuss this request. Therefore, I cannot see how the minister could have been unaware that such a request had been made.

I would like to ask him to clarify whether he was misleading the House or whether he doesn't know what is going on in his department.

Hon. Mr. McCague: Obviously, I was telling the truth. I was not aware of the letter. I did meet with the officials from Metro Toronto. An extension of the time limit was not discussed.

STATEMENT BY THE MINISTRY

ALCOHOL ADVERTISING

Hon. Mr. Grossman: Mr. Speaker, I am tabling today copies of the revised advertising directives for producers of alcoholic beverages.

Mr. Warner: Are we going to get beer in the ballpark now?

Hon. Mr. Grossman: These directives are more comprehensive and more restrictive than existing guidelines, dated March 1, 1974, which are now in force.

Mr. Laughren: Is your face flushed or is that a tan?

Mr. Nixon: Can we get a copy of this?

Hon. Mr. Grossman: Alcohol abuse is one of our most serious social problems. Excuse me, has the opposition not got a copy of the statement? They were sent along. That must be it now.

Mr. Warner: It is a flagrant violation of the rules.

Hon. Mr. Grossman: Very flagrant, but I am not going to resign.

Mr. Warner: You should.

Hon. Mr. Grossman: It costs the people of Ontario hundreds of millions of dollars annually in health care, social assistance, absenteeism and reduced productivity. In the policy review carried out by my ministry we have, therefore, given considerable emphasis to the question of what impact advertising has on the consumption of alcohol.

Further, we are very concerned about public attitudes towards alcohol. The old advertising rules do not seem to reflect the public's awareness of the serious problem of alcohol abuse. Many concerns have been expressed about beverage alcohol advertising and we have attempted to reflect these in our new directives. Important new restrictions have been added on life-style advertising and I'll quote the substance of some of them directly.

Beer, wine and cider advertisers must take into account the likelihood of minors and adult non-users being exposed to their ad-

vertising. The probable audience for an advertisement must consist primarily of drinking-age adults. Advertisers are required to prepare at the board's request an annual report containing data on the ages of those exposed to their advertising in the previous one-year period, based upon independent qualified sources such as the bureau of broadcast measurement and the print measurement bureau.

All such advertisements shall be directed towards and emphasize the nature and quality of the product being advertised, and shall not imply that social acceptance, personal success, business or athletic achievement may result from the use of the product being advertised. All such advertisements shall be directed to the merits of the particular brand being advertised so as to promote brand preference and not the merits of consumption or the encouragement of excessive consumption.

Advertisements must not suggest that the consumption of alcoholic beverages per se may be a significant factor in the realization of the enjoyment of any activity. Advertisements must not suggest that participants in work, sports, hobby, recreation and other similar activities should consume alcoholic beverages whilst engaging in their work or other activity. Nor may advertising suggest that consumption of alcohol in any way enhances performance or enjoyment of these activities.

Advertisements shall not appear to suggest or recommend the consumption of beer, wine or cider prior to the driving of a motorized vehicle or participation in any sort of activity in which the participants' safety is dependent upon normal levels of alertness, physical co-ordination or speed of response, except in authorized messages of moderation. Nor shall any advertisement depict or suggest any activity which is a breach of the Liquor Licence Act or any other provincial statute.

The frequency of broadcast advertising has also been reduced substantially. In the existing directives, a company may advertise up to 120 minutes per week per radio station. The new directives specify that no company may advertise more than 75 minutes per week in any calendar year and that the weekly average shall not exceed 55 minutes. For television, the weekly maximum per station has been 90 minutes. Our new rule will limit advertisers to a maximum of 35 minutes per week on any given station, the weekly average not to exceed 30 minutes. The yearly maximum has been decreased to 26 hours from 52 hours.

Mr. Bradley: You're listening to the opposition.

Hon. Mr. Grossman: Stringent new rules have been added concerning minors. No messages will be permitted which in any way appear to suggest under-age drinking. Furthermore, no advertising will be allowed in publications having a readership which is predominantly under the drinking age. Nor will advertising be allowed during broadcast time when the audience is or is likely to be predominantly composed of persons under the legal drinking age.

Mr. Renwick: What hours are those?

Hon. Mr. Grossman: We are aware that the effectiveness of anything we do is tempered by the fact that US magazines would attract Canadian advertising dollars for their Canadian editions, forcing Canadian magazines to publish in other provinces. Thus a complete ban would not be particularly effective in eliminating exposure to advertising, yet it would discriminate against Ontario media.

These directives will now be issued to advertisers for immediate implementation. All ads to be run in Ontario media must be cleared with the liquor licence board prior to use, thereby ensuring that the directives are being followed. The guidelines outlined today do not put an end to our review of liquor advertising. Over the next 18 months, we will be closely monitoring these new guidelines to determine whether any further changes are necessary. It is my hope that with the co-operation of the advertising industry, the manufacturers and the media, we will see more responsible, sensible ads and ones which are more clearly directed towards brand selection, not consumption.

Advertising is only one of the factors we have considered as part of our extensive and continuing review of the problems created by alcohol abuse. Further announcements will be made in the weeks ahead.

[2:15]

ORAL QUESTIONS

INCREASE IN OHIP PREMIUMS

Mr. S. Smith: A question of the Treasurer, Mr. Speaker: In his attempt to pretend to this House two days ago that his reason for the 37.5 per cent increase in OHIP premiums, and his going back on his previously announced policy in 1976, was because of the Taylor committee's exhaustive study—and I quote: "They did an exhaustive study of these matters"—is the Treasurer able to give me a bibliography of precisely what studies

indicated 33 per cent would be an appropriate level for OHIP premiums to bear with respect to insured health costs? Can he explain why a member of the Taylor committee today has indicated its conclusion was based simply on the fact that it used to be 33 per cent—that the Ontario Council of Health suggested it in 1973—all of which was before his 1976 policy, so he presumably had the benefit of that when he enunciated what was government policy at that time?

Hon. Mr. McKeough: Mr. Speaker, certainly I will be glad to check, but I suspect the original decision, going away back, was about one-third. I suspect that the council of health thought that was an appropriate number.

My colleague, the Minister of Health (Mr. Timbrell) says at one time it was about 50 per cent—somewhat confused, as I recall, by the health insurance fund. But certainly I don't think there are any definitive studies to show that the number should be 34 or 33 or 32 per cent. Probably there were no definitive studies to substantiate the statement that 28 per cent was a desirable long-term norm either. But I will certainly be glad to look in our records and see if there is such a study.

Perhaps in the meantime, the member can be thinking about how he is going to figure out where he is going to find the \$199 million which didn't come in. That will be an interesting study when he produces that. We are breathless with anticipation.

Mrs. Campbell: Oh yes, he will do it too.

Mr. Deans: The Treasurer is just being provocative.

Mr. S. Smith: By way of supplementary, Mr. Speaker, we look forward to the opportunity of showing him where he might be able to arrange his budgeting a little better—

Mr. Deans: I'm looking forward to that.

Mr. Makarchuk: We are looking forward to it as well.

Mr. S. Smith: —but for today we are content to ask the Treasurer to admit publicly that basically he has gone back on his 1976 policy for the sole purpose of raising \$199 million of general revenue—that he has chosen to raise it on the OHIP premiums rather than admit that he is having a general taxation increase of any other kind. Now that he has admitted that publicly, we will be delighted to help him budget properly for the province.

Mr. Speaker: Question.

Mr. S. Smith: Will he now admit that publicly? Will he now admit publicly there

is no reason for him to have gone back on his 1976 policy?

Hon. Mr. McKeough: Mr. Speaker, I will be delighted to repeat what I said on Tuesday if the member was hard of hearing—

Mr. S. Smith: "An exhaustive study" is what he said, and now he doesn't know of any.

Hon. Mr. McKeough: And will he admit he is bankrupt of ideas as to where to find the money? There was nothing in his critic's speech—all that was in the critic's speech was more spending—

Mr. Bradley: Don't shout.

Hon. Mr. McKeough: —and not one way to save money in this province, and he knows it. He is bankrupt of ideas.

Mr. Peterson: Supplementary: In view of the history of the Treasurer renegeing on his promises—and I quote, for example, his renegeing on the Edmonton commitment, a commitment of the government; his renegeing on the guidelines for OHIP financing from 28 to 33 per cent; his renegeing on the Smith committee guidelines where he changed the rules over a two-year period—his debt is, in fact, higher than was previously arranged under the Smith committee—

Mr. Speaker: The original question dealt specifically with OHIP premiums.

Mr. Peterson: I have to set this up, Mr. Speaker. It is very important.

Mr. Speaker: As long as it is within the framework of the original question, and that dealt with OHIP premiums.

Mr. Peterson: This is an "in view of," Mr. Speaker. In view of the fact that his commitment to balance the budget in 1981 is going to be by virtue of selling off assets and not by meeting current revenues with current expenditures, how can we trust one thing that he says any more? I suggest to him he has no credibility. How can anybody trust what he is saying?

Mr. Bolan: Tell him to resign.

Hon. Mr. McKeough: Mr. Speaker, in view of the fact that the Liberal Party—reactionary as they are—

Mr. Cassidy: You are two birds of a feather, you know, and you go in hand together.

Interjections.

Hon. Mr. McKeough: —spent half their reply to my budget saying we were too far in debt and had spent too much money and then spent the other half saying how much more money they would spend on various programs, how can we believe or take seriously anything the members opposite say?

Mr. Ruston: We can't believe anything you say.

Mr. Peterson: A fair, intelligent, articulate response.

Mr. Warner: Supplementary: Based on the minister's first response about the amount of revenue which would have to be raised, and noting that it is entirely in keeping with his comments on pages 15 and 19 of the first section of his budget, will he now clearly tell us that the premium is, in fact, a revenue-raising device and that it is not at all related to whatever health program the government cares to run?

Mr. S. Smith: Tell us about the exhaustive study, Darcy.

Hon. Mr. McKeough: There is no question that admission fees to Ontario Place or to provincial parks or premiums raise revenue. I didn't go to the London School of Economics but I can figure that out, yes. But it is not a tax.

Mr. Martel: It's pretty obvious that you didn't go there.

Mr. Peterson: You didn't even go to high school.

Mr. Speaker: I think we have had sufficient supplementaries.

Some hon. members: One more, Mr. Speaker.

Mr. Speaker: The hon. Leader of the Opposition with his second question.

Mr. Deans: The only reason this is not a tax is that you choose not to make it a tax.

FIRST MINISTERS' CONFERENCE

Mr. S. Smith: A question for the Treasurer, since I believe the material is put out by his ministry; anyway, the Premier (Mr. Davis) is absent.

Mr. Kerrio: Don't hold that against him.

Mr. S. Smith: Given the fact that the Treasurer is very good at telling the working people of Ontario how they should restrain themselves and how they should find \$199 million to help him do his budgeting, how does he justify this 12½-ounce package of government propaganda entitled, "Ontario at the Conference of First Ministers in February," which apparently has been mailed by the Treasury to more than 90,000 addresses in Ontario, accompanied by a two-page letter from the Premier, and which probably cost in the neighbourhood of \$100,000, although he may have more up-to-date figures on that?

Some hon. members: Propaganda.

Hon. Mr. McKeough: Mr. Speaker, I can think of nothing that this government has done—

Mr. Warner: That's why you should resign. You've done nothing.

Interjections.

Hon. Mr. McKeough: I can think of nothing that this government has done on a more co-operative basis and that will undoubtedly prove to be to the lasting benefit of all of Canada—

Mr. S. Smith: Than sending this garbage to 90,000 people at public expense.

Hon. Mr. McKeough:—more than the effort and the work we put into the preparation for the first ministers' conference. I am surprised that the Leader of the Opposition would say it is garbage inasmuch as it includes a communiqué signed by the Prime Minister of Canada and two Liberal Premiers. If he calls that garbage, that's his business.

Mr. Martel: That's the best garbage I've heard you say all day.

Mr. S. Smith: Will the Treasurer report to the House the detailed cost of this public relations venture and which firm carried it out? Will he explain what justification, if any, he sees for having to send it to more than 90,000 people—perhaps even that is a low estimate, and I would like to have an accurate one—given the fact that all the documents in the package were well covered in the press at the time of the conference?

Mr. Deans: I think we should eliminate the leader's questions.

Hon. Mr. McKeough: Mr. Speaker, obviously some part of that question will require some research in terms of the costs, and when those are available I will be glad to provide them.

Mr. S. Smith: After exhaustive study?

Hon. Mr. McKeough: No, we will have to wait until the invoices are in. Again, I am not a doctor, but that is normally what you have to do before you can get the precise costs. And one would want to be precise.

Interjection.

Hon. Mr. McKeough: But I say this: I will justify this right now by saying the basis of attempting to restore confidence to the people, to the businessmen and to the leaders in this province is something that is well worth any cost entailed. We've done it before and we will continue to do it.

Mr. Conway: Propaganda.

Mrs. Campbell: We don't have the money.

Hon. Mr. McKeough: We think we have a responsibility to indicate what government

is doing and to invite response from the people, and the Leader of the Opposition will find, in fact, that the Premier's letter does that.

Mr. Conway: Take a Gallup poll.

Hon. Mr. McKeough: We on this side, and the Premier, are interested in what the people think, even if the Leader of the Opposition is not.

Mr. S. Smith: Send them blank paper next time; it will do more than that rubbish.

An hon. member: Are you interested in what Mike Cassidy has to say?

Interjections.

Mr. Cassidy: Mr. Speaker, I have the feeling that both the Treasurer and the Leader of the Opposition got wound up over the Easter break and are still sort of acting in a frenzied fashion.

An hon. member: Did you get unwound?

Mr. Ruston: Did you go south, Mike?

Interjections.

HAWKER SIDDELEY LAYOFFS

Mr. Cassidy: I have a question of the Minister of Industry and Tourism. In view of the fact that the Can-Car division of Hawker Siddeley has revealed that its truck-trailer plant in Mississauga, which was formerly in Thunder Bay, will be closed on May 12 with a permanent loss of between 160 and 170 jobs, will the minister indicate what steps the government will now take to ensure an end to the loss of production in this important area of the automobile manufacturing industry?

An hon. member: Nothing.

Mrs. Campbell: Same as before.

Hon. Mr. Rhodes: I'm afraid I can't tell the hon. member what I can do to end the closing of a particular facility. I'm not totally familiar with what is causing their shutdown. I would like to look into the details of that particular matter.

Mr. Philip: Supplementary: In view of the fact that the orders were so high in January that Hawker Siddeley was trying to get a second shift added to the plant's work force, is the minister satisfied, or will the minister find out if the plant is being closed because of low profit—profitability—or are Canadians once more going to be thrown out of work because of the arbitrary actions of a multinational company?

Mr. S. Smith: They choke on that word "profitability."

Hon. Mr. Rhodes: Mr. Speaker, I understand that the word "profit" is very difficult for that party to get out.

Mr. Deans: In Ontario there isn't much of it to talk about.

Mr. Makarchuk: Not at all.

Hon. Mr. Rhodes: I can tell the hon. member that that particular matter is now being looked into by the Ministry of Labour and we will be made aware of what the situation is.

Mr. Mackenzie: Supplementary: In view of the fact that this shut-down involves trucks and vans, I'm wondering if the minister would also look into the fact that we understand the renovation of the Jefferson plant in Detroit is for vans and that may mean we don't get the proposed van line in Windsor.

Hon. Mr. Rhodes: It is my understanding that the facility the hon. leader of the New Democratic Party asked about manufactures trailers. It does not manufacture vans or trucks. Perhaps the hon. member's leader could tell him that that's the situation.

Mr. Cassidy: Supplementary: In view of the recent intervention by this government in order to ensure that Hawker Siddeley, the company that owns Can-Car, would get the TTC streetcar order in Thunder Bay rather than have the order go to Quebec, will the minister intervene in order to ensure that this truck plant is kept open or that the operation is sold as a going concern to a company that's prepared to keep the operation going?

Hon. Mr. Rhodes: I think the hon. member is aware of the fact that in other cases we have certainly done that, if there was a possibility of continuing the operation. We certainly are not aiding and abetting companies to close down. If we can keep them open, we will do so. If there is a possibility of someone purchasing that operation and continuing to operate, we'd be quite happy to assist to see that it's done. However, the hon. member, I think, has to be realistic enough to realize that if that company is going to close down for good and valid reasons, there is very little we can do to keep it open. But we will look into the whole situation.

Mr. Cassidy: Two months ago they were going like crazy.

CHILD ABUSE

Mr. Cassidy: A question to the Attorney General: In view of the widespread concern in the province about child abuse, in view

of the mounting evidence that the children's aid societies and the courts do not seem able to cope with the problem, and in view of the specific report of the children's aid society handling of the case of Adrienne Paquette in Ottawa which has been tabled this week, will the minister and the government launch a public inquiry under the Public Inquiries Act in order to have a full public examination of the circumstances surrounding these recent tragic deaths of children and to make a recommendation on a more adequate means of preventing child abuse for the future?

Hon. Mr. McMurtry: There are a number of very concerned groups in the province which are studying this problem on an on-going basis, because there is no question it is a matter that must be of great concern to every thinking citizen. In view of the commitment of a number of groups which have responsibility in this area, I don't think a judicial inquiry would serve any useful purpose.

Mr. McClellan: Supplementary: Would the Attorney General not agree that it is inappropriate to leave the search for a solution to the problem of child abuse to the ministry and the children's aid societies which are the problem, and that only a public inquiry under the Public Inquiries Act, independent of both the ministry and the societies, is demanded?

[2:30]

Hon. Mr. McMurtry: To reiterate what I said a moment ago, Mr. Speaker, there are a number of groups outside the ministry with a direct responsibility and the children's aid society who are actively involved in solutions to this problem. It is, therefore, not accurate to say the responsibility for a resolution or alleviation of this problem has been left or delegated solely to one ministry or to the children's aid societies.

Mr. Renwick: Mr. Speaker, by way of a supplementary question, before the Attorney General shuts his mind to the idea of a public inquiry will he not recognize that the problem in child abuse is that none of the many agencies involved, nor the professional people involved, have any clear indication of what their responsibilities are? Will he not also recognize that most of the agencies and the professional people have very divided loyalties on the question, and that it is only by way of a public inquiry that there will be an opportunity to sort out and to determine what the responsibilities are with respect to the rights of the children who have been abused?

Hon. Mr. McMurtry: Mr. Speaker, I don't think I can answer this question simply because I do not agree with the premises put forward by the hon. member, on which the question is based.

Mr. Warner: The minister just doesn't understand.

Mr. Lewis: One day he will agree and it will be too late.

OMA FEE SCHEDULE

Mr. Conway: Mr. Speaker, my question is of the Minister of Health. Considering that section 31 of the Health Insurance Act requires the Ontario Medical Association to provide six months' notice to the minister for any revision in the fee schedule, I'm wondering whether or not it has given six months' notice to him of a planned revision in the fee schedule? If it has served notice of its intention to so do, when was that and what is the climate of the minister's response to that?

Hon. Mr. Timbrell: Mr. Speaker, I can't recall the exact wording of that section of the Act, but I think it is that the OMA must serve notice of intention to revise, which was given. Again, I don't recall the exact date, but it was in September or October, well within the six months. Since then the Clawson committee has met on several occasions.

Members may recall that at one point the OMA indicated it intended to write what it calls its realistic fee schedule as per the instructions of the membership of the OMA. I have met on several occasions with the president of the OMA in recent weeks and months to discuss this proposal, and I expect the Clawson committee will get back together in the very near future to finish the process of setting up the schedules for 1978-79.

Mr. Conway: I have a supplementary, Mr. Speaker. Can the Minister of Health indicate whether, in his ongoing discussions with the Treasurer (Mr. McKeough) in so far as health-care financing in this province is concerned, there has been a discussion about proposed increases in the OMA fee schedule? Has he discussed this matter with the Treasurer, and can he tell us whether or not the reports in the public at large of something in the order of a 36 per cent across the board fee increase is in any way acceptable to him? Has the minister made budgetary plans to accept in whole or in part that kind of substantial increase?

Hon. Mr. Timbrell: Mr. Speaker, let me repeat what I've said several times publicly,

and which has been reported—I'm surprised it hasn't reached the member's ears—that there is no way the government can consider a 36 per cent increase in a fee schedule—a schedule of benefits, that is, to the practitioners of the province. I think that's been reflected in the public reports. The reaction of the OMA is that it accepts that. It didn't expect the government would do that. However, what the OMA has been directed to do by its membership is to draft—to use the expression again—a realistic fee schedule.

Mr. Haggerty: How about Darcy's 37.5 per cent?

Hon. Mr. Timbrell: I should also point out there is a fee schedule and a schedule of benefits of OHIP. They are two separate things. The member should also be aware that except for a very few doctors whose fiscal year ends after April 14, all but those few will be subject to the anti-inflation control programme ceilings until the end of 1978.

Mr. Conway: One final supplementary: Can the minister indicate whether or not his ongoing ministry-OMA committee on fee adjustment is now expected to discuss the matter spoken of in section 31? I just wanted to be sure that I understood the minister's answer to the first question, as to whether or not he had received notice formally, in accordance with section 31 of the Health Insurance Act—and that the section says, "at least six months before any proposed revision"; not intention, but it says, and I quote, "at least six months before any proposed revision of the schedule of fees," that he be notified. Has the minister been notified in accordance with that Act, quite apart from what his ongoing adjustment committee may say, and will he repeat for me when he was notified of that?

Hon. Mr. Timbrell: Mr. Speaker, I will get the exact date for the member if he likes. I will have it phoned to his office, but it was in the fall of 1977. Let me point out that he refers to the Clawson committee as the joint ministerial-OMA committee; that is not entirely accurate, since of course the membership on the government side is one from the Ministry of Health and the other two from other ministries, senior officials. The chairman of the committee is Mr. Harold Clawson, who is an independent, outside individual. Going back to 1973 when the Premier (Mr. Davis) and the OMA agreed on the establishment of the committee, one of the strongest selling points of it was that the chairman would be independent of government or the OMA. But as I say, will be glad to let the member know the date of the letter, but so

far as I'm concerned section 31 has in fact been lived up to.

Mr. Peterson: A supplementary?

Mr. Speaker: The hon. member for Sudbury. We have had sufficient supplementaries.

Mr. Peterson: There have been two supplementary questions only.

Mr. Speaker: We had the initial question and three supplementaries; nobody indicated they wanted to intervene.

Mr. Peterson: Mr. Speaker, it is a very important issue.

Mr. Speaker: Do you want to challenge it? The hon. member for Sudbury.

MINE DEATHS

Mr. Germa: Mr. Speaker, a question of the Minister of Labour: The Minister of Labour will be aware, of course, of the death of Mr. Irving on February 16, 1978, in Inco's Froid mine; she will also be aware of the death of Mr. Sam Beal, August 17, 1976, in Inco's Froid mine; she is also aware of the death of Mr. James Cullen, April 16, 1976, in Inco's Froid mine; but is the minister aware that testimony presented at the coroner's inquest as a result of these deaths has destroyed the credibility of her mining inspector in that area, Mr. Balfour Thomas, and is the minister planning to move that man out of the area as requested by Local 6500 of the United Steelworkers?

Hon. B. Stephenson: Mr. Speaker, a complete transcript of the most recent inquest has arrived on my desk; it is being examined carefully. The recommendations of the jury are being examined as well, and a further investigation is being carried on by the ministry. I shall be pleased to report to the House when we've completed that study.

Mr. Germa: A supplementary: It is quite clear in the Mining Act that the mine manager has total responsibility for safety of workers. Is it the minister's intention to lay criminal charges against International Nickel Company as a result of the death of Mr. Irving on February 16, 1978?

Hon. B. Stephenson: Mr. Speaker, as I said, the entire matter was being investigated by the ministry and when our decisions are made I shall be very pleased to report back to the House; that is a part of the investigation.

FRENCH LANGUAGE SERVICES

Hon. Mr. Brunelle: On March 14 last the hon. member for Welland-Thorold (Mr. Swart) asked me a question about the translation into the French language of the Credit

Unions and Caisses Populaires Act and regulations, whether it had been completed. I am informed that both of these Acts and their regulations are in the process of being translated and should be available in the French language later this year.

In a supplementary question I was asked the schedule for the Education Act, Health and Social Services Act, and translation relating to the driver training program. I am pleased to inform that the Education Act, the General Welfare Assistance Act, the Child Welfare Act and the Developmental Services Act are at present being translated. The Coroners Act, parts of the Highway Safety Act, the Human Rights Code, the Construction Safety Act summary and the Women's Employment Act summary have been translated.

A number of pamphlets concerning driver training have been translated, and in reprinting some of these pamphlets they will be printed in both languages. Other Acts and regulations will be printed in the French language. As an example, 17 Acts administered by the Ministry of Community and Social Services will be printed in the French language as funds become available.

Mr. Swart: I thank the secretary for providing me with a copy of his answer ahead of time; but perhaps he will forgive me if I am a little sceptical about the in-depth study when he, in the letter—

Mr. Speaker: Question.

Mr. Swart: Will he forgive me for being sceptical? I suggest you would understand that that is a question, Mr. Speaker.

An hon. member: You're forgiven, Mel.

Mr. Bradley: You are forgiven now.

Mr. Swart: Will he forgive me for being sceptical when he states that the Credit Unions Act and the Caisses Populaires Act and the regulations are both being translated. Of course, this is in fact only one Act—the Credit Union and Caisse Populaires Act. Would he tell me at this time the schedule for the completion of the other Acts, the General Welfare Assistance Act, the Child Welfare Act and the Developmental Services Act, which he says are being translated now? What is the schedule for the completion of those?

Hon. Mr. Brunelle: The hon. member can appreciate that it takes considerable time to do these things. Those Acts are in the process of being translated. Just in funds alone, for the fiscal year 1976-77, \$216,797 was spent in the translation of various Acts and pamphlets. So those Acts I just mentioned are in the process of being translated. Hope-

fully, some of them will be completed this year.

PROPERTY TAXATION

Mr. Epp: I have a question for the Treasurer. Whereas the alternative property tax system which is at present under discussion relies largely on a shift in the tax burden to vacant, unused land in order to relieve the residential property taxpayer, has the Treasurer calculated how this will affect Ontario's tourist business? Specifically, has the Treasurer studied the impact of his proposed system on resort owners in areas like Muskoka who own unused land for the recreational use of their clients?

Hon. Mr. McKeough: That is a problem which has been brought to our attention very forcibly in the course of discussion over the last six months by the member for Muskoka, my colleague, the Minister of Natural Resources (Mr. F. S. Miller).

It has also been brought to my attention very forcibly and very forthrightly, and in a somewhat surprising way, by the district council for Muskoka, who effectively have said—I paraphrase them—that we are not interested simply in lowering residential taxes by \$1, \$5 or \$10 a year on houses or cottages if it means an enormous boost in taxation on a few manufacturing firms. And there are a few in Muskoka, all of whom, I might say, experienced a rather sharp drop in taxation when the reassessment came in five years ago, or whenever it was. They went away down, and the cottage properties, which some members may be aware of, went up.

However, there could be some shift now to manufacturing in Muskoka particularly, which is of concern to the district council, and there could be some shift to the resort properties, particularly those with large acreages the member has mentioned.

I mentioned in the January 4 statement that we were going to have to do something about this. We have not firmed it up; I am not sure, specifically, whether the committee has addressed that problem, although it is aware of it. They may have a recommendation; if they don't, we will do something similar, I would think, to what we have done with golf clubs, which seems generally acceptable. I can't give a definite answer as to how we would propose to go about it, but it is a concern to us, as I have already said to the member, and very much to the district council.

HIRING OF GRADUATES

Mr. Laughren: I have a question of the Minister of the Treasury, Economics and

Intergovernmental Affairs. I wonder if the minister recalls making a speech to the Conference Board in Canada in which he gave the conference board a provincial perspective on competition policy, and whether he recalls in that speech saying the following: "The most shocking realization is that the largest proportion of the graduates of our institutions of higher learning, and often the best, find their way into public service."

[2:45]

I am wondering if the Treasurer could assure us that he has not been guilty of hiring the best in his ministry; or if he has been hiring the best, how it is that that fits with his policy, as stated in this speech; or if he hasn't done that, perhaps that is his explanation for the quality of budgets we've been receiving in the province of Ontario.

Hon. Mr. McKeough: I do recall that speech, and I have echoed similar sentiments on a number of occasions. It is fashionable, not among members of the member's party obviously, to take note of and complain of the increasing amount of capital resources which are being used or have been used in the last few years, hopefully levelling—and certainly in this province a declining share of GNP has been absorbed by government in the last couple of years; but that, as I say, other than in the member's party, has been a cause for concern. As a matter of fact, even the Premier of Saskatchewan signed a—"piece of garbage" the Leader of the Opposition calls it—

Mr. Laughren: Answer the question.

Hon. Mr. McKeough:—saying that governments should restrain themselves and take less out of the economy than they have been taking. What is sometimes overlooked is that governments, universities, colleges and hospitals have been taking an increasingly large number, or werc, of university graduates, of well-trained people. One wonders how much stronger our industrial strategy totally and our industrial fabric in this country might be, or for that matter even our mining and forestry industries might be, if so many of the best brains and talents, at high salaries, had not gone into various parts of the public service in its total aspect.

Mr. Swart: It sure hasn't slowed up any under your party.

Hon. Mr. McKeough: There has been a great deal of research done, for example at universities, publicly-funded, by very bright people. My own view is that some of that research might have been better done in the

private sector. I wouldn't expect the member to agree with those thoughts.

Ms. Gigantes: Funded by American corporations, no doubt.

Mr. S. Smith: What about the Urban Transportation Development Corporation?

Mr. Laughren: Supplementary: Would the Treasurer agree, first of all that he hasn't answered my question as to whether or not his ministry has attempted to hire the best people in order to give us the best public service in the province of Ontario? Further, regardless of whether he's hired the best people for his ministry or not, would he please cease and desist in his sleazy, dogmatic and sanctimonious attacks on the public sector.

Hon. Mr. McKeough: Mr. Speaker, the quality of the Ontario public service does not have to be defended by me; it is a fine public service.

Mr. Swart: It is being destroyed by you.

Hon. Mr. McKeough: I would only say that again, although I would not expect the member to agree, the quality and stature and standing, of the economists particularly in the Ministry of Treasury, Economics and Intergovernmental Affairs, going back some 10 or 15 years now—

Mr. Cassidy: It is what you do with your advice that is so bad.

Hon. Mr. McKeough: —are among the highest and best in the country. We are continually being raided by other governments, not the least by Saskatchewan.

Mr. Laughren: They're hiring the best.

Hon. Mr. McKeough: Do we hire the best? I can recall on two specific occasions attempting to hire people who either were, or were about to become, financial critics for the New Democratic Party. We slipped on both those occasions.

Mr. Martel: You didn't get the best then.

Mr. Peterson: If you are sure you want to defend MacMillan, go ahead Darcy.

FOOD LAND GUIDELINES

Mr. Riddell: A question of the Minister of Agriculture and Food: Can the minister tell us the status of his food land guidelines, since the deadline for briefs from municipal councils throughout Ontario was December 31? Have the guidelines been redrafted yet based on the comments received?

Hon. W. Newman: We received 96 responses. We did have a request after the end of December, I think it was by the London Chamber of Commerce, to meet

with them after that date, and we did. We did meet with a couple of other groups. We have gone over the guidelines. We have looked at all the comments coming in. I would say that by and large the comments coming on the 96 presentations, the majority of them, basically support the basic guidelines we originally put out.

Mr. Riddell: Supplementary: Can the minister give us a final date when these guidelines are to take effect and how are the guidelines to be implemented?

Hon. W. Newman: The final date will be determined at the appropriate time and—

Mr. Makarchuk: In the fullness of time.

Hon. W. Newman: We are still discussing. We have had several meetings with them now. I can't give you a firm date, but as soon as possible.

WASTE DISPOSAL

Mr. Deans: Mr. Speaker, I have a question of the Minister of the Environment. Would the minister obtain for his ministry the results of all the investigations conducted into the dumping of liquid industrial waste at the Upper Ottawa Street dump in the city of Hamilton? Would he pay particular attention to the statement that there is no cause for alarm with regard to the levels of pollution in the Red Hill Creek which flows immediately adjacent to the dump? Would he bear in mind that the creek runs through a recreation area, and at the moment, because of the speed with which it flows, much of the effluent is travelling so rapidly that it is very difficult to pick up? Finally, would he prepare for the House a statement with regard to how it could be that there were three carriers banned from dumping liquid industrial waste at the dump when about four or five months ago when I asked the same basic question I was assured the waste which was being dumped at the dump was safe, and guaranteed not to be causing pollution?

Hon. Mr. McCague: Yes, Mr. Speaker.

Mr. Hall: Mister "vague."

CLOSURE OF HILLTOP ACRES

Hon. Mr. Norton: Mr. Speaker, I have the answer to a question asked previously by the hon. member for Bellwoods (Mr. McClellan). I was prepared to respond prior to the adjournment of the House for the Easter break but unfortunately the time I was ready happened to be on a day when the hon. member and I were not in the House at the same time.

The question related to the closing of Hilltop Acres, a Metropolitan Toronto home for the aged. As I stated at the time in a very brief response, and prior to the hon. member's supplementary question, I had met with the Metropolitan Toronto council members and officials on November 18 and agreed to assist Metro in providing for alternative accommodation and relocation of those residents should they desire to close Hilltop.

I also stated that while it was never, certainly, the policy of my ministry, as expressed by or agreed to by me, to encourage the closing, except perhaps in so far as the question of safety was involved, I would inquire as to the staff level contacts with Metro staff.

Clearly with respect to both short-term and long-term planning for facilities and services across the province there would be discussions between members of my staff and the staffs of various municipalities and agencies operating such facilities, and providing such services.

Some years ago when the replacement planning was on the way for the Christie Street properties and the old Lambert Lodge being phased out, and the new Castleview-Wychwood Towers was being planned, there were recurring references to neighbouring Hilltop Acres. The distance between the two homes, as the hon. member for Bellwoods knows very well, is quite short, running east-west along Davenport Road.

At that time, and again on subsequent occasions, the deficiencies of Hilltop Acres with respect to program were discussed. But we had not received through Metropolitan Toronto the comments of the building commissioner and the fire chief at that time.

Early in 1977 discussions between the director of the senior citizens branch and the office on aging and the Metro department of social services' director of institutional services referred to several long-range plans involving the eight Metropolitan Toronto homes for the aged under the Homes for the Aged and Rest Homes Act. Utilization patterns were discussed, and a co-ordination of service delivery with the charitable homes for the aged, nursing homes, chronic care, hospitals, senior citizens, housing under the Ontario Housing Corporation, and the Metropolitan Toronto housing authority and community support services.

Again, Hilltop Acres was identified at that time as having certain deficiencies with respect to the total spectrum of care. My understanding is that several options for the use of the property were discussed, including the annex, which is a separate building connected by tunnel to be an administrative

office for Metro staff in the institutional division, handling assessment and placement in their preventive care program. Another was the retention of certain cottage units on a trial basis for married couples or unrelated groups of elderly people wishing to attempt semi-independent living on the site.

None of these discussions was formally presented either within the ministry or to Metro council. They were simply the basis of staff concerns and options. It is perhaps unfortunate that the news of the closure became public before there was sufficient opportunity for consultation with the residents' council. However, in spite of the difficulties which have been created by the intervention in this decision, which I will deal with very briefly, by both municipal councils involved, attempts were made then to work with the residents' council, the individual residents and their families and the staffs of the homes.

My ministry, through the senior citizens branch and the Metro Toronto district office, as well as the Metro region of the Ontario Association of Homes for the Aged, is planning a workshop on relocation on April 4 with all of the homes in this area being involved. I would note that with the advanced knowledge of the residents of Strachan Houses and the Church Home for the Aged, both will be closing and relocating in the St. Paul's L'Amoreaux complex in Agincourt. The charitable homes for the aged and other facilities in Metro will be asked to assist should any residents of Hilltop choose to apply for admission to one of their homes where there are suitable vacancies. The director in my ministry who is concerned with this has asked that all red tape and paper work be minimized to effect such transfers for the benefit of the Hilltop Acres residents.

The decisions regarding the closure of Metro's Hilltop Acres were made by the Metropolitan Toronto council in a vote of 22 to 13. Then, more recently, the matter was considered by the city of Toronto council and the closing was endorsed by a vote of 12 to 9. I did indicate to the hon. member that to the best of my knowledge my agreement was not necessary for the closure of Hilltop Acres.

Technically, under subsection 2 of section 12 of the Homes for the Aged and Rest Homes Act, there shall be no change in site and no sale or disposal of any part thereof and no alteration to or in any building or to the grounds of the home without my approval. In light of the information which I have and had at that time, we have from the various authorities the decisions of the two mu-

nicipal councils. I would not normally withhold my approval under those circumstances when formal requests are submitted by the council of the municipalities that are involved.

Mr. Speaker: Due to the lengthy nature of that statement, I think it would have been more appropriately put under ministerial statements than as an answer to a former question. I am going to add five minutes to the question period.

Mr. McClellan: I thought it was a very simple question. The minister could have answered that question yes or no.

ST. CATHARINES COURT FACILITIES

Mr. Bradley: My question is for the Minister of Government Services. In light of the fact that the Ontario Supreme Court began its spring session in St. Catharines **Tuesday in the well-known** atrocious conditions that exist at the old Lincoln county courthouse, which included the herding of more than 20 lawyers and court officers into a 20-foot-square room to discuss two criminal, 13 civil and 19 non-jury cases—

Mr. Makarchuk: That's more like a horror room.

Mr. Lewis: You can't herd lawyers.

Mr. Bradley: —that's just as an example—is the minister in a position to announce a precise timetable for the commencement of construction of a new courthouse?

Mr. Conway: The legacy of Bob Welch.

Hon. Mr. Henderson: I am sure the member is quite aware the property has been acquired. Plans are well under way. To give him the precise date at this time is not possible.

Mr. Martel: What are you going to do about the Sudbury one?

Mr. Bradley: Supplementary: In view of the alleged 12 per cent unemployment rate in St. Catharines, would the minister be prepared to authorize this project as a top priority for 1978 and thereby provide a much-needed boost to the Niagara Peninsula construction industry?

Hon. Mr. Henderson: I got the same lecture yesterday from the government House leader (Mr. Welch) telling me that I had to do this and do that to help employment in that area.

Mr. S. Smith: A split in the cabinet.

Hon. Mr. Henderson: I can assure the member we are giving every consideration to any project that will help the employment situation.

Mr. Peterson: Lean on him.

Mr. Martel: What about the courthouse in Sudbury? The minister should build that one too.

Mr. S. Smith: The government House leader should pick on someone his own size. [3:00]

WELLAND CANAL BRIDGES

Mr. Swart: My question is to the Minister of Transportation and Communications. In view of the joint decision between him and the federal Minister of Transport to proceed with the construction of a new bridge across the Welland Canal in Port Colborne, which was just recently announced, would the minister not recognize that the reason stated for proceeding with the construction of that interruptible bridge crossing negates all the arguments which have been used by the Hon. Otto Lang and several local Liberals, including the MP for Welland, against replacing the Port Robinson bridge? They say they're going to tear down all of the bridges including the bridge which was knocked down by a freighter in August 1974, and replace them with tunnels.

Mr. Mancini: Ask the question.

Mr. Swart: In view of that decision to build that bridge in Port Colborne, which negates those reasons, would the minister now get in touch with the Hon. Otto Lang and urge him to proceed with the reconstruction of the bridge in Port Robinson?

Hon. Mr. Snow: I think the bridge at Port Robinson is somewhat different from the proposed bridge at Port Colborne. We have been working with the municipal council of the city of Port Colborne and the council of the region of Niagara to improve the crossing situation at Port Colborne, which is partially a provincial responsibility and partially a federal responsibility. It would now appear that after about two years of negotiations and meetings we have come to a conclusion on an interim solution at least for that situation.

The Port Robinson bridge, as I recall, was removed by a collision with a ship, which is within the operating authority totally of the federal government and the St. Lawrence Seaway. I would be pleased to advise Mr. Lang again, as he I'm sure is well aware, that the community there would like to have that bridge replaced, but it is not my responsibility to replace it.

Mr. Swart: Supplementary: In answer to his responsibility, would the minister not recall that on March 15, 1976, according to

Hansard, when I raised the question of the Port Robinson bridge with him and asked him then to contact the Minister of Transport—and I'll use the exact words: "I would ask that you take this up with the federal Minister of Transport and ask him to consider the replacement of that bridge"—the minister replied to me: "I can't disagree with your viewpoint. I think I'll repeat your words verbatim or maybe send a copy of Hansard to my federal counterpart and see what he has to say."

In view of that opinion at that time, does the minister not now think it would be appropriate that he approach the federal minister and again ask him—

An hon. member: Time.

Mr. Swart: —that that bridge be replaced and express his view that he is willing to have that in lieu of the tunnel?

Hon. Mr. Snow: Mr. Speaker, I talk to Mr. Lang quite frequently on a great many different subjects and make a great many requests and proposals to him. I'll be glad to add this to the list again.

MERCURY POLLUTION

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of the Environment: Is the minister aware of a report published in our local Niagara Falls papers and subsequently in the Globe and Mail of the Olin Corporation of Niagara Falls, New York, dumping into the Niagara River between the years 1970 and 1977 some 38 tons of mercury?

Hon. Mr. McCague: Yes.

Mr. Kerrio: Supplementary: In view of the hazard that this poses to the people in the area, I wonder if the minister would share with this House if he has any liaison at all with the authorities on the other side as to these hazardous conditions so that he would make himself aware of the dangers and what he might propose to make this known to the public along the waterway?

Hon. Mr. McCague: Mr. Speaker, I have asked that the matter be looked into and I will report to the member.

FARM EQUIPMENT SHOW

Mr. Makarchuk: A question to the Minister of Industry and Tourism: In view of the fact that the Chinese government has indicated that it will be holding a farm equipment trade fair in October, can the minister indicate what initiatives have been taken or will be taken by his government to ensure that Ontario participates, in order

that we may get our fair share of possible farm equipment orders?

Hon. Mr. Rhodes: Mr. Speaker, I wasn't aware that the Chinese government was coming over. I don't have direct contact with them. But certainly, if there's a trade show around where we might be able to sell some farm implements, we'll be there.

An hon. member: Right on top of things.

Mr. Lewis: Given Frank Miller and Cuba, you should set up relations with China.

Mr. Makarchuk: I don't expect the minister to read the Peking Review, but I hope he reads the Globe and Mail; the item was carried in the Globe and Mail.

Can he assure this House that he will take definite action to make sure Canadian farm implement manufacturers have an opportunity or perhaps are directed to participate in that trade fair and, in view of the fact that the federal people's track record in automobiles or the Alaska pipeline is pretty bad, that perhaps he will take the responsibility to ensure we get to that show?

Mr. Deans: Show some initiative.

Hon. W. Newman: The member has never been to a farm machinery show in his life. He wouldn't know what was going on.

Hon. B. Stephenson: Has he ever been to Canton?

Hon. Mr. Rhodes: I can assure the hon. member that if there is a trade show in which we feel there is an opportunity for Canadian manufacturers to sell products, we will be there. We will not go quite as far as the hon. member might, and direct the people in the private sector to go to these shows, but we will certainly suggest they should go; and I think they will go on their own.

Mr. Deans: Of course not; heaven forbid.

Mr. McClellan: Let them lay off another 1,000 men.

Mr. MacDonald: The minister's colleague Bob Macaulay used to tell them to get off their butts and promote.

Mr. Deans: Look where Bob Macaulay is today.

IMMIGRATION

Mr. Mancini: Mr. Speaker, I have a question of the Deputy Premier. In view of the new federal legislation passed in July 1977, which allows consultations with the provinces over the matter of immigration, and in the light of the fact that the provinces of Nova Scotia, Quebec and Saskatchewan have signed agreements with the federal

government as of February 21, 1978, can the Deputy Premier inform the House what position his cabinet has taken on this particular issue? Can he inform the House of what specific proposals his cabinet has put before the federal government?

Hon. Mr. Welch: Mr. Speaker, that question should be referred to the Provincial Secretary for Social Development.

Mr. Mancini: Mr. Speaker, we asked a question similar to this of that particular minister and we did not get a satisfactory answer; that's why we're directing it to the Deputy Premier.

Hon. Mrs. Birch: Is the member prepared to have my answer?

Hon. Mr. Welch: Is the hon. member prepared to have the answer of my cabinet colleague now?

Mr. Mancini: Yes.

Hon. Mrs. Birch: Mr. Speaker, the answer may not have been satisfactory but at the time I was asked that was the only information that was available. I'm quite prepared to table a letter that was sent to Mr. Cullen.

WORKMEN'S COMPENSATION

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Labour. In view of the announcement by the Unemployment Insurance Commission that they will be loosening their requirements for UIC people to look for jobs, would the Minister of Labour be willing to bring about the same policy change for people on workmen's compensation benefits?

Hon. B. Stephenson: Mr. Speaker, that portion of the present Workmen's Compensation Act which provides for assistance for vocational rehabilitation does direct some guidelines to the vocational rehabilitation officers.

I would remind the hon. member that the relaxation is not universal, I gather, as far as UIC is concerned. It depends upon the levels of unemployment in the various areas.

I would be very willing to consider that seriously.

Mr. Cooke: When the minister is looking at this proposal, would she take into consideration cities like Windsor, where there is 11.9 per cent unemployment, and cities like St. Catharines, where there is 12 per cent unemployment? At present, her guidelines require WCB recipients to look for three jobs per day, or make 15 applications per week. How can she possibly justify this and will she take immediate action?

Hon. B. Stephenson: I informed the hon. member that I would be willing to consider it, yes.

SEAWAY TOLLS

Mr. Peterson: I have a question of the Minister of Transportation and Communications. Could he inform this House as to what studies he has done on the impact for local industry of the seaway tolls? Can he tell us what the position of his government is and what negotiations he has had with the federal government on this issue?

Hon. Mr. Snow: Mr. Speaker, my ministry did carry out some studies and prepared a report. I would be glad to send the hon. member a copy of that report. There is no problem there.

We have had discussions certainly with the federal government. We have made known our concerns with the impact that increased seaway tolls might very well have on a number of major Ontario industries and we have opposed the increase in the tolls by the St. Lawrence Seaway Authority.

Mr. Peterson: What the minister is saying then is the Ontario position is that the government is opposed to any increase in the seaway tolls? Is that correct?

Hon. Mr. Snow: It's exactly what I said.

REXDALE H.O.M.E. PROJECT

Mr. Philip: To the Minister of Housing concerning the Home Ownership Made Difficult project at the corner of Finch and Silverstone Drive in Rexdale. Is the minister aware that, in spite of a letter to me of September 22, 1977, from John Guthrie stating that work on the sodding and the terrible state of the properties would be commenced almost immediately, HUDAC is now saying that it would rather have a cash settlement with the owners of those properties rather than see to it that the properties are fixed up? Would the minister intervene to see that these people get what they paid for and have the properties put into a reasonable state?

Hon. Mr. Bennett: I will be glad to take that as notice of a question and have it reviewed.

Mr. Philip: One final supplementary—

Mr. Speaker: He will review it.

LEGISLATIVE BUILDING

Mrs. Campbell: Mr. Speaker, my question is to the Minister of Government Services. In view of the fact that I have had a series of questions on the order paper since March 15, and in view of the fact that the answer

is that we cannot have an answer within 14 calendar days, could I ask the Minister of Government Services what is so complicated about answering the question, "Has Professor Eric Arthur prepared any reports dealing with the legislative building and, if so, do such reports contain references to areas under the control of Mr. Speaker, particularly the chamber, the grand staircase, hallways or other common areas?"

What is the complexity in answering the question, "Will the minister table such reports?"

Why does it take this minister over 14 days for such complex questions and can he not answer whether he has familiarized himself with the provisions of sections 93 and 94 of the Legislative Assembly Act? I would like to state, Mr. Speaker, that in my view this kind of an answer is a contempt of this House. Will the minister now answer?

Interjections.

Hon. Mr. Drea: Come on, come on.

Hon. Mr. Grossman: You'd better resign.

An hon. member: He can't read English.

An hon. member: He's going to love her to death.

Hon. Mr. Henderson: Thank you, Mr. Speaker.

Mr. McClellan: It wasn't a compliment, I should say.

Hon. Mr. Henderson: I would have to apologize to the hon. member. I felt I had signed an answer to this question on Tuesday morning. Now it apparently hasn't got through the process to be here—

Mr. Lewis: Typical of the House leader.

Hon. Mr. Henderson:—but in order to assist the hon. member, who inquires in her question, "Has Professor Eric Arthur prepared any reports dealing . . .?" in answer to that particular part, in order to clear that, there are two letters from the professor on file. One refers to a window, the other one refers to one particular picture out in the corridors.

Mr. Lewis: A picture window.

An hon. member: Don't get them confused.

Hon. Mr. Henderson: Those are the only reports we have had from the professor—

Mr. Lewis: That's Eric Arthur for you. He is always on the ball.

Mr. Reid: How much did that cost?

Hon. Mr. Henderson:—so there is nothing hidden. In fact, Mr. Speaker, I attached both of these letters to the answer to the question.

What other parts of the member's question remain?

Hon. B. Stephenson: I think that is probably enough.

Hon. Mr. Henderson: What other questions did the hon. member ask?

Mr. S. Smith: Bette says it is enough. How much did it cost to get that window put in?

Mrs. Campbell: Could I be advised how much those two letters cost us?

An hon. member: That's a supplementary.

Hon. Mr. Henderson: The retainer fee for the professor is \$1,500 a year.

[3:15]

Mrs. Campbell: A year?

Mr. Lewis: He does one picture window a year for \$1,500. We will do it for half the price.

WORKMEN'S COMPENSATION

Mr. di Santo: I have a question of the Minister of Labour. Now that the Unemployment Insurance office has dropped the requirement for job search in order to qualify for benefits, would the minister direct the Workmen's Compensation Board to drop the requirement for job search in order to qualify for the supplement on the basis of section 42(5) of the Act? As the minister knows it is a farce, it is stupid, and it is humiliating for the worker.

Hon. B. Stephenson: Mr. Speaker, I would ask the hon. leader of the third party to make sure that his caucus get their act together. That absolutely identical question was posed by the hon. member's colleague from Windsor-Riverside not five minutes ago. I did respond by saying I would take it under consideration immediately. I am sorry the hon. member was not in the House to hear either the question or the answer.

APPRENTICESHIP PROGRAM

Mr. Haggerty: I would like to direct a question to the Minister of Colleges and Universities. Further to the recent announcement of the Canada Employment and Immigration Commission and the Ministry of Colleges and Universities indicating that the federal government will spend a minimum of \$272 million over the next three years—

Mr. Speaker: Can we have some order in the House? I can't even hear the question.

Mr. Haggerty:—and will spend \$102 million during the fiscal year 1978-79, can the minister assure the members that the funding of this program will be utilized to its fullest potential for job creation oppor-

tunities for Ontario's young adults? Also, is the minister considering introducing a new apprenticeship program—for example, on-the-job training—to meet Ontario's shortage of skilled tradesmen and to reduce the number of imported tradesmen and technicians?

Hon. Mr. Parrott: Yes and yes. There is no doubt that we will be making some announcements on the apprenticeship program and skill training program in the near future—hopefully in the month of May. We feel that the additional funds this year will go a long way towards helping us in those programs. It's about an \$18 million increase of federal funds.

I think I should add, for the member's benefit, that the federal government have always felt Ontario led the way in the utilization of these funds for the benefit of their citizens.

Mr. Cassidy: Supplementary: In view of the failure of so many companies in the province to provide apprenticeships for workmen and working women on their plant floors, is the government now prepared to insist that companies open up apprenticeships, rather than expecting that someone else will do the job?

Mr. S. Smith: Why don't you have a talk with the unions so they'll co-operate?

Mr. Martel: Let the unions do it—you're dumber than I thought you were.

Mr. Speaker: Have you answered?

Hon. Mr. Parrott: I think there is very little I can add to what I said the other day to the hon. leader of the third party. Those determinations are in the process of being made, and a full program will be announced in May.

It is rather interesting that in the last two or three months the leader seems to have found that this is a new world, and is proposing all these ideas. We've been working on it for well over a year and a half now, and I am surprised that he has only twigged on to it in the last two or three months.

Mr. Cassidy: You have been in office for 34 years.

REPORTS

STANDING PROCEDURAL AFFAIRS COMMITTEE

Mr. Breugh from the standing procedural affairs committee presented the committee's report which was read as follows and adopted:

Your committee has carefully examined the following applications for private Acts and

finds the notices, as published in each case, sufficient:

John A. Schmalz Agencies Limited;
Hare Transport Limited;
A. C. McIntyre Motors Limited;
Beaver Construction (Ontario) Limited;
White Queen Limited;
Salsberg's Smoke and Gift Shop Limited;
MacLellan Construction Limited;
Loubill Hobbies and Sports Limited;
Congregation Beth Am;
Crossroads Christian Communications Incorporated;
City of Cornwall;
City of Hamilton;
Borough of Scarborough;
William Hall Peterborough Protestant Poor Trust.

Mr. Breugh: Mr. Speaker, I wonder if I might just take this opportunity to inform the House that, particularly in the light of the Treasurer's remarks about the work of this committee on Tuesday afternoon last, I informed the committee this morning, and the House leaders and the whips, in particular the Conservative House leader and whip, who had no members present this morning, that this committee will no longer conduct any business unless I can count five warm and appropriate bodies.

SELECT COMMITTEE ON ONTARIO HYDRO AFFAIRS

Mr. MacDonald presented a report on proposed uranium contracts from the select committee on Ontario Hydro affairs, dated March 12, 1978.

Mr. MacDonald: Copies of this report are immediately available to the press and will be distributed in the normal course to the members.

INTRODUCTION OF BILLS

COMMODITY BOARDS AND MARKETING AGENCIES ACT

Hon. W. Newman moved first reading of Bill 48, An Act respecting Commodity Boards and Marketing Agencies.

Motion agreed to.

Hon. W. Newman: Mr. Speaker, the reason for introducing this bill is the result of a recent Supreme Court of Canada decision reversing a number of its own decisions going back to 1933. It has ruled that the federal government cannot authorize the collection of levies on products marketed within a province. Thus, we have brought forward this legislation to deal with this matter in order to clear it up.

MUNICIPAL AMENDMENT ACT

Hon. Mr. McMurtry moved first reading of Bill 49, An Act to amend the Municipal Act.

Motion agreed to.

Hon. Mr. McMurtry: Mr. Speaker, this bill is identical to the bill that was introduced towards the end of the last session, the purpose of which is to confer power on all municipalities to pass bylaws licensing, regulating and governing adult entertainment parlours.

LANDLORD AND TENANT
AMENDMENT ACT

Hon. Mr. McMurtry moved first reading of Bill 50, An Act to amend the Landlord and Tenant Act.

Motion agreed to.

Hon. Mr. McMurtry: Mr. Speaker, this bill is complementary to the bill that I just introduced, entitled the Municipal Amendment Act.

PRIVATE BILLS

Mr. Speaker: I understand there are about 14 private bills for introduction today. Would it be agreeable that members wishing to introduce such bills send them to the table and they will have been deemed to have been read the first time? Agreed?

Mr. Renwick: No, Mr. Speaker. On behalf of our party, I don't think we can agree to that. It is important that the statement of intent of the bill be on the record.

Mr. Speaker: There is no statement of intent associated with a private bill.

Motion agreed to.

(See appendix, page 1027.)

OCCUPIERS' LIABILITY ACT

Mr. Lawlor moved first reading of Bill 51, An Act respecting Occupiers' Liability.

Motion agreed to.

Mr. Lawlor: The explanatory note is that the bill replaces the common law as to an occupier's duty and care, replacing the common-law distinctions between duties to invitees, licensees, trespassers and child trespassers with one common duty of care applied to the circumstances of each case.

The bill is in the form recommended by the uniform law conference of Canada.

CLASS ACTIONS ACT

Mr. Lawlor moved first reading of Bill 52, An Act to provide for Class Actions.

Motion agreed to.

Mr. Laughren: Long overdue.

Mr. Lawlor: The purpose of this bill is to provide a statutory procedure whereby one or more persons may sue a defendant in the form of a class action. The bill is designed to achieve this purpose by permitting a person who wishes to sue on behalf of a class to apply for a court order authorizing the class action. Once the order is obtained the action proceeds as a class action and the final judgement binds all members of the class except those who have been excluded, as well as the parties to the action.

FREEDOM OF INFORMATION ACT

Mr. Lawlor moved first reading of Bill 53, An Act to provide for Freedom of Information.

Motion agreed to.

Mr. Lawlor: The purpose of this bill is to provide members of the public with access to government information. The bill is designed to allow maximum accessibility to government documents while at the same time recognizing that it is in the public interest that certain types of information not be disclosed.

Where a disagreement arises as to whether or not certain information should be disclosed, the bill provides a mechanism for resolving the dispute.

[3:30]

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Mr. Speaker, before orders of the day, may I take this opportunity to indicate the order of business for the balance of this week and next week. The Chief Justice of the Supreme Court in his capacity as administrator will be in the House shortly before 6 this afternoon to give royal assent to five bills standing on the order paper awaiting royal assent.

This afternoon we take Bills 40 and 32 into discussion as private members' public business. This evening we hope to complete Bill 30, Bill 5 and Bill 6 standing on the order paper. Any remaining time this evening will be turned over to debate on the first order. Tomorrow morning we will take into discussion the resolution standing in the name of the Minister of Consumer and Commercial Relations (Mr. Grossman), being government motion 11.

Next week on Monday afternoon, being April 3, the House will be in committee of supply to commence consideration of the estimates of the Ministry of Government Services.

On Tuesday afternoon of next week the House will debate private members' motion No. 5 standing in the name of the member for Ottawa Centre (Mr. Cassidy). In the evening we will turn to legislation and consider these bills, hopefully in this order, Bills 7, 8, 9, 11, 31, 24, 26, and 28. If any time remains, we could go back to the first order.

On Wednesday the House does not meet in the chamber.

On Thursday afternoon two ballot items will be considered by the House, No. 7, a resolution standing in the name of Mr. McNeil, and Bill 45 standing in the name of Mr. Blundy. That evening, April 6, we will devote to the first order, the budget debate.

On Friday morning the House will meet in committee of supply to continue consideration of the estimates of the Ministry of Government Services.

It is also customary at this time to indicate the committee meetings, particularly those on Wednesday morning. It has been agreed that the standing committee on general government and the standing committee on resources development will meet next Wednesday morning and the standing committee on justice may meet if required. It is my understanding too that the standing committee on social development will meet on Monday and Tuesday afternoons to continue the consideration of the estimates of the Ministry of Culture and Recreation. On Wednesday afternoon they will commence their consideration of the report of the Ministry of Health as agreed.

The estimates of the Ministry of the Environment will continue in the standing committee on resources development which next week meets on Tuesday evening, Wednesday morning and Thursday evening, as well as this evening. If there are any questions I would be glad to respond to them. I think I have covered all the matters that are necessary for information for next week.

Mrs. Campbell: Mr. Speaker, I have a question. It's perhaps a point of clarification. In view of the fact that the committees as spelled out have rather mandatory times for meeting, could we have from the government House leader some expression of his position as to other interventions which can preclude those committees sitting on a Thursday morning from being able to function? Is the House leader as bound, as the committees are, in calling other meetings which conflict with those committees and really completely destroy their effectiveness?

Hon. Mr. Welch: Mr. Speaker, I'm glad the hon. member has raised this question. A great deal of time was spent attempting to allocate time for the meetings of committees, and there was some care taken to hopefully avoid the very point to which the hon. member makes reference. It was regrettable this morning, I think, that the government caucus had to meet and, therefore, it took away that membership from all these particular committees, and certainly I think that should be avoided in the future.

I do accept the comments of the hon. member for Oshawa (Mr. Breaugh) on that subject as well. It was certainly agreed that Thursday morning would be set aside for the four smaller committees, and I would agree that we should attempt to make it possible for them to meet and to avoid these conflicts. I will, indeed, take that up with our whip.

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS

EQUAL OPPORTUNITY ACT

Mrs. Campbell moved second reading of Bill 40, An Act to provide for the Economic Equality of the Sexes.

Mrs. Campbell: Mr. Speaker, I would ask that I might reserve five minutes of my time to conclude.

The Act in question is one which I have introduced in order to complement the family law packages which have come before us in some sense, and the philosophy of those packages, because one of the things that we have done in reaching our deliberations on this subject is to say to women generally, "We would like you to take responsibility for your own welfare," having in mind, of course, always the particular circumstances of each case. It's rather a proud moment for me to say that I think the women of the province of Ontario have accepted, generally speaking, that position, that they ought to take responsibility, always, of course, having the opportunity to do so and certainly having the opportunity for retraining and other matters where they have been out of the work force.

We now come to the point where there has to be some recognition of the realities of the situation. The reason I feel this is an important bill is, if I may review the activities of the government, particularly during International Women's Year, when we were all so involved in trying to find equality for women, we dealt with the Child Welfare Act and we wanted to ensure equality. What

we did, of course, was to bring in an amendment to that legislation, an amendment which perhaps was not even necessary, but in order to make it completely unambiguous that both spouses had responsibility for support and maintenance of children.

We wanted to be sure that women played their equal role, and they should. We don't quarrel with it. But at the same time in that bill, showing the philosophy of government, we retained that section which said, of course, notwithstanding that a woman must take responsibility for support and maintenance, only the father's religion governs the religion of the child. So we stumbled through that kind of equality in International Women's Year.

Then, of course, we were dealing earlier with the matter of the employment standards legislation and there we also wanted to ensure that we gave equality to women. The philosophy of government was one which most of us embraced. "Ah, now at last equality of opportunity, equality in the work force." Of course, there was a little teensy-weensy kind of amendment which meant nothing, but what we did to make women more equal was to ensure that they could no longer have the protection of a cab home at night when they worked the graveyard shift. And this was at a time of increasing sexual violence in our cities, and at a time when, perhaps, it was unfair of women to ask for something special. Perhaps the time is coming when we must ensure this kind of protection for everyone since we don't seem to be able to curb violence in our society.

So, perhaps those in this House can understand why, having taken these forward-looking steps under the family law legislation, I felt that perhaps on this occasion we had better put a little bit of teeth into it for once.

All this bill really does, in essence, is to say: "All right government, you have conceded that women are equal. You have a human rights code." But, you know, somehow or other, women don't fare all that well in the human rights code. It seems very difficult to establish a prima facie case. So what we're saying is: "All right, you as the government have shown to women your deep desire to give them equality." Now there has been, unfairly perhaps on the women's side, a little scepticism about what you're getting at; but to clear up any such scepticism and quite apart from any of this positive action stuff that we've heard about but which doesn't seem to go anywhere, we now say: "Look, the government does a great deal of public business. And they do business with a great many companies, so the government

ought to take responsibility to ensure that when they do business with corporations, they do business with corporations that do not discriminate."

I'm perfectly certain they're very careful about doing business with people who don't enter into any unfortunate labour practices; and I see no difference in this one to protect women, so that those who are going to take responsibility have a very real opportunity to do so. It gives the right to a person who feels that there is discrimination by reason of sex—and that is all that we're talking about in this bill—to apply to the judge of the supreme court; and the power is there in that learned gentleman—or, hopefully, more and more a lady—to enjoin the government and to ensure that no moneys are paid to any such body which is discriminating, as the judge would have to find; and the money would be withheld until such time as that discrimination ceased. That, really, is all that is involved in this very simple bill.

I know the government House leader recognizes its simplicity, and its clarity, and I'm sure, Mr. Speaker, if he would be speaking for the government itself, he would certainly support this positive action to ensure economic equality of the sexes.

[3:45]

Ms. Bryden: Ever since the private bills were to some extent raised in importance by the addition of this Thursday session on them, we seem to be getting private members' bills that are becoming more and more what one might call grandstanding bills. I really think this particular bill takes the prize for that because of the title. I think there's sheer bravado in suggesting that a 1 1/4 page bill with three clauses can, and I quote the title, be An Act to provide for the Economic Equality of the Sexes.

You cannot provide such a thing without a bill that would be pages and pages long, Mr. Speaker. We have just brought in a 35 or 40-page family law reform bill which did not provide for economic equality of the sexes but only took a very tentative step in that direction. We would need a bill which would cover the provision of equal pay for work of equal value. This bill does not even touch that area since it applies only to discrimination under the human rights code—

Mrs. Campbell: The unions didn't want it either.

Ms. Bryden: —whereas the equal pay provisions are under the Employment Standards Act. Mr. Speaker, you would need a bill which would abolish sex stereotyping, which would eliminate the sex bias in the schools, in

the media and in textbooks. You would need a bill which would open up all occupations on an equal basis to the sexes, and which would open up educational opportunities, apprenticeships and so on.

The introducer of the bill said that this is a very simple bill. I say it is a very simplistic bill, because all it offers is one single avenue for enforcing the human rights code with regard to discrimination in employment on the basis of sex. What is that one simplistic answer? It is to say to people go to court.

Thousands of women sent in briefs stating that going to court was not the answer on family law reform because they know that going to court costs money. It causes great delays. It inhibits very many people who do not think they have the money and who may have trouble getting legal aid. Going to court bypasses all the conciliation procedures that are in the present human rights code, the investigative procedures that precede the hearings. In effect it is not an effective way of enforcing this kind of legislation.

The hon. member for St. George seems to have great faith in the courts. She doesn't seem to have observed that some judges in their own attitudes still discriminate against women and that we in the past have not received equality of economic equality through the courts.

Mrs. Campbell: Read Hansard.

Mr. Kerrio: Clear the courts.

Ms. Bryden: Therefore, I don't think we can consider this is a bill to achieve economic equality of the sexes.

Mrs. Campbell: So you are voting against it?

Ms. Bryden: It should perhaps be renamed. It could be renamed An Act to provide a Supplementary Means of Enforcing the Human Rights Code with regard to Employment. If it was renamed in that sense and if there were a number of changes brought in in committee, then perhaps we could support it because we are all in favour of finding new methods of making the human rights code and the Employment Standards Act work. In fact, it is rather a crying shame that under the Employment Standards Act only 38 cases were brought up last year complaining about lack of equal pay and only nine cases were won and payments were made by employers. We do need some action to enforce both the Employment Standards Act and the human rights code.

In the United States, under the Equal Opportunity Commission, they do provide that

any company receiving government contracts must have an affirmative action program for preventing discrimination both against women and other minority groups. That seems to me much more effective than simply cutting off their funds. If the contractor does not implement the affirmative action program, then he is cut off future contracts. That is the method of enforcement, rather than going through the courts.

There are other things which would have to be added to this bill to make it satisfactory. In the first place, I think it needs a great deal of clarification. It says that "any person, corporation, or undertaking that receives public funds would be liable to be taken to court"; and if discrimination could be proved, their funds would be cut off. It doesn't specify whether we are talking about payments in the right of the government of Canada or the government of Ontario, or a municipal government; whether it would cover the TTC; whether it would cover anybody who receives a provincial tax credit. Anyone who receives \$10 from the government in any form would perhaps be liable under this.

And it doesn't provide for any remedy, except the cutting off of the funds. The complainant receives no compensation, no redress; except that presumably the discrimination would have to be ended before the funds could be restored. But are you going to cut off the entire grants to the city of Toronto because one person is able to prove a case of discrimination against him? It seems to me that it is completely unworkable in its present state.

I think it would be much more sensible to follow the US practice and make it apply, at the beginning anyway, to government contracts over a certain amount—in the US \$10,000 is the lower limit, and to make the procedures under the human rights code the first step, that is investigation and conciliation. I think it would be important to extend it to the Employment Standards Act; but first of all to amend the Employment Standards Act so that the equal pay clause reads as it does in the federal human rights Act: "Equal pay for work of equal value."

Mrs. Campbell: You would have to get the Steelworkers behind you on that one.

Ms. Bryden: I think it should include a provision for class actions, which are not allowed at present.

These are the sorts of amendments that I would hope to see put in at any committee stage on this bill before I could vote for it on third reading. I think we have before us a bill which does not do what the title pro-

poses, but is simply a rather ineffective method of improving the enforcement of the human rights code, and leaves a great deal to be desired.

Mr. Jones: I listened with interest to the mover of the bill, the member for St. George and I respect her philosophy which she described as being her motivations for presenting the bill.

On comparing the provisions of the hon. member's bill with the Ontario Human Rights Code, it is, however, clear to me that the code now prohibits discrimination against women, among other groups, by all employers within Ontario's jurisdiction; and this of course includes the Crown. The code has very broad application and covers all employers, those who receive public funds and those who do not.

I had occasion personally to be involved in a case recently in my area of Peel where it involved a woman—the member may be familiar with it, it was a large auto manufacturer—and this woman did feel she had suffered an act of discrimination. It was dealt with by the human rights commission, and I must say they were very prompt. They responded to me the same day and made an immediate investigation with a positive result in favour of the woman.

I do have some problems with a couple of the sections. I notice that the member has retained some minutes of her time, maybe she will be answering them for me. I notice that this bill doesn't define public funds. I have no basis to determine whether or not sex discrimination is more widespread among employers who receive public funds, or with employers who do not receive such funds.

Also, the bill seems to propose differential enforcement for publicly-funded employers. Therefore, I question whether its provisions would not place these employers in an unfair or irresponsible sort of circumstances.

So it would seem that the bill is hinting at some form of contract compliance. If I'm correct in that, it should be well known by now that the Ontario Human Rights Commission has recommended a contract compliance provision in its report on human rights in Ontario. The Ministry of Labour is now studying this set of recommendations with a view to determining whether the human right code or the Employment Standards Act is the more appropriate statute with which to address the problem of discrimination by employers on contract with the government.

I noticed the member for Beaches-Woodbine's comment of the need for more of a package approach and I think she'll find it's

contained in the so-called Life Together report.

Ms. Gigantes: It's right there on paper, right?

Mr. Jones: We all recognize that an important objective of the government is to encourage the responsible employer in business practices. At the same time, though, placing unnecessary barriers in the path of initiatives and enterprise in today's business and employment climate is of no small concern to me.

Mr. Laughren: That's really the heart of it, isn't it? That's really where you're at.

Mr. Jones: I work with some of the government's programs that take some involvement and some interface with the private sector—

Mr. Laughren: You know better.

Mr. Conway: Are you sure it's not an impact?

Mr. Jones: —and it's very clear in the comments that we are receiving from those private sector employers that they are, in the case I'm most familiar with, making employment opportunities for the young people—in our OYE program, for example—and, of course, they're anxious to see as few fetters as possible that might affect them. Our concern stems from the fact that we don't want to have any perceived barriers to these employers, be it for males or females. We all know the need and we're all concerned and anxious to get on and see some of those programs, like the one that worked very successfully last year—it's back this year—

Ms. Gigantes: We get the jobs if we get paid less, eh?

Mr. Jones: —it is rather important for them to be carried on.

Mr. Laughren: The employee is now a fetter, is he?

Mr. Jones: We're an employer too, as you know, and we are just coming on the threshold of our summer employment problems facing young people. Working with that, I have some sense of their feelings. I know we've been very careful in the Youth Secretariat—and we take that lead from the other portions of the government—to make certain there isn't discrimination in the sex side of the decision in jobs, the programming and the design of them. We've taken great care and I can tell you the Experience program runs something on the order of 60 per cent by design and about two-thirds actual participation by girls in all of the 13,000 jobs this year and some 78 different components. In our advertising of different programs we take great care to balance the female and the

male presentations and, of course, we listen carefully to what the young people have to say about the sex in applications as they look at employment, in summer programs or in some of the others such as OCAP that the members are familiar with.

I'm concerned that this bill concerns only the ground, as was mentioned by the previous speaker, of the applicant's sex. Of course, it is obvious that the economic and the social and the personal consequences of employment discrimination are equally severe for all of its victims, including the young and the old and the handicapped and the racial and ethnic minorities, among the others. I fear then that unfortunate social consequences would ensue if any anti-discrimination legislation were to cover or favour only one of the several disadvantaged groups in our society.

Mr. Laughren: You're not real. I don't believe you.

Mr. Jones: Then just wait for a moment. We had a motion here, and I heard speakers from the member's party speaking about it, when we talked about a rather controversial issue called alcohol. We talked about just the age side of it. There were speakers from all parties, as I recall rather distinctly, saying over and over again that to single out but one of the proposals that one of our select committees said would help was not going to solve the whole of it, but rather that it was for the government to come back with an overall bill addressing itself as a package of remedies to those overall problems. And this has some parallels, I would suggest.

[4:00]

Ms. Gigantes: Then why aren't you doing that?

Mr. Laughren: It is not a good analogy.

Mr. Jones: It is unclear to me. In section 3 of this bill, concerning the channel of the grievances available to the person who alleges the discrimination, it appears to propose that the grievor can bypass these long-established agencies and file a grievance in that court action without the benefit of that investigation.

Obviously this provision would pre-empt some of the powers of the Ontario Human Rights Commission which, as I just recited using a personal example, I found functioned very quickly and very efficiently. I worry that the code could suffer a loss of its efficiency if that were the case. Also, if I understand correctly, the remedies available under the court action are seldom as quickly available. I will look to someone more learned in that area, such as the hon. member, but my understanding is that they are also

costly, as was mentioned a moment ago; and is it possible that all of a sudden, because of financial considerations, we could be removing the possibility from some people who might have limited means and otherwise might have to look for the cost or be prevented from going to court and your speaker mentioned this very same point.

Ms. Gigantes: They could always go to the human rights code.

Mr. Jones: But, more important, we have striven in this province over the years to maintain a delicate balance between the effective administration of the code and the promotion of good and dynamic human relations in our drive for equality of opportunity for all our citizens. I feel the essence of this would be lost by resorting to punitive measures.

I know that in the cases I am familiar with the threat of punitive measures was not the measure of effectiveness that brought about the response that got the results that clearly were indicated as being needed in those cases.

The record shows that the effectiveness of the Ontario Human Rights Commission in resolving complaints of discrimination because of sex, as well as on other grounds, has been well established; and I looked up the breakdowns of the different ones. I won't pretend for a moment there isn't a lot of area to go; that is why I propose that the approach of the package under Life Together, report, which I am anxious to see come forward, will be the route we will be going. I would have to say that I won't be able to support the bill in that singular fashion.

Mr. Stong: Mr. Speaker, I rise in support of this bill with the full realization of what happens to private members' bills after they have been introduced and debated in this House—ordinarily, they are shelved—but I recognize in this bill a very valid principle. There are weaknesses, as has been pointed out, and there are two that I am very concerned about myself in this bill. However, the principle is one of recognition, and effectual recognition, of the equality of the sexes in the marketplace.

We have the Ontario Human Rights Code, we have the Ontario Human Rights Commission, and we have just passed the Family Law Reform Act, which at least pays lip-service to the fact that there is equality between the sexes.

I do not enjoy the same optimism about the record of the Ontario Human Rights Commission as the previous speaker has enjoyed. It seems to me that, although that

body exists, it has been ineffectual by and large, in the sense that it is not able to accomplish particularly what is sought after; but it has not been resorted to, in a sufficient number of circumstances.

This bill, as I see it, is a people-oriented bill. It is a bill in which, in this age of enlightenment, as we call our age, we finally recognize that teeth must be given to what we have passed in the Family Law Reform Act.

We all are aware that in the marketplace, by and large, women have been held down. There has been no recognition of equal opportunity of enjoyment of work as well as compensation in the marketplace as between men and women. Finally, the principle of this bill simply is this, a recognition in the marketplace that when a woman is employed she ought not to be depressed by virtue of her sex. Likewise, a man ought not to be depressed by virtue of his sex. It works both ways.

The real problem naturally, and we are all aware of it, is the fact that women are more vulnerable in this area than men have been in the past and still are. We recognize that. Much has been said about the fact that there is no definition of the public funds. Basically anyone—any individual, corporation or association that draws from the public trough—is subject to this bill. I, in my respectful submission, Mr. Speaker, find one weakness in this bill. I would like to have seen it enlarged to encompass all companies, not only those who feed at the public trough but any company in which there is discrimination.

Ms. Gigantes: How do you cut off public funds?

Mr. Stong: I believe that we could perhaps enlarge this bill, but the principle is here and recognition of that principle is in this bill and I have no hesitation in supporting it on that basis. I always suspect, as well, any argument that is based on mistrust of our courts and the administration of justice and the judicial system as it exists in Ontario.

Ms. Gigantes: Heaven forbid.

Ms. Bryden: They haven't given women equality.

Mr. Stong: I have the greatest of faith in our judicial system. It is the bastion of our freedom, of our liberty and the protection of our individual rights. If any members in the House had read the paper last week, Her Honour Janet Boland in our own county court has given teeth to and has recognized the principle that we have passed in this

House and which has not even come into law, and she has already begun to enforce it.

Ms. Gigantes: It takes a woman to do it.

Mr. Warner: It took a woman to do it and it wasn't 50-50.

Mr. Stong: I agree it is time, but the fact of the matter is our judges are beginning to recognize exactly those principles and issues about which we have spoken.

Ms. Gigantes: Women have no difficulty with that.

Mr. Stong: The fact of the matter is that the issues and the principles that we have discussed and which have now been encompassed in our law are there to guide the judges.

There is one other weakness that I would like to address myself to in this bill and that is the onus that is created by this bill. It has been addressed by a previous speaker. That is, it places the onus on the worker to make the application before the court. I would prefer to see a mechanism whereby an individual could make a complaint and the onus be cast on the human rights commission to bring the matter before the courts.

I believe it ought to come before the courts, because that is where our greatest recognition of power is and authority in our state. I have faith in the court. The onus I have a problem with, but the principle of the bill is there. It is complementary, as the member for St. George has indicated, to the Family Law Reform Act which we have passed and in that sense it gives that bill teeth, much-needed teeth, and I have no hesitation in supporting the concept in this bill.

Mr. Laughren: We in this party are going to support the bill of the member for St. George, although I really have serious questions about why she has so limited its scope. If we are going to bring in a private member's bill, particularly when it comes to a vote, I question why it does not have more substance. As I understand the bill, it empowers a judge, if an application is made by an individual, to stop payment of public funds to an organization or an individual and then that payment can be reinstated if the judge is satisfied that discrimination no longer is going on.

What I don't understand is whether it really does apply to all public institutions and what that means in terms of municipalities, school boards and ministries of the government itself, for example. I don't know why she hasn't simply amended the human

rights code. Perhaps when she responds at the end of the debate she will tell us that. Why don't we have a bill, preferably a government bill, which legislates equal pay for work of equal value? That's really the only thing that will solve the problem.

Given the considerable heat generated and the light shed over the issue of sexual discrimination against women, it's both depressing and debilitating to accept the fact that the economic lot of women simply has not changed in recent years. Despite impassioned pleas, dramatic demonstrations and numerous confrontations, virtually nothing has changed. As a matter of fact, I can detect a backlash out there in society against issues such as the women's movement.

Those who can or could do the most are doing the least. We have a Minister of Labour in the province of Ontario who could be doing a great deal to remove some of the discriminations that now exist out there. The Minister of Labour has jurisdiction over the human rights code, over the Employment Standards Act, and over the affirmative action programs in the government. The Minister of Labour could take all sorts of new initiatives that don't involve amending any kind of existing legislation either. The Minister of Labour does simply nothing. She must be a very bitter disappointment to the women of the province of Ontario.

We have certain established programs in the province of Ontario, but we have them in other provinces and other jurisdictions, as well, affirmative action, the human rights code, the women's bureau and the Employment Standards Act but, even so, nothing changes.

One need look no further than the Ontario public service. There's no better example of discrimination at work than the public service in the province of Ontario. The latest figures I have—there may be more up to date figures now—show that 38 per cent of the employees in the Ontario public service are female. Out of those, 40 per cent of them earn less than \$9,000, whereas only five per cent of men employed in the public service earn less than \$9,000.

At the other end of the income scale, we have less than six per cent of women earning in excess of \$15,000 and 35 per cent of men earning in excess of \$15,000.

Mr. Jones: How would that compare to five years ago?

Ms. Gigantes: It hasn't changed a bit.

Mr. Laughren: It simply has not changed.

Mr. Martel: You won't table the report.

Mr. Laughren: The same can be shown in the educational system as well and in the private sector too. It's not restricted strictly to the Ontario public service, that's not the point I'm trying to make. I'm just saying that there's no leadership at all being provided by this government in terms of removing discrimination in the work place.

I think this bill is well-intentioned. I have no question about that. Its weaknesses have already been outlined by other members. The one that bothers me the most is the onus on the individual to initiate action. I think that's an irreparable weakness in the bill. It simply won't happen. I was doing a little bit of research on it and they tell me that in New York City, for example, they have an affirmative action program there with a director. The onus is not on the individual, because you and I both know that that's simply not going to happen. As a lay person myself, the thought of getting a court order from an Ontario Supreme Court judge is so intimidating that I wouldn't do it, and I'm sure that 99.9 per cent of people out there simply won't get involved in that kind of process. And it's really too bad.

Also, there's no penalty in the bill for doing anything about people who break the law. We have penalties for people who speed, penalties for people who drink too much and penalties for people who smoke in the wrong places, but we have no penalties for people who discriminate against their fellow human beings. It's downright silly.

Mr. Jones: Except to withdraw their funds.

Mr. Laughren: Surely it's time that we faced the problem squarely. Put simply, discrimination against women exists in the work place. It exists not just in wages paid but by the lack of daycare facilities for women who are in the work place and by failure to promote women in the work place, in the public sector as well as the private sector. The education system with its stereotyped counselling discriminates against women as they head out into the work world.

We know the existing legislation the member from the government side talked about is misleading as well, because equal pay for equal work is meaningless when the government can classify jobs the way it's done now. That simply makes no sense at all. Until the government moves into the whole concept of equal pay for work of equal value, there is going to be discrimination. Look at the number of complaints and the success rate. It's pathetic. The government really has no program that works.

In conclusion, I understand the problem as being the kind of economic system we have. It's predatory in nature, put simply. We have an economic system that requires a pool of low-paid labour in order to provide the return required on capital. We have an economic system that refuses to accept collective responsibility for the children in this society. And we have an economic system that has chosen women to perpetuate its inequities. In the process, our economic system demeans all of us because until women have achieved economic equality with men, none of us will be free.

We reluctantly support this bill though it doesn't go far enough.

[4:15]

Mr. G. Taylor: I rise to speak on Bill 40 introduced by the member for St. George. As always, she has a bill here which has given concern to this side of the House and the government, and which has received great support from the opposite side of the House. The member for St. George is shortly going to be labelled a sexist if she continues bringing forth so many bills concerning sex-orientation or otherwise. But I'm sure they're all well-intentioned.

Mr. Sargent: Don't knock it, George, don't knock it.

Mr. G. Taylor: I'm waiting for one on sex and violence so that we can get a good one going here.

Mr. Conway: Have you not talked to Roy McMurtry lately?

Mrs. Campbell: I am going to bring in battered wives in the next round.

Mr. G. Taylor: But the member for St. George has had this cause going for some time. I admire her tenacity in spite of the setback she has had—and throughout her life, as well, in the severity of the soul-searing things that she has had done to her; we've all heard about it in discussion on the family law legislation.

The bill in itself has some complications that have been raised already. There are those who may say that it doesn't go far enough; there are others who on behalf of the sexists and in particular the female sex may denounce the record of this government. However, I would not support all of those contentions, and I think the Ontario government has a good record in this area.

I noticed in the Toronto Star on March 21, 1978, "Equal Pay Sleuths Retrieve \$3 million For 6,790 Women."

Ms. Bryden: But how long it took! Several years.

Mr. Laughren: Is that ever impressive, George.

Mr. G. Taylor: That is very good, and we've had legislation since 1968 in this field; there was the Employment Standards Act and then there was the Ontario Human Rights Code which embellishes that Act. We have had some excellent legislation in this area and people have been working to enforce it and support it.

When we look at the bill itself, it states that the person aggrieved will go to a court to apply for a remedy. In some of those areas the courts are an excellent program, but when you go to the Supreme Court of Ontario—the court suggested in this bill under section 3—as we who practice law all know, it is a cumbersome, expensive, slow route to go. It may not give the remedy the person is seeking. It may require the expenditure of large sums of money to hire lawyers; and usually in this situation, it would probably mean an application in the Supreme Court in Toronto where you have help that is even higher-priced than it is with country solicitors. It may also mean that people out in the rest of the province of Ontario do not get the same remedies, and again you may be enforcing the litigious bar of Metropolitan Toronto to greater heights in not allowing the person a remedy in the northern or eastern parts of the province where we have the assize system, where judges come into parts of the territory only at certain times of the year. So you may be denying certain people in this province the remedy given to those who have a regular sitting of the Supreme Court of Ontario in Metropolitan Toronto.

There is also the problem of the sophistication of an individual going to see a lawyer. Somebody being aggrieved says right away: "Oh, my God, I've got to go see a lawyer but that costs money. I won't go for my grievance." They can go to the human rights commission. It's an administrative situation. It is provided for by funds of the province of Ontario. They have expertise in dealing with people who are aggrieved in this situation, be they male or female; so there is somewhere they can now go—a body which looks after this situation where discrimination might arise. Also, compare it to the court system; we already have a very, very busy court schedule, an overloaded and overburdened court system, and this will further overburden that system.

The difficulty, too, is what type of remedy are you providing in this section of section 3 compared to that which isn't there now? The human rights situation can now offer settlement. It can offer punitive situations;

whereas, the punitive situation of this one is to hold up all public funds to a particular operation. That could cause enormous problems, if it is a hospital, a university, or involves welfare recipients. Any areas that are receiving public funds may have those funds stopped should they be enjoined, should there be some case of discrimination, should there be an interim injunction granted. Then the whole system may be held up, so you are penalizing more than just the individual, more than just that person involved in the discrimination. You are penalizing maybe an entire financial operation in a community because somebody has discriminated. Trying to unsort the problem, going back to a court to relieve that order, may take some difficulty and time and you may cause even greater harm than is presently caused by the discrimination.

Mr. Warner: So you are going to guillotine this one too, are you?

Mr. G. Taylor: Without going too far, and I am sure other members have said this, there is the redundancy possibility of the present legislation. The principle is good but have we not got the same relief presently under the human rights legislation in this province? Is this not already looked after? As one member has said about the Minister of Labour, I think she has done an excellent job in the area of providing leadership in legislation for all sexes—not just the sex that the member for St. George has alluded to, being the female sex. This just says “sex” but it is for both sexes. I think our Minister of Labour has provided that leadership.

Ms. Gigantes: What have you done?

Mr. G. Taylor: When we look at section 3, someone aggrieved by discrimination going to a judge of a supreme court, I go back to the member for St. George's plea in this House when she would have us going back, as the remedy, to the Supreme Court of Ontario. Even as late as March 16, she says—and this is from Hansard: “but it was the attitude of this judge in adjourning the matter, which is a part of the general approach of the courts to this situation.”

And then on a little further: “They made their presentation and they didn't blush or feel any sense of shame that women had been driven to take this kind of position through fear because of their long-standing experience in the courts.”

And then in another place on March 9 in the same debate on the family law legislation: “As I say, the one place on which I am in absolute agreement with those who have spoken on behalf of the third party is a very

real suspicion of women about the way in which the administration of justice functions. They have a right to that suspicion.”

And then later on on March 16 in the same discussion of the bill: “I don't know what the discussion was in the committee. In my view, as long as people have no confidence in the law—and it isn't just the judges—this is the problem. Women have no confidence in the legal profession basically in these cases before the court.”

And then continuing: “Simply because the members of the bar don't take that particular situation seriously, and some of them grow up to be judges. That's the problem.”

So here again, after making those statements in this House, the member for St. George puts those people back into the same situation by sending them before supreme court judges. So I would think that that section at least needs some amendment from the member for St. George. I am sure she might—if this goes to committee—put before us an amendment, maybe in other form, that would give both females and males the remedy by a much quicker and cheaper method than putting them into the Supreme Court of Ontario.

Mr. Conway: I too rise in support of the principle of my colleague from St. George's private member's bill. I do so for those reasons which she and my colleague from York Centre pointed out in their earlier remarks. Notwithstanding that which has been said by those who find it difficult to support the bill in principle, there must be a clear and immediate recognition that effective equality of the sexes in the marketplace is certainly a first order of priority. This is particularly so when we consider the new obligations and the new climate created as a result of Bill 59 passed in this Legislature but a few days ago.

I want to not only support the principle of the bill but I want to support the mover of this bill, my colleague from St. George. She has proven yet again her sincere and ongoing interest for the civil liberties of people in this province in the face of ongoing and serious discrimination which, while we all recognize it we lament nonetheless.

My colleague from St. George has proved herself to be a truly heroic crusader in this respect and has at times, perhaps much more willingly than some of the rest of us, carried that crusade through in areas and in ways which, in the short-term at any rate, have probably not been in her political self-interest.

Mr. Martel: Some of your colleagues have been the hardest on her.

Mr. Conway: For that dedication, for that commitment and for that unique personal contribution to the politics and to the life of Ontario I stand in support this afternoon. I am going to digress just for a moment to say—

Mr. Martel: You wouldn't.

Mr. Conway: —I don't like to—that I sat here throughout much of the debate on Bill 59 as an onlooker, not having the immediate interest that some others had.

Mr. Warner: You are digressing.

Mr. Conway: I must say as a male, when I listened to the contributions of certain members, when I read later on—

Mr. Warner: Name names.

Mr. Laughren: Name one.

Mr. Conway: —the articles of certain prominent individuals contributing to the Toronto Sun, I can't imagine a more important bill for my self-interest than this particular bill. Because as a male, I have to think that appearing before Laura Sabia, if she happened to be chairman of a board that was in the hiring procedure, my interest could just be discriminated against.

Ms. Gigantes: We would make her a judge.

Mr. Conway: And if the vice-chairman of that corporation were the member for Carleton East, I would shudder all the more and demand the protection put forward in Bill 40.

Ms. Gigantes: So you might.

Mr. Conway: I want to say I think that there are certain of the male sex who might very well find this bill in their self-interest.

I listened to the members for Beaches-Woodbine (Ms. Bryden) and Mississauga North (Mr. Jones) or South or East or whatever. They said that among their objections to this bill was the fact that it wasn't broad enough and that it singled out government. Certainly that is a point well made and well taken. It is clear, as the member for Nickel Belt (Mr. Laughren) pointed out in his remarks, that the record of government in this province, while it has been improving, is still a long way from what we would consider acceptable.

I heard other members, notably the member for Simcoe Centre, say that it would very possibly be a redundancy. After all, we have the Ontario Human Rights Code and we have the Ontario Human Rights Commission. Happily, with the arrival now of the Minister of Community and Social Services, I have to enjoin the member for Simcoe Centre and ask him what have we got

in the human rights commission? Just what has this government turned the Ontario Human Rights Commission into, given certain recent appointments?

Hon. Mr. Norton: The finest in the land.

Mr. Conway: I can understand why the Minister of Community and Social Services sighs easily these days. But those difficulties, now transferred to the Ontario Human Rights Commission, I think, will render this kind of legislation all the more important.

Hon. Mr. Norton: Are you knocking equal opportunity for women?

Mr. Conway: Where is the promised debate in this Legislature or a committee thereof on the report of the human rights commission and on the code itself? The government of which the hon. member for Simcoe Centre is perhaps an unhappy part has been very careful to keep and to restrict the very important discussion of that bill from this chamber. I think he had better talk to some of his superiors in cabinet if he really believes what he said earlier about the requirements of the debate in that particular case.

Mr. Warner: They are a dismal lot over there.

Mr. Conway: I too share the concern of certain members that this bill, while nearly perfect, is not exactly so. I am concerned about the fact that it does involve a requirement for the individual to go to a lawyer. God forbid that for any man or any woman in this society in this day and age.

[4:30]

Mr. Martel: We should outlaw lawyers.

Mr. Conway: Certainly I find it an intimidating proposition that one would have to go to the supreme court at any level. Unlike certain members of my own caucus, I do share a concern of other members that the courts and the history of the judicial process in this country have not been fair and equitable in the treatment of the sexes. I do understand something of the discriminatory history there, but I must say that I am equally of the feeling that this bill, however imperfect, is a necessary, worthwhile and timely step in the right direction. For that reason, together with the reasons of the ongoing Liberal crusade of my colleague from St. George in these areas of civil rights, I am happy to stand here today and support this particular bill.

Mr. Martel: Was that John Sweeney speaking, Margaret?

Ms. Gigantes: In view of the very short time that is left for debate on this bill, I'll

try to make my remarks pointed. I was reminded last night, as I sat down and looked over this bill and looked over some of the research available to us, about wage discrimination and employment discrimination against the women of this province. I fell into a mood, I suppose, that comes in some ways from the length and the kind of debate that we had over the family law bill. There comes a point when you've discussed this subject long enough—the subject of the rights and need that the women of this province have for equal opportunity and equal access to financial independence—there comes a point when you start to get a little hysterical, and as my thoughts drifted I went back in my mind to those lovely sections from "Alice in Wonderland," and I brought the book with me today thinking that perhaps part of what was being said here today on this bill would remind me of particular sections and, indeed, that turns out to be the case.

If I were to summarize the bill and some of the things that have been said about it by the members of the Liberal caucus I would turn to that section of Alice which is headed "A Caucus Race and a Long Talk." In this section the mouse and Alice are talking and the mouse tells a tale.

Mr. Bradley: Alice in Wonderland—the NDP platform.

Ms. Gigantes: The tale goes this way:

"Fury said to a mouse that he met in the house, 'Let us both go to law: I will prosecute you. Come, I'll take no denial; We must have the trial: For really this morning I've nothing to do.'

"Said the mouse to the cur, 'Such a trial, dear sir, with no jury or judge, would be wasting our breath.'

"'I'll be judge, I'll be jury,' said cunning old Fury: 'I'll try the whole cause and condemn you to death.'"

Hon. Mr. Norton: That's very much to the point.

Ms. Gigantes: It seems to me that in some ways the bill, in spite of the fact that it promises to provide for the economic equality of the sexes, is so limited in its scope of action to do that, nevertheless uses a blunderbuss to try to accomplish it.

This bill, it seems to me, were it to come into effect as it is—hopefully we will be able to amend it—would delight nobody but the Treasurer of this province, because he'd be let off the hook so often, were it at all useful, from paying public moneys to the employers of this province—

Mr. Laughren: He could balance the budget.

Ms. Gigantes:—that he could balance his budget. Indeed, he might. I think that we might see a lot of action for the Treasurer if this bill were passed as we formally now have it, but I don't think we'd see much action for the women who are looking for economic equality in this province.

If I turn just to my feelings about the quality of the debate as we've heard it from the Conservative side of this House, I find it almost incredible to realize that there are people in that Conservative caucus who actually believe that things written on paper solve the problem. The member for Mississauga North says to us of the Human Rights Commission report, "Here it is, all on paper. That should satisfy you." It doesn't satisfy us.

Mr. Jones: I also said the minister was bringing it forward.

Ms. Gigantes: When I speak of women in this province we are speaking of a group that earns wages two-thirds that of men, and very often for doing jobs of a totally comparable nature. We know that the kind of attitude that has come both from the Minister of Labour and from such groups as the Chamber of Commerce in this province is that we really can't afford equality.

I put it to my friend that if we can't afford equality, we have got more serious problems than we normally admit. And I think it is very telling that he seems to think the problem is a very small one which can be solved by individual cases being brought, through individual members of the Tory caucus, to the human rights commission.

Mr. Jones: Pretty important to the individual who is involved, I tell you.

Ms. Gigantes: It is going to take a month of Sundays and a month of centuries to solve the problem that way.

I am reminded of another section in "Through The Looking-Glass." It is the section where Alice is in tow by the Red Queen. They are racing—Alice doesn't know quite where. The Queen is urging her on, dragging her forward; finally, she allows her a breather.

"The Queen propped her against a tree, and said kindly, 'You may rest a little now.'

"Alice looked round in great surprise. 'Why, I do believe we've been under this tree the whole time! Everything's just as it was!'

"'Of course it is,' said the Queen: 'what would you have it?'

"'Well, in our country,' said Alice, still panting a little, 'you'd generally get to somewhere else—if you ran very fast for a long time, as we've been doing.'

"A slow sort of country!" said the Queen. "Now, here, you see, it takes all the running you can do, to keep in the same place."

I suggest that what we are hearing from the government side of the House on this bill is all the talking they can do to keep in the same place.

We will support this bill. The bill is subject to amendment; I think, positively amended, it can be useful in taking us another small step forward in the long journey towards the equality of women in the province of Ontario.

Mrs. Campbell: Mr. Speaker, I am most grateful and appreciative to those who have spoken on this bill; and, of course, I would be delighted to have it go to committee, where it could be carefully considered.

I recognize some of the problems that have been raised, but one of the things that disturbs me, and it is particularly true of both of the speakers from the government side, is their reference to the human rights report, the code and so forth.

We are dealing in this bill with the government of Ontario. It is specified that we are speaking of the Treasurer of Ontario. I have to look at the realities of human rights today. First of all, the report to which reference has been made has never been brought to a committee of this House for study as requested.

Secondly, I wonder if we recognize the perception of people on the recent appointment to the Human Rights Commission of someone who was so long a member of the civil service of this province that her pronouncements now are basically the pronouncements that have been made by the government of this province with reference to civil rights.

Mr. Jones: I don't think that is fair. That is not fair.

Mrs. Campbell: This is what is of concern to me and why I did not feel I could proceed to bring this forward under the Human Rights Code.

The other flaw in the code is that since this would be a power to enjoin the province of Ontario, the Treasurer, you have to realize that under the code can you see with this kind of a setup in the Ontario Human Rights Code, the fact that even under the recommendations in the report it is still open to a minister at this point to recommend whether or not there shall be a hearing. Can you see what would happen with this kind of a setup with the government involved under the Human Rights Code? If we can move, obviously the Human Rights Code would be the

proper place to do it; but I have this kind of concern.

I don't think it is an Alice-in-Wonderland kind of concern; and I am sorry that women particularly seem to want to ridicule other women in what they are attempting to do.

Ms. Gigantes: Not by choice.

Mrs. Campbell: It would be more appropriate if they stood together—

Mr. Makarchuk: Men do it to each other all the time; don't get annoyed about it.

Mrs. Campbell: —for what we want in this place.

Mr. Stong: Divide and conquer.

Interjections.

Mrs. Campbell: I do not ridicule others; I certainly have not in the one case I am speaking about—a person who was a civil servant for years who has made pronouncements which are directly in line with what has been said by spokesmen of government. I don't know how we can hope to have any real kind of confidence in that kind of an appointment. It is not because that person is a woman. I want to make that clear.

Hon. Mr. Norton: Perceptions differ.

Mrs. Campbell: I agree that the matter of equal pay for work of equal value should be incorporated. I have fought for that.

I was present at the committee when both the Minister of Labour of the day, no longer the minister and no longer a member, was fighting against that kind of an amendment. I was there when I was trying to fight for it. And I have to go back and say it's too bad that we don't have transcripts, because it was spokesmen for the big unions who really went after the women who were there for daring to ask for equal pay for work of equal value.

I hope we can get that through but in the meantime, at least the government can be enjoined. If there is another method by which this can be effected, I will be most happy to see this amended in committee and I will seek the support of all of the members of this House to accomplish that purpose.

HEALTH INSURANCE AMENDMENT ACT

Mr. Warner moved second reading of Bill 32, An Act to amend the Health Insurance Act, 1972.

Mr. Warner: "No taxation without legislation" is a basic democratic principle, dating back to the Magna Carta of 1215.

Hon. Mr. Norton: I thought it was taxation without representation.

Hon. Mr. Baetz: Are we back in the Magna Carta again?

Mr. Warner: The principle of taxing only by way of legislation has been sustained throughout British and Canadian history until now.

The Magna Carta of 1215 enunciates the principle that the payers shall be called to the common council to vote the aids which had been previously negotiated separately. The famous charter states quite clearly "No scutage or aid shall be imposed in our kingdom except by common counsel."

Hon. Mr. Baetz: Are we back in school?

Mr. Warner: The confirmation of the charters in 1297 from the hand of King Edward, "that on no account will we henceforth take from our kingdom such aids, taxes and prises, except by the common assent of the whole kingdom."

In 1628: The Petition of Rights. A message was delivered to Charles I on the issue of forced loans to the king without legislation. "They (the King's subjects) should not be compelled to contribute to any tax, tallage, aid or other like charge, not set by common consent in Parliament."

Hon. Mr. Norton: Sounds as if the hon. member for Riverdale (Mr. Renwick) wrote this.

Mr. Warner: In 1641: The Act abolishing Ship Money. The collection of ship money was declared illegal. Other Acts of Parliament abolished all other non-parliamentary procedures that Charles I had used to raise taxes. "the said charge . . . commonly called ship money . . . (is) contrary to and against the laws and statutes of this realm, the right of property, the liberty of the subjects, former resolutions in Parliament and the Petition of Rights."

Instructions to Governor Murray of the province of Quebec in 1763: The instructions from King James of England set out the raising of money by Acts of assembly. "That in all laws or ordinances for levying money or imposing fines, forfeitures or penalties, express mention be made . . . for the public uses of the said province . . . as by the said law shall be directed; and that a clause be inserted, declaring, that the money . . . shall be accounted for unto us into this kingdom."

The Colonial Tax Repeal Act of 1778 set out that no tax could be imposed by England on its colonies in North America but instead left the responsibility with the colonial assemblies. It said: "The same duty, tax or assessment shall be respectively levied, in such manner as other duties collected by the au-

thority of the respective general courts or general assemblies of such colonies provinces or plantations."

In 1791, in the Constitutional Act the power of taxation and the responsibility of our two provinces, then called Upper and Lower Canada, to set taxation by way of legislation was set out in the document. "The net produce of all duties which shall be so imposed shall at all times hereafter be applied to and for the use of each of the said provinces respectively, and in such manner only as shall be directed by any law or laws that shall be made . . . by and with the advice and consent of the legislative council and assembly of such province."

The Resolutions of the Assembly of Lower Canada, 1826, state: "That the statute of the 18th George III, chapter 12, has not conferred any new rights upon the inhabitants of the British colonies, but it is a declaratory Act, the enactments whereof recognize and consecrate the constitutional maxim, that the colonies having a representation have an inalienable right not to be taxed without the consent of their representatives . . ."

The Union Act of 1840 was designed to reunite the province of Upper and Lower Canada and for the government of Canada. Part of the Act dealt with colonial taxation and supported the principles of the above resolutions of 1826. In our British North America Act of 1867, section 54 applies to Canada and states: "It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or any tax or impost to any purpose that has not been first recommended to that House by message of the Governor-General in the session in which such vote, resolution, address or bill is proposed." Section 90 applies the above responsibility to each provincial Legislature.

The principle of taxation without legislation is written about at great length. Sir Ivor Jennings in his book, "The Law and the Constitution," states that from the time of James I and Charles I it became established that "The king has no power to levy taxation upon his English subjects, except in Parliament." Mr. A. V. Dicey in "The Law of the Constitution" says: "All taxes are imposed by statute, and no one can be forced to pay a single shilling by way of taxation which cannot be shown to the satisfaction of the judges to be due from him under Act of Parliament."

Hon. Mr. Baetz: Are you writing a new history book? Warner's History of England.

Mr. Warner: A. H. Birch in his essay on the British constitution titled, "Represent-

ative and Responsible Government," clearly informs us "The House of Commons owes its origins to the king's need to secure the consent of the Commons to financial exactions."

From Erskine May's Treatise on "The Law, Privileges, Proceedings and Usage of Parliament" we gain a statement on the financial relations between the Crown and Parliament. "The Crown . . . makes known to the Commons the pecuniary necessities of the government; the Commons, in return, grant such aids or supplies as are required to satisfy these demands; and they provide by taxes . . . the ways and means to meet the supplies which they have granted. Thus the Crown demands money, the Commons grant it and the Lords assent to the grant."

Taxation only by way of legislation is a principle which is easily traceable from 1215 in Great Britain to 1978 in Ontario. The BNA Act embodied the basic constitutional principles of the United Kingdom. Sir Lyman Duff, Chief Justice of Canada, in his judgement of the Alberta legislation, 1938, outlined quite clearly the relationship between the constitution of the United Kingdom and the British North America Act.

To quote here from that court judgement: "The preamble of the statute, moreover, shows plainly enough that the constitution of the Dominion is to be similar in principle to that of the United Kingdom. The statute contemplates a Parliament working under the influence of public opinion and public discussion. There can be no controversy that such institutions derive their efficacy from the free public discussion of affairs, from criticism and answer and counter-criticism, from attack upon policy and administration and defence and counter-attack; from the freest and fullest analysis and examination from every point of view of political proposals. This is signally true in respect of the discharge by ministers of the Crown of their responsibility to Parliament, by members of Parliament of their duty to the electors, and by the electors themselves of their responsibilities in the election of their representatives."

The last statement is in keeping with an earlier one by Sir J. G. Bourinot, and I quote: "Some changes have necessarily been made in the course of time by the Canadian assemblies in their methods of procedure, but on the whole, the main principles of English parliamentary law have been retained in all their integrity." That was contained in his book "Constitutional History of Canada."

Since it is clear that English constitutional law and Canadian constitutional law demand taxation by way of legislation, then we must now examine the OHIP premium to determine if it is a tax and therefore subject to increase or decrease only by way of legislation.

It certainly appears that the Treasurer of Ontario (Mr. McKeough) treats the premium as a tax. In the Ontario budget 1978, the Treasurer states, "I have decided that it is necessary to raise additional revenues." He goes on to propose "a balanced and equitable package of tax actions to raise an additional \$374 million." The first such tax action listed is OHIP premiums, and again the language used suggests a taxing procedure for the purpose of balancing the budget. The Treasurer says, "I am proposing to increase OHIP premiums to restore the balance of financing."

The Treasurer's statement of intent is followed up by a chart on page 18 titled, "Revenue Impact of Tax Changes." There are two headings—one, "Tax Increases," and the other, "Tax Cuts." Under "Tax Increases" the first item is OHIP premiums, \$271 million.

In the Treasurer's conclusions on page 19, he clearly sets out that he has presented a tax package and that the package is for the purpose of balancing the budget. The Treasurer says, "The balanced package of tax proposals I have put before you, along with our restrained spending plan, will keep Ontario's finances in sound shape. The revenue shortfall we experienced in 1977-78 represents only a temporary setback to our goal of a balanced budget."

While the language of the budget suggests that the OHIP premium increase is a form of taxation, the government may claim that the OHIP premiums are simply a premium for service and have been duly set out in the appropriate sections of the Health Insurance Act, 1972. I contend that such an argument is not relevant. The reference to a premium as opposed to a tax is a moot point.

The OHIP premium is a charge upon the people and payable ultimately into general revenues. It is what Erskine May, in his "Parliamentary Practice," describes as a charge upon the people, "taken to connote any import in the nature of a tax or customs duty the proceeds of which are payable into the exchequer."

The government may argue that the premiums are intended to cover the expenses of a government department in performing services for the public and therefore should not be considered to be a tax. Again, turning to Erskine May, we find the above is the case, except that "this rule is not allowed to

legitimize charges so disproportionate to the cost of the services rendered as to amount to taxation."

May reports to us that the Speaker has ruled that, in the case of a licence granted by a government department, the payment charged for the issue of the licence, if it is a small fee of an administrative character, should not be considered a charge upon the subject necessitating a ways and means resolution, but that if the fee charged did more than this, a ways and means resolution would be necessary. If the fees are payable into the exchequer, a ways and means resolution is rendered necessary.

For cases of fees imposed without a money resolution, members should take note of the electric lighting bill, 1882; the registration of business names bill, 1916; the non-ferrous metal industry bill, 1917; the dyestuffs (import regulation) bill, 1920; the fees (increase) bill, 1923; the agriculture (miscellaneous provisions) bill, 1962-63.

In view of this ruling, a ways and means resolution has been regarded as necessary in any case where the charge for a fee or licence has been unduly high or without a defined limit.

A parallel which is important to examine is the workmen's compensation board. Are employer contributions to a provincial workmen's compensation fund taxes that must meet the test of direct taxation, or are they in the nature of premiums statutorily exacted? The Privy Council indicated in the workmen's compensation board versus the CPR in 1920 that such contributions were taxes.

In the case of Shannon versus the Lower Mainland Dairy Products Board (1938), the Privy Council had to consider whether section 124 of the Forest Act, providing for the creation of a forest protection fund through an annual levy on owners of timber lands and through annual provincial grants, imposed a tax or merely a service charge for fire protection services. Although imposed on a defined and limited class of persons and applicable to a special purpose without ever falling into the general mass of proceeds of taxation, the levy was held to be a tax.

In 1931 in the case of Lawson versus the Interior Tree Fruit and Vegetable Committee, J. Duff set our four criteria by which to judge whether a levy is a tax, and states that a levy is a tax if it is: 1. enforceable by law; 2. imposed under the authority of the Legislature; 3. imposed by a public body; 4. made for a public purpose.

Laskin, in his book "Canadian Constitutional Law," draws a conclusion from the cases I have cited and other cases that "a tax

under the BNA Act is not confined to an exaction for the support of the government."

To state the matter another way, section 92(2) of the BNA Act, which allows "direct taxation within the province in order to raising of a revenue for provincial purposes," can be interpreted to include items that are sometimes referred to as levies, premiums and licence fees, as well as a tax.

Furthermore, I submit that sections 12 and 51 of the original Health Insurance Act of 1972 were unconstitutional in granting a tax power to the Lieutenant Governor in Council. But even if the legislation of 1972 is ignored or given some benefit of doubt and allowed to stand, it remains that the actions of one Parliament cannot bind the actions of succeeding Parliaments.

Should the government of Ontario wish to increase OHIP premiums as a source of revenue for the operation of government programs, it should do so by way of legislation. To do otherwise is unconstitutional in my view. I ask that all members of this assembly join me in correcting the situation. The passage of my private member's bill today and the subsequent committee work will enable the government to follow our accepted constitutional principle of no taxation without legislation.

Mr. Speaker: The hon. member for Peterborough.

Mr. Turner: Mr. Speaker—

An hon. member: Quit while you are ahead.

Mr. Cassidy: Let's hear you answer those constitutional authorities.

Mr. Turner: I wouldn't pretend to do that.

Mr. Speaker: I have a very strong feeling after listening to the remarks of the former speaker that this bill is being put forward not so much to change the method used to arrive at the amount of the premium as it is to imply that the premium charge itself is excessive. If this be so, I would suggest that this is unfortunate, indeed unfair. I would like to point out that not only do the people of this province have one of the most comprehensive health insurance plans in the world—

Mr. Laughren: The most expensive.

Mr. Turner: —but they receive a good number of benefits under that plan that are simply not available in other jurisdictions at any cost.

Mr. Campbell: Look at Holland.

[5:00]

Mr. Turner: Just recently I was listening to the radio and I heard an advertisement for

a company wishing to offer health coverage for people visiting this province from other jurisdictions. While the advertisement pointed out that people from Ontario are covered when they are in some other countries, it took great pains to say that this sort of coverage is not available in other jurisdictions.

Mr. Laughren: Don't set up a straw man.

Mr. Turner: It is also true that the cost of health care in some places outside of our provincial boundaries has been sufficient to bring significant numbers of people to personal bankruptcy, and I am sure the members opposite are well aware of these. I do not believe it was ever the intention of our health insurance plan to deceive the public into thinking that health care is free—

Mr. Laughren: No, the Treasurer is deceiving the public.

Mr. Turner: —or that, indeed, it is not expensive. Health care is expensive and it is growing more so every day. The objective of this government has been to try to slow down the rate of growth of that expense, but it has never been the government's intention to try to hide from the public the fact that such expense exists. As has been pointed out on a number of occasions, if the insurance costs were to be paid by the people directly, the costs, in terms of actual outlay on the individual's part, obviously would be considerably higher. The Ontario Health Insurance Plan is designed to give comprehensive basic coverage in Ontario at low cost. Because the Ontario Health Insurance Plan works smoothly and efficiently, many residents have forgotten what a doctor's bill or a hospital bill even looks like, and perhaps this is part of the problem.

The Ontario Health Insurance Plan pays for medical and hospital care anywhere in the world. It provides a wide scope of benefits for medical and hospital services, as well as the services of certain other health practitioners. Residents of Ontario regardless of their age—

Mr. Cassidy: You're out of order. You're not speaking to the principle of the bill.

Mr. Turner: —the state of their health, or their financial means are entitled to participate. The numbers of people who receive these benefits without the necessity of paying premiums are large. The plan pays up to 90 per cent of the fees listed as benefits in the current Ontario Medical Association schedule of fees for all physician services that are medically required.

These services include the physician's services in the home—

Mrs. Campbell: Mr. Speaker, on a point of order, I am sorry to interrupt the speaker, but is this in accordance with the principles of this bill which is before us? It seems to be an apology for the health plan in the province, rather than a discussion of the effects of the premium versus the tax position, and the ability to debate it in the House.

Mr. Makarchuk: Whoever wrote his speech didn't read the bill.

Mr. Speaker: The bill under discussion is an Act to amend the Health Insurance Act, 1972. I have listened very carefully to the hon. member and I find that he is speaking, generally, to the Health Insurance Act. Unless I hear some cogent reason why he shouldn't be allowed to pursue in the same vein I will allow him to do so.

Mr. MacDonald: On this point of order, if there is an amendment to a bill, the point before the House is the amendment, not the broad bill. Many times in this House people have been forced to speak to the substance of the amendment and not the whole scope of the bill.

Mr. Speaker: I would hope that the hon. member would spend some time talking about the amendment. I see nothing wrong with what he has said so far—

Mr. McClellan: There's nothing good about it, either.

Mr. Speaker: —but I would hope he would spend some time speaking specifically about the amendment.

Mr. Turner: Mr. Speaker, in my opening remarks I thought I clarified my statement, and I will recall it again if I may. I had a very strong feeling—and I'll say it again—that the former speaker is putting this bill forward not so much to amend or to change the method of arriving at the amount of the premium, as to imply that the premium charge itself is excessive.

Mr. MacDonald: That's imputing a motive.

Mr. Cassidy: That's imputing a motive and that's unparliamentary.

Mr. Turner: Oh, nonsense.

Mr. Lawlor: Is it or isn't it a tax?

Mr. Turner: That is the very point, that is the very point.

Mr. Lewis: Mr. Speaker, on a point of order. I think you know I respect both you and your office but I do want to draw to your attention, sir, that you have been quite fierce on occasion with members of the opposition—

An hon. member: He had to be.

Mr. Lewis: —indeed, have ejected one or two exemplary members of the opposition—

when they failed to speak to the principle of a bill. The principle of this bill could not be clearer. It's the question of whether the premium is a tax and whether therefore it is legally within the prerogative of this assembly to do it as the Treasurer has done it. The member, with the greatest respect, Mr. Speaker, is not in any way addressing himself to the principle of the bill and yet he's getting away with it.

An hon. member: He's not even close to it.

Mr. Lane: He is a very able member.

Mr. Turner: If I may take the time to reply, we are—

Mr. Speaker: Are you speaking to the point of order?

Mr. Turner: Yes. Sorry, I didn't identify that. I am, in fact, addressing my remarks to the principle of the bill.

Mr. McClellan: No, you are not.

Mr. Cassidy: No, you're not.

Mr. Breough: You're talking to the point of order, now.

Mr. Turner: Oh, yes. Oh, yes.

Mr. Conway: Carry on, John.

Mr. Turner: The whole principle is whether—

Mr. MacDonald: You're skating around it.

Mr. Turner: —is whether the principle of this bill is addressed to a premium or a taxation.

Mr. McClellan: You don't know what the principle of the bill is.

Mr. Cassidy: Should it go through the House or not? Yes or no?

Mr. Turner: We feel very strongly and I feel very strongly that this is a premium. It is not a tax.

Mr. Lewis: Then say so.

Mr. McClellan: Why don't you say so?

Mr. Turner: I will, if the members opposite will give me a chance.

Mr. Makarchuk: Continue.

Mr. Turner: I'm reviewing, if I may, Mr. Speaker—

Mr. MacDonald: The Treasurer said it was a tax in his budget.

Mr. Cassidy: That's right.

Mr. MacDonald: Are you trying to say he's wrong?

Mr. Cassidy: Are you calling him a liar?

Mr. Speaker: Order, please.

Mr. Turner: I would never presume to suggest that anybody is wrong.

Mr. Makarchuk: You'll get under his skin if you do it.

Mr. Turner: I am suggesting that these are my own opinions, my own remarks with relation to the member's bill.

Mr. Cassidy: Don't be dogmatic or sanctimonious.

Mr. Turner: May I proceed, Mr. Speaker? Thank you very kindly.

Mr. Breough: You can try.

Mr. Turner: If I may just point out to the members that the services referred to earlier include services of the physician in the home, in his office or in the hospital—

Mr. Lewis: Point of order.

Mr. Turner: I'm just—

Mr. Speaker: Wait, now. I've got to remind the hon. member that the explanatory note says, "The bill repeals provisions of the Health Insurance Act, 1972, that authorize the Lieutenant Governor in Council to establish the cost of premiums by regulation." Now that is, in fact, the principle of this bill. I have given the hon. member sufficient latitude and I hope that he will use whatever time he has left to speak directly to that principle.

Mr. Turner: Mr. Speaker, I didn't mean to cause such a fuss. However, I do appreciate the concern of the members opposite and I do—

Mr. MacDonald: Better get a different ghost writer.

Mr. Turner: Perhaps, perhaps.

Mr. Cassidy: Just get a ghost writer.

Mr. Turner: Maybe that is the problem. However, if I may just sum up and without offending the sensibilities of any of the members in the chamber—

Mr. Lawlor: It doesn't matter, does it, John? You've got 20 of the caucus lined up in the hallway outside at the moment, haven't you?

Mr. Turner: —I would like to point out—

Mr. Breough: Your time has expired.

Mr. Turner: Not quite.

Mr. McClellan: It should be.

Mr. Turner: —that we feel very strongly that this is within the jurisdiction of government to collect a premium for a service that is being offered and it is not in any way to suggest that this is a tax on the people of Ontario.

Mr. Conway: Mr. Speaker, I always find it particularly interesting in this chamber, as one who is not always cognizant of the rules as stated where they are stated, to be lec-

tured to by the hon. member for Scarborough West—a fine and great politician—

Mr. Lewis: The member for St. George raised the point of order, you nitwit.

Mr. Conway: —but no one I have ever seen is a more manipulative man of the rules than that gentleman. And there is no one—

Mr. Martel: The point of order was raised by the member for St. George.

Mr. Conway: There is no one in this House who by historical predilection could understand—

Mr. Speaker: That's not the principle of this bill, either.

Mr. Makarchuk: Good point!

Mr. Conway: Nobody can pick out an abuse of the rules faster than that gentleman.

Mr. Lewis: It's an attack on the member for St. George who raised the point of order.

Mr. Conway: Mr. Speaker, I—

Mr. Lewis: Is there no end to your sexism?

Mr. Speaker: We're dealing with Bill 32.

Mr. Conway: I rise in happy, total and personal support of this bill.

Mr. Lewis: Now sit down.

Mr. Conway: Beyond that, given the very nominalistic quality of this bill, I suppose there is not much one can say.

Mr. MacDonald: It is on one point. Deal with it.

Mr. Conway: The points that were made by the mover of this bill, I think are very well taken. It has been a regrettable part of the research that I have been involved in the past two or three weeks since the March 7 budget to find out that this increase seems to be clearly indicative of this government's increasing reliance upon the OHIP premium as a tax. There is no question to answer to.

Mr. Cassidy: I think you are out of order already.

Mr. Conway: I really am feeling very constrained—

Mr. Lewis: Because you have to speak to the principle of the bill.

Mr. Conway: —because I have to speak to a bill, the principle of which is very specific and quite supportable.

Mr. McClellan: Don't be inhibited, Sean.

Mr. Conway: What I wanted to say in support—

Mr. McClellan: Go ahead and say it.

Mr. Conway: What I wanted to say in support of this particular bill is that, as a tax, this OHIP premium, as has been pointed out

by many, is increasingly regressive. The manner in which it was brought forward by the Treasurer is not only gutless and deceitful, as was stated by others inside and outside of this House, but clearly indicative—

Mr. McClellan: Sleazy.

Mr. Conway: Sleazy may be too strong a term.

Mr. MacDonald: Gutless but not sleazy.

Mr. Conway: Certainly it is of concern to those of us who accepted the Treasurer's logic in his budget paper of 1976, at which time we had the 45 per cent increase in premiums, based on what we were then told by the hon. Treasurer: "Premiums will now generate"—in 1976— "28 per cent of the total financing of OHIP."

Mr. Bradley: You are disturbing the Tory caucus, Sean.

Mr. Conway: "This is a more appropriate level than the 23 per cent raised and is a suitable long-term norm to maintain as health care costs increase in future years."

My concern is that the Treasurer clearly has reneged on that commitment; he has no reason to be believed when he says now that this tax will be relied upon increasingly in the future. Those subscribers, and they are an ever-decreasing number of pay-direct subscribers, who are expected to pay an increasing proportion of the health care burden—and that too is an interesting point, because—

Mr. Martel: That fellow should start looking for a new job tomorrow.

Mr. Conway: —in his paper the Treasurer indicated a reliance upon what the Taylor report to the Premier said in December 1977.

Mr. Haggerty: And it didn't say too much.

Mr. Conway: It didn't say very much. What it said, I think represents the fundamental anathema to many members on this side of the House. Surely it is incumbent upon the Treasurer to define what it is he wants this premium to relate to. Does he expect this tax to be related to the overall health care costs? Are those premium subscribers who pay direct—and I make that distinction—

Hon. Mr. Baetz: It was related to and consistent with federal legislation.

Mr. Conway: I make that distinction, because I think it is fundamentally unfair that the hon. member for Ottawa West, for example, should have this interpreted for him—and, I presume, for myself—as nothing more than a \$144 pay raise.

Hon. Mr. Baetz: I don't need it interpreted for me. I know. You are talking nonsense over there. This is consistent with federal legislation.

Mr. Conway: As he well knows from his previous days on the council for social development, that is the worst form of regressivity—

Hon. Mr. Baetz: I know a lot more about this than you do.

Mr. Speaker: Order.

Mr. Conway:—that anyone with an ounce of progressive social philosophy in his veins must object to in principle. That is why.

Hon. Mr. Baetz: You don't know your Constitution.

Mr. Conway: The hon. member for Ottawa West knows that. For him it is nothing more than a \$144 pay raise; and if the cabinet is not paid enough—

Hon. Mr. Baetz: This legislation is consistent with federal legislation, which is also constitutional.

Mr. Conway: If the cabinet of this government is not paid enough, let them stand up in this House and ask for more money. But it will simply not be acceptable on the basis of this kind of regressivity.

Hon. Mr. Baetz: This is nonsense—arrogant nonsense.

Mr. Conway: In this budget, the Treasurer offers us premiums—and I quote from page 15—

Hon. Mr. Baetz: You are trying to change federal and provincial legislation—

Mr. Lewis: That is claptrap. You're sillier now than when you were with the council on social development.

Hon. Mr. Baetz: That's not claptrap. You don't know what you are talking about. This Act is consistent with federal legislation.

Mr. Kerrio: You know little enough about energy.

Mr. Conway: This budget and this Treasurer offer to us this premium increase as not only important but necessary because premiums "retain a visible link with the cost of services."

[5:15]

Mr. Speaker: Order.

Hon. Mr. Baetz: If this is a tax, so is the Canada Pension Plan, so is unemployment insurance.

Mr. Speaker: Order. Will the Minister of Energy calm down just a little bit, I would like to hear what the hon. member for

Renfrew North has to say about the principle of this bill.

Mr. MacBeth: The Minister of Energy is aptly named.

Mr. Conway: Mr. Speaker, the budget of March 7, 1978, which I think is related to the principle of this bill—at least in my interpretation—offers the premium as necessary and important, and I quote, "because they retain a visible link with the cost of services." Mr. Speaker, I ask you—

Mr. MacDonald: That's not a principle.

Mr. Conway:—how it is that this tax, this premium, in any way relates to the cost of services?

Hon. Mr. Baetz: Make up your mind.

Mr. Lewis: Reuben, stop it. You are the only man who moved from feudalism to the Dark Ages and thought it was progress.

Mr. Conway: Because for the hon. member for Ottawa West and myself and 123 others there is no visible link in this whatsoever. There is a heck of a lot more visibility for that woodworker in Lake Nipigon who now pays for his family \$528 worth of the most regressive tax that this government has increasingly relied upon.

Mr. Martel: It's okay if you are in the cabinet.

Hon. Mr. Baetz: Is unemployment insurance a tax? Is the Canada Pension Plan a tax?

Mr. McClellan: You know all about unemployment insurance, don't you? We remember your views on unemployment insurance.

Mr. Conway: And as if that visible-link argument is not of its own accord specious and irrelevant enough, what does the Treasurer tell us on page 33? He suggests that we really shouldn't worry because "Table 2 shows that almost three-quarters of the increase will be paid for by employers."

I think contained within the budget is a clear contradiction of this visibility that is offered to us as the one and only reason why this government increasingly relies on this kind of tax. And I was interested in that connection, because you know what this proves—and you know why I think the hon. member's bill is so important? It is that now that the Treasurer in his budget indicates that this is the third largest source of provincial revenue, it is going to force that government in this minority situation to come before this legislature and ask for tax revenues as tax revenues.

Mr. MacDonald: Live within the Constitution.

Mr. Conway: As the hon. member for York South says, they are constitutionally required to do so.

Hon. Mr. Baetz: Is the Canada Pension Plan premium a tax?

Mr. Conway: Well, the Minister of Energy says that that is not all that bad. Let him say what he might.

Mrs. Campbell: He has changed.

Hon. Mr. Baetz: No, no.

An hon. member: He hasn't changed.

Mr. Conway: Not only is the Treasurer unable to get beyond his Tory mentality which was marvellously outlined in the budget as well as in his—

Hon. Mr. Baetz: That has nothing to do with the principle of this bill.

Mr. Conway:—response to the letters to the editor column in the *Globe and Mail*, March 16, where among other arguments he offered—

Hon. Mr. Baetz: You are off on a tangent again.

Mr. Conway:—"the premium system is more progressive than some critics allow."

Hon. Mr. Baetz: What's wrong with that?

An hon. member: It's stupid.

Mr. Conway: Well, not to forget, "it's no less regressive than the sales tax." That kind of argument I know the Minister of Energy can understand.

An hon. member: You are right there.

Mr. McClellan: A great social critic you are, Reuben.

Mr. Cassidy: You sure sold out, didn't you?

Mr. Conway: He goes on to talk about the large number of free premiums and the fact that OHIP payments are for the most part—

Hon. Mr. Baetz: You are mixing apples and oranges in this argument.

An hon. member: You are mortgaged up to the hilt, Reuben.

Mr. Conway:—subsidized by employers and that everyone must realize, the Treasurer tells us, that health costs are increasing.

Mr. Lewis: Reuben, if you were in British Columbia, you would have jumped in with Social Credit.

Mr. Conway: Well, if that is the case,—

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. Conway:—let this government come before this House and ask for those revenues as taxes and not try to piggyback other general revenues upon that very small number

of people, as it now turns out generally some 25 per cent of subscribers—

Mr. Deputy Speaker: Order.

Mr. Conway:—who must pay directly.

Hon. Mr. Baetz: Is the Canada Pension Plan a tax? Is unemployment insurance a tax?

Mr. McClellan: You've got nothing left to sell out, Reuben. You've given it all away.

Mr. Kerrio: You would do well to learn something about the Energy portfolio.

Hon. Mr. Baetz: Rubbish.

Mr. Deputy Speaker: Order.

Mr. Breagh: I don't want to see the hon. Minister of Energy have to rush out and use this tax right away, and I wish he'd calm down before he does.

I want to speak directly to the principle of this bill, which I think is extremely important, and I think that the case in constitutional terms has been put most eloquently by my colleague from Scarborough-Ellesmere. It has been done with a thoroughness that I think is really rarely seen in this House. I think it is important that we recognize the importance of the bill, that, in effect, we have seen what is perhaps the most dominant tax action that this government has proposed to date this year and it has tried to get it through the House under the guise that it's not a tax at all, that it is, in fact, something else.

I would guess that for someone as courageous as our provincial Treasurer, who possesses so much bravado and speaks with such a great, loud voice about so many things—

Mrs. Campbell: And with a forked tongue.

Mr. Breagh:—one would think he would have had the physical ability to bring this matter before the House. If his case is so strong, if he wants it, why does he not then bring it in in the form of legislation, as he will with other forms of tax action that he intends to take? In fact, in dealing with the principle of the bill—are we talking about a tax?—I think we would look first and foremost at where was this concept introduced into this House? It was introduced by the Treasurer himself in a list of things that he considered to be tax action. So it is a tax.

Is it a tax in the sense that it raises substantial amounts of revenue for the government of Ontario? It certainly does. Once again, when we look at what have we got going here, is this thing a tax, does it require legislation from this House before it should be approved, well, it certainly does.

Hon. Mr. Baetz: Does the Canada Pension Plan premium require legislation? It's the same thing.

Mr. Breaugh: Look at, for example, even a simple family of four. With this particular tax, we're looking at \$528 a year for an average family. That's a tax. Without question, that's a tax. That's a substantial amount of money. Of all the things the Treasurer could have done in terms of a deterrent fee, it certainly isn't that. If he wanted to say this is kind of an admission charge, it certainly isn't that. This is a form of taxation, without question.

Mrs. Campbell: It's more than their income tax.

Mr. Breaugh: I think that undeniably in constitutional terms, undeniably as well in terms of raising revenue in a form that is perhaps unprecedented in this House, this is taxation. This particular measure, without question in my mind, requires that he brings before this House some legislation.

If we look at it in terms of what an individual has to pay, try this one on for size. OHIP as a percentage of taxable income is 6.5 per cent of taxable income for an average family of four. That's a lot of money. That's certainly nothing that we might consider to be casual. That's certainly nothing that we might begin to consider to be anything other than a tax. Perhaps he's trying to make an argument that it's a tax by a different name, but none the less it is a tax in the classic parliamentary sense of taxation throughout our English parliamentary system.

Hon. Mr. Baetz: It is not. That is the mistake.

Mr. Martel: The Speaker ruled on it, my friend.

Hon. Mr. Baetz: Unemployment insurance premiums are not regarded as taxes in this country, nor are Canada Pension Plan premiums.

Mr. Martel: The Speaker ruled on it, Reuben. You are going to eat crow before you finish.

Mr. Breaugh: I want to put this in a context as well because I think that it is important that we do that. I think it is important we note that Ontario now has the dubious distinction of raising more money through these health insurance premiums, \$1,120 million, than through the corporate income tax, where the guesstimation this year is \$1,045 million. So, without question, the principle of this bill is important to this House. When this government chooses to tax the people of Ontario, when it chooses to raise substantial amounts of money, does it do so through the back door, by asking that someone raise the premium rate, which in

effect operates as a tax, and in a classical, constitutional and parliamentary sense is in effect a tax by anybody's definition? It's precisely what we're talking about here.

I think it is important for us to recognize that in this OHIP premium raise once again the members of this House have had one of the most dramatic forms of taxation that we'll ever see pulled on them in this budget, and in fact it requires no legislation at all. That certainly is unfair and that speaks directly to the principle of this bill. We, as members of this House, as individual members of this House, demand that when the government does increase this form of taxation it brings that matter before this House in the form of legislation so that we can, in fact, properly debate it. It is taxation, without question.

I have listened to the debate from various private members here, and although this is said to be a private members' hour, I am not so terribly sure that it has turned out to be that. I heard, in fact, from the government side of the House, some arguments which, in my mind, did not speak very directly to this principle. I would think that any member of this House, any member on either side of the House, would want to think the respect of the House is such that when a government of the day, any government of any day, raises this kind of taxation revenue, it does so only with legislation and that it brings it before this House. I don't see that happening.

In looking at the opposite side of the House I don't see very many people over there taking an interest in this.

Hon. Mr. Baetz: There's one sitting over here that knows you're wrong.

Mr. Breaugh: I dare say, Mr. Speaker, that there are a great many people in the province of Ontario—

Mr. Kerrio: We are talking about people who know something about it.

Mr. Peterson: Look after Hydro.

Mr. Breaugh: —who will be faced with this most regressive form of taxation, who will find it a substantial hardship in this year; who will pay it whether they want to or not, whether they use it or not, as they do with most other forms of taxation.

Without question, Mr. Speaker, we see in this particular Parliament, right now, a government that has chosen to go through the back door, that has chosen not to bring fairly and squarely before this House what it intends to do.

Mr. Kerrio: They will block the bill.

Mr. Breaugh: I think that the purpose of this bill, the principle of this bill, is essential

to the traditions of our own Parliament and to the value of the Parliament itself. I fail to understand why, with an array of things to do, in terms of raising money, in terms of taxing the people of Ontario, the Treasurer chose to step into the telephone booth, put on his killer T-shirt, and use this form of taxation. Perhaps he felt that deterrent fees were a little inappropriate, that it wasn't appropriate to tax the sick when they were sick, but that this form of taxation was a little more fair.

Mr. Rotenberg: Will you support deterrent fees?

Mr. Breugh: If that's the case then I don't see why he, as one member of this House, would object in the slightest this form of legislation.

I look, in great measure, at the members opposite. I wish there were more, because I think this is an important matter for this House to discuss. There aren't many of them here now, Mr. Speaker, unfortunately I'd be prepared to predict—

Mr. Kerrio: They will be here tonight to block it.

Mr. Breugh:—that when the vote is called in this House this afternoon, there will be 20 mugwumps rising on that side of the House to see that we don't even get a vote on it.

Mrs. Campbell: Absolutely, that is right.

Mr. Breugh: Mr. Speaker, this principle is one that is fundamental to Parliament, that the members opposite who form the government of the day, when they want to raise taxation bring those matters before this House in legislative form so that the members of the House may have an opportunity to discuss it and to vote on it. That would be the same in a majority government, as it should be in a minority government. It is fundamental to the principles of the parliamentary democracy that we belong to that it be done in this form. I fail to see why any member of the House, in good conscience, could not support this legislation.

Hon. Mr. Baetz: The Health Insurance Act is consistent with federal policies.

Mr. Lewis: You don't have unemployment insurance premiums dealt with within a budget; or CPP within a budget, Reuben. You don't know what you are talking about my friend. You know nothing in this job and learned nothing in your former job.

Sorry to have to reveal that to Hansard; I feel embarrassed on your account.

Hon. Mr. Baetz: I am not going to listen to you any more. You are finished.

Mr. Deputy Speaker: Order.

Mr. Handleman: I thought you wanted to sit on the back bench.

Mr. McClellan: With whom? With Reuben Baetz?

Mr. Deputy Speaker: Order.

Interjections.

Mr. Deputy Speaker: Order. The hon. member for Durham West.

Mr. Ashe: Mr. Speaker, I've followed with particular interest since the budget was introduced, the many and varied legal points made by members opposite with respect to the British North America Act, and of course taxation without legislation.

Not being a lawyer myself I therefore took the opportunity to discuss some of these matters with the ministry's legal staff. I am convinced that the member—

Mr. Swart: Why don't you get outside information?

Mr. Martel: Why don't you get Dracula?

Mr. Ashe: I don't admit to be an expert in everything the way some people opposite seem to feel they are.

Mr. Cassidy: You are a member of this House and you are responsible to the electors.

Mr. Ashe: That's right.

Mr. Peterson: You are the worst hack in the whole House.

Mr. Ashe: I am convinced that the member for Scarborough-Ellesmere is wrong in much of what he has said about changing OHIP premiums by regulation; and I think his bill, and the premise on which it is based, therefore, is completely wrong.

In the first place, I think that it is clear that a premium paid as consideration for health insurance, of course, is not a tax.

Mr. MacDonald: You are denying your boss.

Mr. Ashe: As with premiums paid on any contract of insurance, be it home, car, accident and sickness, OHIP premiums are variable from time to time depending on the insurer's costs and the claims record.

Mr. McClellan: You are always attacking the Treasurer.

Mr. MacDonald: The Treasurer said it was.

Mr. Ashe: I shall deal with this record later in my remarks, Mr. Speaker.

I should note that the legislation out in British Columbia—

Mr. Swart: How come he gives you all the hopeless jobs?

Mr. Ashe: —put in of course by another political party, established the Insurance Corporation of British Columbia, which permits that corporation, without any reference to the Legislature, to establish premiums payable for auto insurance. And with respect to these insurance premiums—

Hon. Mr. Baetz: That's right.

Mrs. Campbell: And it's used for automobile insurance.

Mr. Cassidy: It's not a tax measure.

[5:30]

Mr. Ashe: —it seems to be an entirely reasonable approach.

Mr. Cassidy: It's not a tax measure. It's a separate corporation.

Mr. Ashe: I would like briefly to speak to several legal points also, Mr. Speaker.

Mr. MacDonald: You had better get a different lawyer. So far your legal points are pretty feeble.

Mr. Ashe: I am advised that the recent Supreme Court of Canada decision in the reference regarding the Agricultural Farm Products Marketing Act handed down in mid-January of this year supports our view that levies collected for the purpose of defraying expenses are in fact not taxes. In that case the Chief Justice deals at great length with sections 53 and 54 of the British North America Act and concludes that in that instance levies made on egg producers were not taxes but "merely ingredients of a regulatory scheme and are considered as elements thereof."

Mr. Peterson: Poppycock.

Mr. Martel: The whole public isn't egg producers. It isn't the same principle at all.

Mr. Ashe: It seems to me as well that premiums payable under the Health Insurance Act, 1972, are levies made to recover the costs of operating an insurance scheme. The premiums are ingredients of a much larger health insurance scheme and are to be considered as only one of the elements of the Health Insurance Act. In any event, even if OHIP premiums were to be considered a tax—and I firmly believe of course that they are not—an early decision in legal history, *Powell vs. the Apollo Candle Company Limited*—so as you can see we are going back a while—

Mr. Swart: About your time.

Mr. Ashe: —from the Supreme Court of New South Wales, firmly supports the proposition that sections 53 and 54 of the British North America Act do not require legislation for the alteration of premiums imposed pursuant to section 12 of the Health Insurance Act.

In that case, the Customs Act of New South Wales permitted the governor to impose duties by order in council. The court concluded that the duties levied under the order in council were levied by the authority of the Act under which the order is issued. There it was also argued that under the constitution, similar to sections 53 and 54 of the British North America Act, only the Legislature could impose a tax.

I would like to read to members one excerpt from the decision of Sir Robert Collier in that instance:

"It has been argued that the proviso on section 1 that all bills for appropriating any part of the public revenue or imposing any new tax, rate or impost shall originate in the legislative assembly in the colony, at least a direction on the part of the Imperial Parliament that all levying of taxes in the colonies shall be by bill originating, as in this country, in the lower House.

"It may be that the Legislature assumes that with respect to customs duties such a course would be pursued as undoubtedly as in accordance with the usages and traditions of this country, but it appears to their lordships impossible to hold that the words of an Act which do not more than prescribe the motive procedure with respect to certain bills shall have the effect of eliminating the operation of these bills.

"It is argued that the tax in question has been imposed by the governor and not by the Legislature, who alone had the power to impose it. But the duties levied under the order in council are really levies by the authority of the Act under which the order is issued. The Legislature has not parted with its perfect control over the governor and has the power, of course, at any moment of withdrawing or altering the power which they have entrusted to him."

In passing section 12 of the Health Insurance Act, 1972, I believe this House at that time acted properly in vesting the authority to alter the rate of premiums in the Lieutenant Governor by regulation. I would now like to indicate why it seems to me to be so vital that the necessary flexibility be available in establishing the level of OHIP premiums.

Mr. Swart: Because you couldn't get it through the Legislature.

Mr. Cassidy: That's right, because you haven't got the guts to come before the Legislature.

Mr. Ashe: There is little doubt that the provision of a top-notch health care system is of paramount importance in the eyes of

the public and this government. However, it is becoming more and more difficult each year to finance the costly proposition of maintaining good health care. I would like to give members some idea just how costly it is.

Since OHIP was introduced in 1972, expenditure on insured services has increased by \$1.7 billion. This fiscal year these expenditures will claim over 23 per cent of budgetary revenue. Expenditures have grown despite a very successful spending control program which for this year will hold the rate of expenditure growth on OHIP to just over six per cent. This is in stark contrast to the 24 per cent experienced in 1974-75. Further, this success has not been at the expense of quality in our health care system.

More needs to be done, however, and to achieve further successes we need the cooperation of each and every citizen of this province. Only through prudent and judicious utilization of our health care system can we be assured of maintaining the kind of health care system we have all come to expect within the fiscal resources that we have at our disposal.

So that you don't get all shook up, Mr. Speaker, I am going to—

Mr. Deputy Speaker: I just feel the hon. member is straying somewhat from the principle.

Mr. Ashe: Not really—

Mr. Warner: He's completely lost.

Mr. MacDonald: Don't dispute the Speaker; deal with the principle.

Mr. Ashe: The point is that there is no doubt that the growth of revenue available is not nearly equivalent to the amount of the growth of expenditures, and from time to time changes have to be made. It is obvious that quality reductions or service cutbacks are not wanted by the people of Ontario. Further, since we have committed ourselves to a balanced budget by 1981, deficit financing ceases to be an option. That leaves increases in taxes as opposed to OHIP premium changes.

It is true tax increases could have brought in new financing for OHIP. The government of Ontario could have raised the personal income tax by 10 per cent, or raised the retail sales tax by eight per cent, or found the money by boosting the corporate income tax. These are very unattractive options, given the sensitivity of consumer and investor confidence to tax changes. The result might have produced long-lasting and adverse effects on a recovering Ontario economy.

Mr. Cassidy: What about the adverse effects on the families of the province? Answer that question.

Mr. Ashe: I'll speak to that right now. The level of premiums is not nearly as bad—

Mr. Cassidy: Sure, put the corporations ahead of the people of the province, eh?

Mr. Ashe: He wants to hear it, but he doesn't want to hear it, Mr. Speaker.

Mr. Swart: He knows what the answer is.

Mr. Ashe: They are not nearly as bad as some critics might have one believe. About 1.9 million Ontarians, who are pensioners, welfare recipients and those on low income, are provided free coverage. About three-quarters of the rest of the people of this province are covered wholly or partly under company plans. Since any amount that employers pick up on behalf of employees is considered as taxable income, the burden of premiums is distributed far more progressively than at first meets the eye. The higher-income person pays a higher rate of tax on the employer's contribution.

I think one would have to admit that there do exist some individuals and families whose taxable income just slightly exceed the ranges within which free or half-premium coverage is available, and as such, the new premium levels are unfairly burdensome. I am assured that our officials are studying this problem and that they are working toward a viable solution to offset any undue hardship.

Mr. Peterson: Go to the boss and get a cut in pay.

Mr. Cassidy: A viable solution is to stop the premium increase.

Mr. Ashe: I am opposed to the provisions of Bill 32. I believe this House acted properly in 1972—

Mr. Cassidy: You are opposed to parliamentary democracy.

Mr. Ashe:—and earlier years in leaving the determination of premium levels and the necessary flexibility—

Mr. Deputy Speaker: Order: The hon. member's time has expired.

Mr. Ashe: Mr. Speaker, I beg to differ with you. If you counted the first two minutes before I had the floor, I got up at 5:30—

Mr. McClellan: Challenge the Speaker's ruling.

Mr. Deputy Speaker: Order.

Mr. Ashe: If I may close, then, with one line, Mr. Speaker: Within the options available to government, I believe that the level

of premiums balanced against the quality of health care service is as equitable and fair to the people of the province as it is humanly possible to make it, and this government should be able to determine that disposition.

Mr. Kerrio: You said it, but you don't believe it.

Mr. Ashe: I do.

Mr. Peterson: Mr. Speaker, we don't have a great deal of time, and I just want to make a small contribution. A great number of worthwhile things have already been said. I would like at the outset to congratulate the member for Scarborough-Ellesmere. I thought he made a first-class presentation. It will go down in the annals of the House with some of the finer speeches and better contributions and better-researched documents, and I congratulate him.

We in this party totally and 100 per cent support his view and the view expressed by my colleagues here already. I think his historical dissertation, starting in 1215 with the Magna Carta and subsequently, has been a worthwhile contribution. In fact, it has probably moved the NDP political philosophy ahead at least two centuries anyway, so that in itself was a contribution.

Mr. Warner: At least two.

Mr. Peterson: Mr. Speaker, I don't want to be repetitive, but I want to emphasize the things that I think are so terribly important in this debate. I see the Treasurer talking at dramatic cross purposes in the introduction of this premium. I want to read from the budget, if I may, and this is leading to the very salient points that directly affect this Bill 32.

He says, under OHIP premiums, "The control of health costs continues to be a high priority." I would respectfully submit that this premium, this regressive tax—and I fully accept the argument that it is a tax; nobody has any choice in this province whether he pays it or not—does not in any way address the problem of control of health costs. What we can see next year if they do not address their minds to this expanding and burgeoning system of health care, is another increase in premiums sneaking through the back door, not being addressed by this Legislature.

It is time that this Legislature fully, clearly and in depth reviewed the entire medical care system in this province and decided as a matter of public policy, not as a matter of regulation, how much a percentage of our revenue, of our total tax dollars, of our gross provincial product we are prepared to spend on health care.

The government has begged the question of these expanding health care costs when it just raises more revenue to pay for increased costs, because I see with this philosophy a continuing expansion of this kind of thing. It'll happen next year and the year after and the year after, extracting a greater and higher percentage out of the public purse. Whether we call it a tax or a premium it still comes out of the productive capital of this province, and it is our view that we are almost at the economic choke point right now. We can't afford to raise a higher percentage of taxes out of the gross provincial product.

The question then becomes, obviously, what is the fairest and most equitable way to extract this revenue? I fully subscribe to the argument expressed by the members of the third party as well as the members of the Liberal Party who have spoken on this issue before. If one needs additional revenue—and I question that—then clearly this is not the most attractive or fairest way to extract that revenue. It gives me very serious problems.

The Treasurer's other argument is to provide the visible link. I respectfully say to the Minister of Health that this increase in OHIP premiums in many respects is going to be a payroll tax—and the Treasurer talks so eloquently about trying to maintain some reasonable tax climate in this province—and employers are going to look at that and say, "I cannot afford any more employees, because I can't afford those extra payroll taxes." When they're paying workmen's compensation, increases in OHIP and all of the other kinds of taxes that one pays on payrolls today, it's becoming less and less attractive to hire people. Certainly that's the most important, fundamental economic problem we have in this province today. The government is punishing people who are employing people and is, in fact, providing no visible link.

We have a health care system where someone who is a beneficiary of the system has absolutely no idea what charge he is on the public purse. One can't find out to save one's soul how much it costs to stay in a hospital. We had a baby about six months ago and I had to ask many people how much of a charge we were on the public purse for doctors and anaesthetists and hospitals and all that kind of thing. Clearly, if he wants to provide that visible link, the Minister of Health (Mr. Timbrell) has an obligation to make sure every single person in this province knows how much he is taking out of this total bill of about \$4 billion. That's where to start.

A hidden tax that goes on the payroll will not provide that visible link, in my opinion.

The minister has a very major and important administrative job to do quickly to address that question of the "visible link" which the Treasurer talks about and which a consumer of the service in this province can hardly find out to save his soul. It's the only system in the world where one can walk in and consume unlimited amounts of services without knowing what one pays or knowing the costs of it in any regard. I would say that is the fundamental and most important administrative problem that they have in the Ministry of Health. I say to the Minister of Health he has an obligation to start on that right away.

I just wanted to make that small contribution. There is no question in my mind that if this came before the House it would be defeated and the government would be defeated. Obviously, we see all the government members now starting to pour in.

Mr. Kerrio: Blocking it.

Mr. Peterson: We'll see 20 of them stand up and block this bill, because there's no question that if this came to a vote it would be defeated and the government would probably have to take it as a matter of confidence. We think it is unfair. We think it is inequitable. We think when the government is raising \$1.2 billion by regulation, undiscussed by this Legislature, then it is taking the chicken-hearted way out of this situation.

I have to ask myself in fairness, would the Treasurer have done this if there was a majority government, or would he have used a different kind of mechanism? Would he have had the courage to bring it before this House—knowing he would win, of course, in a majority—if we were in those kinds of circumstances? I tend to think that this government has taken the cowardly way out of this program in order to obscure from this House the very important issues of these expanding health costs, which still have yet to be addressed.

[5:45]

I regret that and I am so happy about the Liberal Party's contribution to force this thing into committee, and we are going to expect a great deal of co-operation; because if the minister cannot come up with a way to control these expanding health costs I can assure him that we will. And we are looking forward to making a very significant contribution.

Hon. Mr. Parrott: Tell us; get with it.

Interjections.

Mr. Peterson: We are the ones who forced this into committee. We are the ones who have asked for a full legislative review.

Hon. Mr. Timbrell: Why didn't you do it in estimates?

Mr. Peterson: We have never had a legislative review of this whole program, and it has grown like Topsy in the past 10 years.

Hon. Mr. Parrott: We have not had one idea from that party; not one idea.

Mr. Peterson: The minister should have initiated it. We had to deploy certain mechanisms and rules of this House in order to bring about that kind of review, and we are looking forward to making that kind of contribution.

Mr. Speaker: The hon. member's time has expired.

Mr. Peterson: Mr. Speaker, we fully support the member for Scarborough-Ellesmere; and again I compliment him and I am glad we have had an opportunity to debate this bill today.

Mr. Warner: May I defer the last couple of minutes to my colleague from Sudbury? Am I allowed to do it?

Mr. Speaker: That's your choice.

Mr. Martel: Thank you, Mr. Speaker. I only want to make a few comments.

OMSIP, as it was known, came into Ontario rather reluctantly. I remember Roberts calling it a Machiavellian scheme; and since that time the Tories have done nothing to make it palatable in Ontario in terms of fairness.

It was this party, in fact, way back then, that opposed it; opposed the OHIP scheme, we voted against it at that time, because it was inequitable.

Mr. MacDonald: And won a by-election because of it.

Mr. Martel: I want to remind members of 1969. I want to give them a few figures.

In 1969, when this was introduced in Ontario, the premiums were \$177 in Ontario. They were \$48 in Saskatchewan, \$117 in Manitoba, \$120 in Alberta and \$150 in BC. Today, in the same provinces Mr. Speaker, they are zero, the premiums in Saskatchewan; zero in Manitoba; \$169 in Alberta; \$225 in BC; and \$528 in Ontario, up 300 per cent.

Mr. Swart: That says a lot about your government.

Mr. Martel: That says a lot about the richest province.

We opposed it in that day, Mr. Speaker. And I remind you, that there was a ruling made, when my colleague from Scarborough—

Hon. Mr. Timbrell: How much do you pay today in BC?

Mr. Martel: By the way, the member for Scarborough West at that time made the following statement about this bill: "As a matter of fact, Mr. Speaker, without being unkind, this Act might better be entitled an Act respecting the rescue of the provincial Treasurer"; because that is what it was doing. That is what he said in 1969, you are bailing out the Treasurer. If it was that then, imagine what it is like today.

As we moved a number of amendments in that bill, let me tell members what the Speaker of the day ruled with respect to the amendments moved by my colleague, to show my friend, the Minister of Energy, that the Speaker of the day considered it a tax.

My colleague moved an amendment, and the Speaker made the following ruling: "It seems to me that the motion presented or raised by the hon. member for Scarborough West has to do with raising of revenue, the premiums going into the revenue accounts of the province of Ontario; and it seems to me it would be beyond the competence of the hon. member to indicate the amount of these revenues or taxations as such.

"There is a rule forbidding any motion having to do with the raising of taxes or revenues, and this specifically seems to me to be a matter of part of the revenue of the province which goes into the consolidated revenue fund for the expenditure to offset costs, and it certainly seems to me to be out of order."

Mr. Lewis: Right, you are breaking the law.

Mr. Martel: The Speaker of the day ruled that my colleague could not move an amendment which in fact was a tax, or rule against the tax—

Hon. Mr. Auld: Or revenue.

Mr. Martel: Revenue. And that is what you have now, a form of taxation; the amendment was ruled out of order by the Speaker because a private member cannot deal with taxation.

One final quote, if I might, Mr. Speaker, because the Speaker of the day then went on to elaborate with one more sentence. And he said: "It is provided that the House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost to any purpose that has not been first recommended by a message of the Lieutenant Governor in the session in which the vote, resolution, address or bill is proposed."

I suggest to you, Mr. Speaker, that it is out of order, and you can't do it.

EQUAL OPPORTUNITY ACT

Sufficient members having objected by rising, a vote was not taken on Bill 40.

HEALTH INSURANCE AMENDMENT ACT

Sufficient members having objected by rising, a vote was not taken on Bill 32.

The Honourable the Administrator of the Province of Ontario entered the chamber of the Legislative Assembly and took his seat upon the throne.

ROYAL ASSENT

Hon. W. G. C. Howland (Administrator of the Province of Ontario): Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sittings thereof, passed certain bills to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

Clerk Assistant: The following are the titles of the bills to which Your Honour's assent is prayed.

Bill 23, An Act to amend the Highway Traffic Act.

Bill 25, An Act to amend the Tobacco Tax Act.

Bill 27, An Act to amend the Retail Sales Tax Act.

Bill 33, An Act to amend the Land Titles Act.

Bill 34, An Act to amend the Registry Act.

Clerk of the House: In Her Majesty's name, the Honourable the Administrator of the Province of Ontario doth assent to these bills.

The Honourable the Administrator was pleased to retire from the chamber.

Hon. Mr. Welch: Mr. Speaker, perhaps as a matter of convenience for yourself, I might call the second order just before we break for supper.

Mr. Conway: Can 20 members kill it?

An hon. member: You couldn't do anything because you couldn't scrape up that many.

Mr. Conway: You'll be killing the Lord's Prayer next.

Hon. Mr. Welch: You only had six or seven Grits in their seats.

Mr. Martel: You're killing the private members' hour.

Mr. MacDonald: They're not killing it; it's dead. They're mutilating the corpse.

The House recessed at 6 p.m.

APPENDIX

(See page 999)

The following bills were introduced, read the first time and referred to the standing administration of justice committee:

Bill Pr1, An Act to revive John A. Schmalz Agencies Limited.

Bill Pr5, An Act to revive Hare Transport Limited.

Bill Pr6, An Act to revive A. C. McIntyre Motors Limited.

Bill Pr7, An Act respecting the City of Hamilton.

Bill Pr8, An Act to revive Beaver Construction (Ontario) Limited.

Bill Pr11, An Act to revive White Queen Limited.

Bill Pr12, An Act to revive Salsberg's Smoke & Gift Shop Ltd.

Bill Pr14, An Act to revive MacLellan Construction Limited as P.W. MacLellan Construction Inc.

Bill Pr37, An Act respecting Loubill Hobbies and Sports Limited.

The following bills were introduced, read the first time and referred to the standing general government committee:

Bill Pr3, An Act respecting Crossroads Christian Communications Incorporated.

Bill Pr38, An Act respecting the Borough of Scarborough.

The following bills were introduced, read the first time and referred to the commissioners of estate bills and if reported favourably by the commissioners stand referred to the standing administration of justice committee:

Bill Pr10, An Act to revive Congregation Beth Am.

Bill Pr15, An Act to dissolve the William Hall Peterborough Protestant Poor Trust.

The following bill was introduced, read the first time and referred to the commissioners of estate bills and if reported favourably by the commissioners stand referred to the standing general government committee:

Bill Pr4, An Act respecting the City of Cornwall.

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No. 25

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Second Session, 31st Parliament

Thursday, March 30, 1978

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, MARCH 30, 1978

The House resumed at 8 p.m.

MUNICIPAL ELECTIONS AMENDMENT ACT

House in committee of the whole on Bill 30, An Act to amend the Municipal Elections Act, 1977.

Mr. Ashe: Mr. Chairman, just in summary, I think most of the discussion related to the bill was dealt with on second reading. There were a few differences of opinion, let us say, at that time and that's the reason we're in committee, I understand, unless there's been a change in thinking. There are two proposed amendments by the hon. member for Welland-Thorold (Mr. Swart) and I had one housekeeping one to correct a typographical error. I am prepared to move right on to section 1 and answer any questions that may come up over the seven sections.

On section 1:

Mrs. Campbell: Mr. Chairman, I have a question, not as it relates specifically to the wording of the clause before us. Not having been privy to some of the other discussion, if perhaps I'm covering something already discussed, please advise me.

When this takes effect, what is the position of this new council vis-à-vis its budget procedures? Are they enabled by this to proceed as they would have done in January? Do they deal with budgets before the end of the year? What is their fiscal year in this first year? Do they in effect deal with their budgets for a 13-month period because now that it's quite clear that they take over as of the beginning of December, and having had all the limitations imposed by this government in the past about the preparation of budgets in advance, could I be enlightened as to what effect this section has with reference to budgeting procedures?

Mr. Ashe: Fine. I'd be happy to, Mr. Chairman. The new council, of course, does take over on December 1. The fiscal year is not being changed, so although we would hope and encourage the new council to get into the budget process right away, we would even assume that as far as the staff on the old council is concerned, probably the procedure has started although they can't

really do anything, that's for sure. But keeping in mind that traditionally at least 75 per cent of the council members don't change anyway across the province, I think the process can start.

The month of December would be legally under the operation of the new council, with the one exception that outstanding budgetary expenditures relate only to the old budget—

Mrs. Campbell: Exactly.

Mr. Ashe:—and therefore I suppose in theory the new council could be spending like mad in the month of December with moneys which it was not necessarily a party to in terms of the budget, but keep in mind, it is going to have to pay for it in the following year. So I would suggest that if the council built up a deficit in the month of December—and that's possible, I appreciate that—it is going to have to pay for it in the budgeted fiscal year, January to December 31, in any event.

We are really not concerned that councils would abuse, if you will, that privilege, and hopefully the whole process of everything, getting familiar in the case of new council members or getting into the budget process, would start right at the beginning of December, albeit we have got to acknowledge the last 10 days or so of the year are pretty well lost in a practical sense because of Christmas and coming up to the year end. We feel they will start the whole process earlier and that month will probably be a plus to getting the budget process finalized earlier in the term of the new council than even before.

There's no doubt about it, they have a 12-month fiscal year that is different from their term of office, if you will, as far as that beginning. It's obviously not in effect the second year, there's no problem there, but every time there's an election that will happen for that one month. It was felt, based on the input principally from municipalities across the province, they much preferred that option rather than have a lame duck council for some seven to eight weeks, which was the alternate of having the earlier election and going on until the end of the calendar year.

Mrs. Campbell: Mr. Chairman, I think I would want to correct any possible misunderstanding that the member might have. I have the highest respect for municipal politicians. They are not accustomed to dealing with deficits. They are not able to deal with deficits. Their problem usually is that they cannot get started their budgeting process in time to make decent savings in their public works programs. Don't misunderstand me. Any suggestion I make is because I think they are the most responsible politicians that we have in this country by far.

Mr. Ashe: I was one too.

Mr. Swart: Funny how we change.

Mrs. Campbell: I just am concerned about this because I don't know of any change which enables the old council to prepare its budget in advance. It seems to me that these people coming in in December, which is not usually a very busy month, not by reason of the council but by reason of the very obvious circumstances of December, it will be very difficult for them to try to budget so that they can be ready to tender for public works projects early in the new year. I just wanted to make that comment on this particular situation.

Mr. Deputy Chairman: The member for Welland-Thorold.

Mr. Swart: Mr. Chairman, I will wait until we go into committee to make comments.

Mr. Deputy Chairman: We are in committee.

Mr. Swart: We are in committee? Then I will move an amendment to section 1. I think you have a copy of that from the other evening, Mr. Chairman.

Mr. Deputy Chairman: Mr. Swart moves that subsection 2 of section 9 of the Act as set out in section 1 of the bill be amended by striking out all the words following "1978" in the sixth line.

Mr. Swart: I had not intended to say a great deal on this amendment because we did discuss the issue rather fully on second reading of the bill, but I have decided, after reading over Hansard for the debate that took place on second reading, that there are some things that should be said regarding the intent of this amendment. Those who were not here for the debate before will recognize that it deletes the last two lines of subsection 2, so that it will then read: "The term of office of members of a council or local board who hold office on the 30th day of November, 1978, and whose terms of office but for this subsection would expire on the 31st day of December, 1978, shall, subject to

subsection 3, expire with the 30th day of November, 1978."

As the parliamentary assistant pointed out, this is necessary for clarification in the Act, although it was of course the original intention that the term of office would expire on November 30.

Of course, on their remuneration, the section states, "and where such members are paid an annual allowance, the allowance for the year 1978 shall be reduced proportionately." We had considerable discussion on that, and I think there was some agreement that perhaps just an arbitrary reduction of one-twelfth won't really deal with the situation where most of the work of municipal council is done in the first 11 months of the year; perhaps a one-twelfth straight reduction is not an appropriate reduction proportional to the amount of work that is done.

However, as I pointed out the other night, that was not my main concern, nor the main concern of my party, with regard to this section. The concern is that by this section the Legislature is telling elected local government officials what they must do. What we are dealing with here is the principle of whether we trust municipal councils and other local government bodies to look after their own remuneration. That's really the issue that is before us in this amendment; not the principle, perhaps, of whether it is eleven-twelfths, but whether we are going to tell them, from this level, "this is what you must do." Regardless of the justification or not, we are saying, by legislation "this is what you must do."

I would just like to read into the record the statement in the joint report and recommendations of the Association of Municipalities of Ontario and the Rural Ontario Municipal Association, dated July 19, 1977, on the issue of remuneration and expenses of elected municipal officials, and elected and appointed members of other local boards.

They have a statement of principle. The first statement of principle is: "A local determination that the entitlement to, amount of, method of payment of remuneration, transportation and other travelling expenses of local government members be determined locally."

The second statement of principle: "Elected members or local elected officials be responsible for determination of their own remuneration, transportation and other travelling expenses."

Those are the first two sections of that report, which was submitted to the government and municipal people feel rather strongly about that. That's a pretty clear statement.

Municipal people, elected local government people, over the years and for many decades pushed the government to say that they should be able to determine their own remuneration. Not because they want the right to pay themselves excessive amounts of money, but every cent of it is collected from the property taxpayers, they are accountable back to them and therefore they should have the right to determine this on their own.

In fact, of course, the government has gone a long way in giving that right to them, by sections 205, 211, 238 and 389 of the Municipal Act; but somehow or other the government seems, at every stage, to want to pull back on this issue. If any problem comes up let's take that right away. They are either indifferent about it or not capable of it.

The other night, the member for Durham West said they are not betraying that principle, that they still believe in that principle that they should have remuneration. I suggest to you that to a very substantial extent they are betraying that principle.

[8:15]

In reading over Instant Hansard of that night, I will say to you that I was quite concerned about the comments made by the member for Durham West. I am going to read part of that into the record. In giving the reason why they put in this clause which we are saying should be taken out, he says:

"Again we have had questions from municipal clerks, from treasurers, from heads of councils, saying that their bylaw now reads per annum, and some of them took the literal interpretation that they could not make that eleven-twelfths even if they wished to by their own decision. You can challenge whether somebody should ask that kind of question and put forth that kind of statement. But we got them. We also had a lot of just straight questions. What do we do? Do we have two councils in office during the month of December? Do we pay two councils in the month of December?"

"Of course, the answer that we're making very clear is no, if a council does feel that eleven-twelfths of what would normally be the per diem salary is not sufficient to pay them for their 11 months of work; and I acknowledge what the hon. member has said"—he was referring to me at that time—"relative to the work load over the year—that December is not normally considered to be or has not been considered one of the busier months, though I think with the new term of office it will become somewhat busier. But let the council take the option that it now

has to amend their bylaw relating to their compensation.

"If they now have a bylaw that says it shall be \$5,000 per annum they can amend their bylaw as soon as they wish, to change it to a different sum if they feel they are being short-changed by having a pro rata salary for the month or for the whole year because of the month of December."

Then he goes on further to say: "So on that basis we do not feel that the proposed amendment by the hon. member for Welland-Thorold is the right one. We think that the section as proposed is the way that municipal people, both elected and otherwise, have asked. They said, 'Make it very clear. We know how to handle it after that, but make it very clear what you mean.' We feel that the particular section of the bill, clause 1, does in fact make it very clear and the municipalities and municipal councils can judge their actions accordingly, both to themselves and to their electorate for any change they feel necessary in the remuneration bylaw." End of quote of the parliamentary assistant.

The first question I want to ask him—and I hope he will deal with this when he rises, because I have done some investigation since we last debated this bill: When he talks about the municipal people asking for this, I'm thinking of the section that's proposed and the way the municipal people, elected and otherwise, have asked; and I mentioned earlier in what I read that this was at the request of the municipal people. I'd ask him to name the associations or the municipal people who have requested that you legislate that they should only receive eleven-twelfths of their salaries. I ask him to state those municipal organizations and those elected municipal people.

The second suggestion is that what we're doing here is some sort of nice instruction. They asked what the situation was, so you're giving them some nice instructions. I say to you that this isn't just some advice to them. What is in this bill is pretty binding. Where you say, "And where such members are paid an annual allowance, the allowance for the year 1978 shall be reduced proportionately," that doesn't leave any option for those municipal people at all. That's pretty hard and fast legislation. It's binding.

Then you say that it still leaves the option with the council to change their bylaw. If they want to make sure they get the same amount of money, then they can change their bylaw. They can amend that bylaw so that the eleven-twelfths would be the same amount as the twelve-twelfths that they would have received in the 12-month period.

Let me say first of all that I'm no lawyer, but I would think, in reading that section, that a municipality could have not just problems with the electors but be in real legal problems where you say, "And where such members are paid an annual allowance, the allowance for the year 1978 shall be reduced proportionately." If they pass a bylaw—using your own example of the \$5,000 per annum, Mr. Parliamentary Assistant—to give themselves the same allowance, I would suggest that any ratepayer could challenge that, and they would be forced to have that reduction. In fact, it is not the case that they could change the bylaw.

But even if they could, even if they could get away with it, what kind of position does this put the council in; when you have passed a bylaw which says they must reduce their annual allowance by one-twelfth and that council, in election year, should pass a bylaw to keep it in the same position? You were a member of a municipal council, and you were too, Mr. Chairman; you know what kind of a position that would put the council in. They just, of course, won't do it.

What you have done in this bill is effectively assure that regardless of the merit and regardless of the wishes of the municipal councils or the school boards, where they have an annual allowance, that is going to be reduced to eleven-twelfths of what they otherwise would have got this year. I say the principle of this Legislature saying to those councils that they must do that in that way is the wrong principle.

Certainly if we are going to say that, sure, we are leaving the option with them to do as they like and the effect is what the parliamentary assistant is saying, that they can amend their bylaws, surely the government is putting those councils in the impossible position of doing anything other than exactly what it says in here. You know that; I know that; this Legislature knows that. You are taking away from them, in fact, in reality, the option of determining what remuneration they should get for those 11 months this year.

This may not be the largest municipal issue in Ontario—I suspect that it is not, and is a long way from it—but to me and my party, the principle which you are expressing in this bill, affecting the local councils in the one area where they collect every cent of it locally and where they are supposedly accountable locally, is taking that option away from them. That is something I don't want to do. I want to leave that autonomy with the local councils to determine, and so does my party.

As I said the other night on second reading of this bill, if the parliamentary assistant is concerned that some of them are going to keep the whole thing inadvertently, or because they think the public won't know, and if he really wants to advise them, then he can send a notice out to every municipality in the mail reminding them there is only an 11-month year as far as they are concerned this year, and they may want to consider making some change in the remuneration. But don't tell them this is the way they have to do it.

Mr. B. Newman: Mr. Chairman I really didn't want to talk on the remuneration aspect but I wanted to follow up on what the member for St. George mentioned.

I hope the ministry will come out with some directive to municipal councils in relation to the fiscal year as opposed to the elected year because I am afraid municipal councils now think that since the month of December they did not expropriate those funds—those new members on council—as a result they would not have any responsibility towards council for the expenditure of those funds. I think the ministry should come out with some explicit instructions to municipal councils. I know I talked with a municipal councillor during the supper break and he was confused in relation to the point I raise here.

Mr. Epp: Mr. Chairman, it is my pleasure to be able to speak on this. I must apologize I was a few minutes late, due to another important function.

I feel the onus should be on the Legislature to have some kind of clarity in the legislation. Since this clarity was a little overlooked last fall when the bill was passed, I believe it is incumbent on the Legislature at this time to bring in that clarity, rather than to have 835 municipalities pass separate bylaws with respect to determining whether the municipal representatives should be paid on an 11 or 12 months' basis irrespective of the fact that they only serve for 11 months' which is something this Legislature should not permit. I do not believe that there should be this lack of clarity. I believe this Legislature should take the initiative and determine that the members on municipal councils should be paid for 11 months and 11 months only, because that is what they are going to be serving.

If we were to pass the amendment we would run the risk of municipalities not passing a bylaw in the interim period and then some members may very well be elected to councils and be reimbursed for 12 months

for this year and then 12 months for the next year. In other words, they would be getting a double honorarium or double pay or double reimbursement for the month of December. I don't think we can run the risk of that happening irrespective of what the hon. member for Welland-Thorold says. As far as the municipalities are concerned I don't think they would see this as an infringement on their autonomous rights. I believe they would see this as some kind of guidance by the Legislature. As far as we are concerned on this side of the House we would not support the amendment, because it is important that there is clarity and that there is no doubt in the minds of the municipalities and in the minds of the Ontario electorate that any persons serving at the municipal level should be reimbursed for the extra month in December where they are not serving on a municipal council during December.

Mr. Ashe: Mr. Chairman, first of all, may I start out by answering the query of the hon. member for Windsor-Walkerville. May I say that, following the passage of the Municipal Elections Act legislation late last year, we have put out to the municipalities a copy of the revised statute, needless to say, along with a covering summary of all of the changes. We have had considerable correspondence with many municipalities relative to the questions that he has raised, along with some of the others that we are now trying to clarify through this amending bill.

One of the reasons for the haste of getting this particular amending legislation through at this time is so that we can prepare a final guideline for municipalities for the enactment and the procedures relating to this election, term of office, who can do what and what have you, as quickly as possible, because as we all know the municipal election procedures, clerically and clinically if you will, start very early in the year although the actual electioneering may be some months away. That's one of the reasons this legislation is here now, because we want to do, in complete clarity to the best of our ability, exactly what he has suggested. There is no doubt there is still some confusion and we hope most of this can be clarified through this legislation and through this other calendar of events, if you will, that we are preparing for the municipal councils and their staffs.

If I may work backwards, I would just like to offer my thanks to the hon. member for Waterloo North for sharing his views on our legislation and seeing it in a very rational and straightforward way, because that is

exactly what we are trying to do. This particular section 1 comes about because we have been asked very specifically on numerous occasions by elected people in the field, not through the municipal associations—I don't think they, as far as I know, officially in any event, have really made a comment one way or another.

Mr. Swart: Name the municipalities, name them.

Mr. Ashe: Unofficially some of those same members, of course, have been some of the people who have inquired, either directly, in person, by telephone or in actual personal contact or by correspondence. I did not bring those with me tonight, they are quite numerous. You'll just have to take my word on that, but that's the case. I do want to say for sure that there is nothing through the municipal associations one way or another that I am aware of.

[8:30]

It really does disturb me to realize, or attempt to realize I guess is a better way of phrasing it, how the hon. member for Welland-Thorold can be so out of touch with the reality in the municipal scene. I would just have to assume that he's so many years away from it that he really isn't in touch with what's going on in that scene.

Mr. Renwick: Like six months.

Mr. Conway: Are you suggesting we send him back for a refresher course?

Mr. Kerrio: He hasn't been long away, but he's got a great memory.

Mr. Ashe: No not this one. That one.

Mr. Kerrio: I know who you're talking about.

Mr. Ashe: Well, he's longer than that.

Mr. Deputy Chairman: Order.

Mr. Ashe: In any event, how somebody can take the same set of facts, supposedly the same set of facts, and come up with the exact opposite conclusions, that's where I have to say that being out of touch with reality has to come into it. If there's anything in this Act it's section 1 that has been very specifically asked for, as I have mentioned before, in various many ways—

Mr. Breagh: But you don't know by whom.

Mr. Ashe: —by the municipal people. They said, "Spell it out. Make it clear. Make it clear exactly what our situation is during calendar year 1978. Spell it out. Is it 11 months? Is it 12? Do we pay 11 months in the old and start the new, or what have you?" So that's exactly what we're doing

here, not in any way usurping the councils' authority—we all agree on that, it would appear—that they do have that authority and should continue to have that authority—to set their own remuneration. If they feel that they are hard done by in having eleven-twelfths of their annual remuneration, they have the full right and the full capabilities of changing their compensation bylaw publicly.

They're the ones who have to speak to their electorate, and that's fine. That's the way it should be. They can publicly change their remuneration. To use some specific examples, the \$5,000—I don't know how the hon. member made it mechanically such a big chore—would change to roughly \$5,450, if they wanted to pay themselves in 11 months what they would have got in 12. Let them do it publicly. Let them say they have earned their 12 months' remuneration in 11 months. If they feel they have, that's great. They have to speak to their electorate on November 13, not me or anybody on that side or that side or anywhere here.

So we fully concur in and support their right to do that, and encourage them to do it if they feel that they are hard done by. The actual reality of the situation, as we all know, is that 75 per cent of the council will be exactly the same come December 1 as it was on November 30. Last but not least, we're talking about a one-time situation, one time and one time only. It's not an ongoing thing that's going to happen every two years or three years, if the term of office changes at some future point in time.

It happens this year only, and this particular section 1 is to make it abundantly clear, as we have been asked to do by the same municipal people, "Just spell it out. Tell us what it is, what really we can legally do." Believe it or not, and although it was read out from quotes from Hansard the other evening that I stated it, some municipal people, either elected and/or appointed people, are unclear and really questioned the fact whether, if they had a remuneration bylaw that spoke about an annual allowance, they really had the present right of paying eleven-twelfths of that. They thought it had to be to pay out the whole thing.

I'm not belittling this particular situation. Many municipalities are small and don't have too much staff, they have many other more important items on their mind, and really just want something that tells them the way it is and how they can do it. Once again, that issue only arises in situations where you're talking about a per annum remuneration. It doesn't apply at all on your per diem because that won't change. It's

exactly as it says, it's on a per diem rate, so I think the original section 1 as proposed is the right one. It's the one the municipal people as a very vast majority want as their guideline, and I would ask the committee and the House to support it in its present form and in effect defeat the amendment as proposed by the hon. member for Welland-Thorold.

Mr. Conway: He won't take that lying down.

Mr. Swart: There are a few more comments which I'd like to make. I'm a bit puzzled by the comments of both the Liberal critic and the Conservative parliamentary assistant to the minister when they talk about the issue of clarity, and go to some lengths to explain that municipalities had contacted them and they had been in contact with a great many people about clarifying the situation. The situation now, I think, is quite clear. They can explain the situation; the municipalities now can take the 12 months, if they deem that advisable, the 12-months' pay, or they can change their bylaw any way they like.

That's quite simple. It's not a question of clarification at all, in this bill; it's a question of telling them what they must do. That's the issue, it's not clarification. You can clarify the present situation, you don't have to come down with a mandatory law that says the Legislature says, "you are going to go this way." At the present time the option is there.

Mr. Ashe: Eyewash.

Mr. Swart: You're saying, "you're going to go this way." It's not a question of clarity.

I was also a little bit concerned when the minister said or left the impression with the Legislature in the recent debate on this second reading, that the municipalities had asked for this or there was some sort of general support from the municipalities. I suggest to him that I have done as much checking as he has on this and you'd find the majority of municipalities would be in favour of the amendment and not the Act as it now states.

I don't think you should try to confuse things on the first section. I'm not asking that the whole section be deleted. I don't think you should try to confuse the first six or seven lines, with which we agree, and which are necessary for the purpose of clarity, legal clarity, with the last few lines, which are not for clarity but at mandatory order.

The parliamentary assistant may, if he wishes, conclude that after being out of the municipal field for two-and-a-half years after

being there for 21 years, that I am also touched with municipal matters and the municipal council and so on. I would suggest to him that I may have stayed in better touch with him during those two-and-a-half years than he has in the nine months that he has been in this Legislature to date.

Mr. Conway: There is one thing for sure, there isn't a radio station that you are not in touch with.

Mr. Swart: Finally, the member for Durham West made the comment that it is the councillors who have to speak to their electorate. I think that those were his exact words, they have the responsibility to the electorate. But what you are saying by this legislation is, "We have decided that we will not make you independently accountable to them, you can't make your own choice, we're setting up the rules of the game."

I'm prepared to see them accountable. They are an accountable group. They are close to the electorate; they're so close that in almost every case, in fact in every case, they can make the right decision on their own without being told by this Legislature what they have to do.

Mr. Ashe: Very briefly, Mr. Chairman, my answer is eyewash.

An hon. member: The best speech of the night.

Mr. Renwick: Equally briefly, Mr. Chairman, how long is the Tory government going to dictate to the municipal councils in the province of Ontario?

Mr. Turner: Nonsense.

Mr. Deputy Chairman: Mr. Swart moved—

Mr. Kerrio: Dispense.

Mr. Renwick: No, do not dispense.

Mr. Deputy Chairman:—that subsection 2 of section 9 of the Act as set out in section 1 of the bill be amended by striking out all the words following: "1978" in the sixth line.

Those in favour of the amendment please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Shall this be stacked until the end of the bill?

Mr. Gregory: That's chauvinism now and you know it.

Mr. Warner: It's called leadership.

Mr. Ashe: That's called time-wasting, you're good at it.

Mr. Deputy Chairman: Order. Are there any further amendments or discussion on this bill?

Mr. Swart: I don't have any further amendments, but I do want to speak on section 2. If the member for Erie (Mr. Haggerty) wants to speak on this section further I'll yield.

Mr. Deputy Chairman: Are you on this section, Mr. Renwick?

Mr. Renwick: Mr. Chairman, we would agree to stack the vote on amendment until the end of the debate.

Amendment stacked.

On section 2:

Mr. Swart: Again, Mr. Chairman, I had not intended to speak on section 2 of the bill at any length—

Interjections.

Mr. Swart:—for a very good reason. Because when this was debated on second reading, the parliamentary assistant indicated that my proposal made some sense and he is willing to accept it. Perhaps again I should read from Instant Hansard of that debate:

"Mr. Ashe: In any event, as I was saying, there is one part of his argument that I do buy."

Mr. Ashe: One part.

Mr. Swart: "That is to possibly further clarify the clause which is now section 2 of the bill: 'To further clarify at the beginning shall be signed by at least 10 electors, either whose names are entered in the preliminary list of electors'—and there it probably should be clarified—'and are entitled to vote in the election to such office . . . ' So that part of the amendment I think is reasonable." And he left the impression with the House that he would be willing to accept that.

I was told afterwards though by the member that he had changed his mind and was not going to accept it after discussing it with his staff. I guess he has some obligation to tell this House why he has changed his mind within a few minutes after making it clear that he felt that it was a reasonable amendment.

I am concerned about this section of the bill because on the one hand it enables people who are not eligible voters in the municipality to sign nomination papers.

Mrs. Campbell: No, no.

Mr. Swart: Oh yes, there is no question about that. The clause which is there says: "shall be signed by at least 10 electors, either whose names are entered in the preliminary list of electors." The preliminary list of electors is not the final list of electors. You can have people on there, and eventually do, who could be removed by the court of revision which is being held afterwards.

Therefore, they would not be eligible electors.

We know that it's possible; it happens. Perhaps the whole side of a street will be put in a certain ward. Those people could sign it and once they have signed, even though they are not in the ward, even though they are not Canadian citizens, they would then be eligible to be nominated. That would have to then be accepted and nobody could challenge it.

The other evening when we were debating this on second reading, I pointed out that whether we look at the Municipal Act back over the years, whether we look at the provincial Elections Act or whether we look at the federal Elections Act, in no case can anybody sign a nomination paper. The words are there, "who are eligible to vote in the election."

So I say through you, Mr. Chairman, to the parliamentary assistant that what we have here for the first time in the history of municipal government in this province, or provincial government, or federal government, the opportunity for a person to be a legal nominator without being eligible to vote in a municipal election. I say to you that this is a principle that I find difficult, very difficult to accept.

I know why the minister changed his mind—or the parliamentary assistant. I think likely the rest of us do.

Mrs. Campbell: You were right the first time. The minister changed his mind.

Mr. Swart: The minister changed his mind and decided not to go along with this because the municipal clerks, or at least some of them—and again I would ask him to tell the assembly whether it was the association or some that he had discussed it with—decided that they did not want the responsibility of having to determine whether those people are eligible electors. Of course, in the Municipal Elections Act that we now have it states very clearly that the onus is on the candidate to deposit a valid nomination paper.

[8:45]

So, in fact, even if this section were changed to make them eligible, there would really be no legal obligation on the part of the clerks of the municipalities to assure without any doubt whatsoever—which may be somewhat difficult—that the person is an eligible voter; that still rests. But the way it is now, it makes it possible, knowingly, for a person to nominate somebody else for a public office when they cannot vote in that election. I say again that is

something which I find contradictory to our whole parliamentary and democratic process.

The other section of this requires that a person must sign an affidavit they are entitled to vote in the election to such office if their name is not on the preliminary list of electors. Well I wouldn't have objected too much to that being on there, but the way it exists now can just be this, and there can be no question about this, that we now can have nomination papers submitted nominating a candidate to office with 10 or more names on it. One or more of those may not be eligible to vote—may not be an eligible voter—but the name will be counted, and an eligible voter, whose name may have been missed on the first round, will not, his name will be struck off, and he will not be entitled to nominate that candidate. I say there has to be something of a contradiction, an anachronism, in legislation which permits this to happen, and anyone observing this Act will recognize that it does permit that to happen.

I feel this section of the Act should have been amended. I realize the clerks would like the way it is because it takes total responsibility off their shoulders. I am one of those who normally support municipal people, but it comes to the fact that—

Mr. Renwick: Mel, we could be out on the hustings tomorrow if you will sit down.

Mr. Swart: —the electors of the municipalities will find themselves having to vote for candidates who by all previous practice have not been legally nominated.

Mr. Epp: Mr. Chairman, I would like to know what all this discussion is about a non-amendment. If there is an amendment, then I think we should have received a copy of it. If there is a strong feeling that change should be made, then I think that amendment should be before us; and we have no amendment. I am at a loss to see why there is all this discussion on something we don't have before us; nobody has moved a change in the existing clause.

Personally, I think the clause reads well the way it is; I fail to see why we should welcome confusion.

Mr. Ruston: Organized confusion.

Mr. Epp: Right now we feel that the onus should be on the candidates to make sure that the people who sign their nomination papers are eligible voters, and the clerk has to assume this, so why we would open up a particular part of this bill and leave some doubt in the minds of the clerks and those candidates running for office, and then try to clear up the doubt in some other part of

the Act where the onus is on the candidates to make sure that everybody is eligible, I fail to see; I just fail to see why this confusion should be in the bill itself. I think we should leave the clause as presently constituted and support it.

Mr. Ashe: As was indicated, we don't really have an amendment to speak to, although the hon. member for Welland-Thorold the other night indicated a possible amendment and in my remarks I did indicate that I saw some merit in part of what he was saying. I think the word "part" was the important one. I was taking it—I'll be very frank—in a different context in terms of clarity than, in fact, legal counsel informed me later would really have happened. Even that portion of the amendment which sounded reasonable to me as a non-lawyer became unreasonable in the lawyer's sense in terms of clarifying procedure for the clerks.

Mind you, that's not unusual when you think about lawyers versus laymen. I think the amendment, which is section 2 of the bill, now does exactly what we wanted it to do, make it very clear, as is already identified in other parts of the legislation, that the onus is on the candidate and the onus is off the clerk in the context of time.

The main problem would be with at least part of the proposed amendment that was being suggested by the hon. member for Welland-Thorold, in that it would put the onus on the clerk. In a large municipality such as Toronto, or any of the boroughs, if nominations closed today and he had to certify them by tomorrow, he in effect would have to have an army out verifying all of the nominators on nomination papers. If you're checking one, two or 10, that's fine; but if you're checking 600 candidates, which is possibly the case in Toronto, they would actually have to be going out and verifying that so and so was an eligible elector in such and such a ward and so on. I think this would be an unbearable obligation on the mind of the clerk before he could certify the validity of the various nominators.

I think last but not least, as we've talked about many times, and it was discussed quite adequately the other evening, is the fact that virtually without exception—and I say virtually because there are exceptions to everything—people who are submitting nomination papers don't put in the bare minimum. They don't put 10; they put 12, 15, 20, 30 and leave lots of room for possible error or possible removal of a qualified nominator. I think the present wording as proposed in section 2 gives all of the opportunities needed to have adequate people eligible to sign

nomination papers, and yet still with the threat that they may subsequently be proven to be ineligible on the final list.

As far as furnishing the affidavit, I can't see that particular part of the discussion at all. The affidavit, again, is saying, "If you weren't on a preliminary list, but you know you're an eligible elector you go ahead and make an affidavit on the prescribed form that will be provided to the candidate when he picks up his nomination papers." Then once again the onus is on the candidate and his nominator to say, "I'm not on a preliminary list. I'm eligible. I make the statement that I'm eligible," and that clarifies it for everybody. It's clear then in the mind of the candidate and it's clear in the mind of the clerk when he's certifying those particular nomination papers. I think section 2 is adequate right now.

Mrs. Campbell: I have a question. I must say that prior to the statements of the parliamentary assistant I thought the provision was adequate, but as a result of what he said I'm completely confused. Is it not a fact that in the previous municipal election provisions we did have the provision of eligibility to vote in the election? In view of what the parliamentary assistant has said, could he give any direction to this House or any information as to where the clerk of the city of Toronto, for example, faced difficulties in certification? It would seem to me that on this one, since the requirement for certification is, I assume, still with us, he is certifying without knowledge, and that is surely far worse than with knowledge.

Mr. Ashe: The big difference between, let's call it the "old legislation"—prior 1977 legislation—and the new one, is in the time procedures. Previously, the clerk had available to him the final lists and, therefore, it was no problem to certify the validity of the nominators. Now, because of the compressed time-frame for the earlier election date, he in fact will not have the final lists as such, and yet the time-frame can't wait. So that is why we are saying he goes by the preliminary list, and by affidavit if somebody isn't on a preliminary list but in fact should be. So there still is onus, if you will—it is not willy-nilly—for him to make a certification. But there is no doubt he is not able any longer to use what would be referred to as the final list, as he used to be able to do prior to the 1977 legislation; and that is strictly because of the compressing of the time-frame for the earlier election.

Mrs. Campbell: If I may pursue this, I am still puzzled. We are still requiring the clerk to certify.

Mr. Ashe: Yes.

Mrs. Campbell: To what, may I ask, is he certifying?

Mr. Ashe: He is certifying the eligibility of at least 10 nominators on the nomination papers, based on their inclusion on his preliminary list of electors. That is number one, which I would suggest in 99.9 per cent of the cases will be satisfied right there; or in that other 0.1 of one per cent—and I pick those figures out of the air, I admit—an adequate declaration by oath of other qualified electors who are not on the preliminary list would take care of that.

Mrs. Campbell: So it is a fact that if someone is on the preliminary list and is not in fact an eligible voter—and that happens very frequently in the city of Toronto, I may tell you; I am not alone, I think, in this House tonight in verifying that—then the clerk certifies; and on the basis of that certification that person, by the wording here, is duly nominated whether or not there is eligibility to vote? That is what I take as the question.

Once the certification is made it is made on the basis of the preliminary list, which may be in error; but that would stand, as I see it; and I hadn't appreciated the effect of it. Once the clerk certifies that then that person or those persons are deemed to be eligible to vote whether they can or not.

Mr. Ashe: In the sense of qualification to the nomination, yes. Subsequently, as you say, I am sure; there are circumstances.

Mrs. Campbell: I will lay odds there are far more than you think.

Mr. Ashe: I understand the numbers; but I think you are putting those numbers, which are still relatively small to the total, as being the ones that would be on the nomination papers. What I am saying is that in virtually all cases they are not going to be anyway; and/or there are many more than sufficient nominators to take care of the 10 even if subsequently some of them prove to be ineligible.

Even if they are certified on the nomination papers it does not in itself say that they are going to vote. Yes, it has qualified them to be a nominator, but they may subsequently lose their right to vote if in fact they were not qualified.

[9:00]

On the other side of the coin, as you well know from your experiences, you have people who are not on the preliminary list for various reasons who in fact are qualified to be electors: and that is where the affidavit comes in. With the affidavit, again, they then auto-

matically become eligible nominators, and obviously through the normal procedures of revision, and now, as you know, under the new Act right up to the close of the polls on voting day, would be quite eligible to vote in the election. But, again, if you take a very specific isolated circumstance—and I admit that in theory it is possible to have 10 ineligible voters as the only 10 on your nomination paper—that what you say, in the strictest terms, could happen. But if the hon. members will recall the debate during consideration of the legislation in the late fall of 1977, there was much more concern expressed by all sides of the House, as I recall, to make sure that somebody's nomination wasn't disqualified through inadvertency or through that kind of technicality, if you will—because somebody they took as being bona fide electors proved to not be. So it was felt, in the case of that judgement decision, that it should be on the part of qualifying the candidate rather than disqualifying him.

Mr. Swart: Of course, the member for St. George is absolutely correct. It has now been admitted that perhaps it is even worse than the terms in which he put it, because the clerk no longer certifies. If the clerk knows one, two or three of those are not eligible voters under this Act, he must accept that nomination in any event; and unless there is an affidavit covering the one who is not on the voters' list, even though he is eligible, he may not accept it. It makes it all very clear and very simple for the clerk. But there is a very real principle involved. For the first time, you are going to permit people who are not eligible voters to nominate candidates for office.

I would point out that the parliamentary assistant was not completely correct in what he said. He said the clerk had an easy situation before that because the voters' list was complete and he could simply check the voters' list. Of course, the court of revision was held; but if somebody was on there and entitled to vote, even though they weren't on the final list, it states under section 33 they are eligible to vote and entitled to nominate a candidate.

Two people have asked why an amendment wasn't moved. First of all, I never said we were going to move an amendment to this section. I said there would be one or two amendments made, the first one very definite. But we are quite happy with the section as it is in the Act, the one that was passed just last fall. It states a very clear principle. It says:

"A person may be nominated as a candidate for an office by filing in the office of

the clerk, on the days and during the hours specified in subsection 2 of section 35, a nomination paper in prescribed form which shall be signed by at least 10 electors whose names are entered or entitled to be entered under section 33 in the polling list of the electors entitled to vote in elections to such office."

All they have to be is entitled to be on the voters' list or entitled to vote. That's what it says in the Act.

If there is concern that we have made no amendment here, all we have to do is vote against this section of the Act and we've got the specific wording which says that people who are eligible electors may vote under the present section.

That is the reason you have no amendment in here, Mr. Chairman. It is not necessary when the Act reads as it does. It's the same, really, as it has been for the last 10, 20, 30, 40, 50 or 100 years. It's the same as the provincial Act is today. It's the same as the federal Act. There is the onus on the returning officers there to satisfy themselves they are eligible voters.

In this section, even if somebody found out after an election that there were not sufficient eligible voters on that nomination paper—

Mrs. Campbell: It wouldn't matter.

Mr. Swart: —it wouldn't matter. It deprives a candidate who may be defeated the right to challenge the validity of a nomination. There is a very real principle involved in this, I suggest.

Mr. Ashe: How can somebody get so far removed from the realities of the political scene that we all go through?

Mr. Charlton: You've said that already.

Mr. Ashe: What the hon. member has just said, is that if somebody gets defeated by his peers at the polls in the normal electoral procedure that he should still have the right to challenge that election because maybe there was the misuse of a name inadvertently on the nomination papers.

Mr. Swart: Or five, or ten.

Mr. Ashe: What he's saying is that it's the nominators who decide the election not the electorate that he or she is appearing before. I've never heard such ridiculous arguments in all my life; it's nit-picking.

Mr. Renwick: Eyewash—is that what you called it?

Mr. Deputy Chairman: Order.

Mr. Ashe: One other point of clarity, Mr. Chairman. Let's not kid ourselves; under the

old procedure or the new, somebody could be challenged on their right and eligibility to vote. It could be right up to and including polling day, that really hasn't changed. If anything, we now make it easier to be eligible to vote, but you could be disqualified or challenged on your right to vote before as you can now.

So let's really put the whole thing into perspective and appreciate the job that the candidate has to do, but also appreciate the job that the clerk has to do, particularly with his compressed time-frame.

Mr. Deputy Chairman: Shall section 2 carry? Those in favour of section 2 carrying will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

The vote is stacked.

Sections 3 to 6, inclusive, agreed to.

On section 7:

Mr. Ashe: Mr. Chairman, I have an amendment on section 7. Both of the opposition critics were provided with this minor amendment earlier in the week. It is really a correction of a typographical error in the original bill.

Mr. Deputy Chairman: Mr. Ashe moves that the bill be amended by adding thereto the following section 7: "Subsection 3 of section 117 of the said Act is amended by striking out the figure 104 in the third line and inserting in lieu thereof the figure 106," and that the present sections 7, 8 and 9 of the bill be renumbered as sections 8, 9 and 10 respectively.

Motion agreed to.

Mr. Haggerty: Mr. Chairman, on section 7 as it stood originally, now section 8 with this amendment, I thought perhaps I should bring to the attention of the parliamentary assistant that I thought perhaps maybe further consideration should be given to the section of that Act to say that when a liquor plebiscite is being held in a municipality, it should be held during the election year of the municipality.

I had an involvement with the local election and the plebiscite held in the city of Port Colborne and I can tell you it caused a number of difficulties throughout the community, particularly in an off-election year of a municipality. To me the Liquor Control Board can almost call a plebiscite at their wish, and I suggest that is costly at times to a municipality, since they have to go out and prepare the voters' list. I feel that where they're moving or having a plebiscite from a dry to a wet area, perhaps it should be

held during municipal election year. It won't cost anyone or any particular party that's interested in a plebiscite one cent more, but it does provide some assistance to the municipality, and we don't have to call for a plebiscite during an off-year for municipal election. Hopefully, the minister and the parliamentary assistant could bring in an amendment some other time saying that a plebiscite shall be held during a municipal election year if it is requested by certain parties.

Mr. Chairman: Are there any further comments?

Mr. Ashe: May I just say something on that particular issue? I appreciate some of the arguments that were put forward about creating elections at inopportune times. It is normally the policy to have the elections, of course, at election time.

I would appreciate it if the hon. member would just leave it with us for consideration and check the various ramifications. There may be others that I definitely am not aware of and maybe the minister isn't. If it proves to be no great problem and is feasible we'd be quite prepared to bring it forward as a future amendment to the Act.

Section 7, as amended, agreed to.

Mr. Chairman: Shall sections 8 and 9 stand as part of the bill?

Sections 8 and 9 agreed to.

Mr. Chairman: We have two amendments before the committee.

The committee divided on Mr. Swart's amendment to section 1, which was negatived on the following vote:

Ayes 15, nays 34.

Section 1 agreed to.

The committee divided on the motion that section 2 stand as part of the bill, which was approved on the following vote:

Ayes 33; nays 16.

Section 2 agreed to.

Bill 30, as amended, reported.

On motion by Hon. Mr. Maeck, the committee of the whole House reported one bill with certain amendments.

CITY OF TIMMINS-PORCUPINE AMENDMENT ACT

Mr. Ashe, on behalf of Hon. Mr. McKeough, moved second reading of Bill 5, An Act to amend The City of Timmins-Porcupine Act, 1972.

Mr. Speaker: The hon. member for Waterloo North.

Mr. Renwick: What do you mean, Waterloo North?

Mr. Speaker: As opposed to South Waterloo.

Mr. Davidson: There is no such riding, Mr. Speaker.

Mr. Epp: No such riding as Waterloo South?

Mr. Davidson: That's right.

Mr. Epp: Must be Cambridge.

Mr. Davidson: Cambridge is an entirety unto itself.

Mr. Warner: We're not sure about Waterloo North either.

Mr. Epp: Mr. Speaker, I rise to speak to Bill 5, An Act to amend The City of Timmins-Porcupine Act, 1972. We would be pleased to support this bill since it's going to provide for the minister the opportunity to divide the city into wards and, secondly, to determine how many representatives are to represent each of the wards and, thirdly, for the Ontario Municipal Board to make changes in the ward system from time to time and also to determine what those boundaries should be.

I believe this makes good sense since the city of Timmins-Porcupine would like to have these amendments and there are a number of municipalities in the province of Ontario that have wanted to be divided into wards in the past and have been permitted by legislation to do so. This city should also have that opportunity. We would be glad to support this bill as it's constituted.

Mr. Swart: Mr. Speaker, I rise to support this bill, too. It's a perfectly good bill.

Hon. Mr. Drea: Why are you supporting it?

Mr. Warner: First one in 20 years.

Mr. Swart: It's a good thing that it is and it's going to get unanimous support because I noticed again, as last year, that the member for Cochrane South (Mr. Pope) is not present in the House to promote the Timmins bills when they've been before this House. The former member was always in the House when matters concerning Timmins were being discussed.

Mr. Turner: Nonsense.

Hon. Mr. Drea: That's why he's the former member—you sit here long enough, you get unemployed.

[9:30]

Mr. Swart: I have one question to ask the parliamentary assistant with regard to this bill, and that is why the wording on the

section with regard to the Ontario Municipal Board making decisions on the ward boundaries doesn't conform to the Municipal Act. There is quite a variation between the procedures here and under the Municipal Act for other municipalities; although the end result may be the same, there still is this great difference.

I have to say quite frankly that I support this bill because I believe it is better than the Municipal Act. Under the Municipal Act as the parliamentary assistant should know, section 13 provides that when a municipality is incorporated or erected, the municipal board shall divide the city into wards. It provides that the wards may be changed or abolished upon a vote of the municipality. That is the Municipal Act. This Act provides that the Municipal Board has power to do both upon the request of the municipality or upon the request of the ratepayers.

I think this actually is superior in a sense to what is in the Municipal Act, so I would ask, why the difference? And if this is superior, as I believe it is, does the parliamentary assistant or the minister intend to bring in amendments to the Municipal Act to make this simple procedure apply there?

Mr. Ashe: Mr. Speaker, I wonder if I might answer the questions as well as responding to what was expressed previously by the hon. member for Waterloo North.

First of all, for the record and for clarification, I would like to say there was a slight misunderstanding of what this bill is doing. It is not changing wards or establishing wards in that sense.

Mr. Swart: I know that but you had better explain it.

Mr. Ashe: I said I was responding to the hon. member for Waterloo North.

The original bill in 1972 established the wards for that election. It also said that the wards would be for 1972 election and the 1974 election. In fact, it did not really say that the same boundaries and the same wards would also be defined in the 1976 election. Retroactively, this is saying 1976 was the way you did it, which was exactly the same way as in 1974 and 1972. It also says it shall remain thus until such time as it is changed in the normal course of events by application to the Ontario Municipal Board.

Getting to the question and query of the hon. member for Welland-Thorold, may I point out to him that, in fact, anything that would go before the board would still be handled in accordance with the provisions of section 13 of the Municipal Act, which is

exactly what it says. But under subsection (4b) (a), (b) and (c), it is really just summarizing, if you will, in non-legal terms, as I would define them, what section 13 does and the various things that can be done by the OMB in terms of redividing the wards, altering or dissolving the wards or carrying the composition of the council. But it specifically says: ". . . or upon the petition of electors in accordance with the provisions of section 13 of the Municipal Act, the Ontario Municipal Board may, by order . . ." and it goes on to summarize.

I would suggest that although we would be very happy to take under advisement his particular comments relative to clarity and ease, for the time being section 13 of the Municipal Act would still apply relative to how the petition to the OMB would happen and how the OMB would handle it.

Motion agreed to.

The following bill was given third reading on motion:

Bill 5, An Act to amend the City of Timmins-Porcupine Act, 1972.

SHORELINE PROPERTY ASSISTANCE AMENDMENT ACT

Mr. Ashe, on behalf of the Hon. Mr. McKeough, moved second reading of Bill 6, An Act to amend the Shoreline Property Assistance Act.

Mr. Ruston: Mr. Speaker, this bill is brought in to amend the Shoreline Property Assistance Act. The original bill was brought in in 1973, I believe, when we had big storms and so forth. One day the member for Erie (Mr. Haggerty) and myself had a special debate on high water and shoreline protection, and later the government brought in this bill to allow money to be lent to the municipalities, where residents could borrow the money at a reasonable rate of interest to secure their properties from storms.

One of the things that has been happening since is that some of the people wanted to repay their loans and have them paid off, and since the debentures were sold on a 20-year basis they were not able to pay them off. There has been some representation made by some municipalities. I have a couple here from the Haldimand-Norfolk region and another one from the town of Dunnville all addressed to Mr. Gordon Miller. I had some townships in my own areas that had requests from residents who wanted to be able to pay off their debentures.

Now that it can be paid at any time within the 20-year period—that's my understanding

of it—this allows some people who wish to have their debt taken off the property to do so. It has not really been used a great deal in some of the areas but it certainly has served a real need for a number of people who were suffering a great deal from the high water in 1973 and 1974—mainly in 1973 when the damage was done.

So we support this bill wholeheartedly, because we have made representation to the Treasurer (Mr. McKeough) in the last year or so with regard to this matter and we are very happy he is bringing this amendment in.

Mr. Deans: I wanted to speak in favour of the bill too. The changes may be necessary; who can tell? I'm not about to make a judgement about them; I assume the ministry has looked into them. The thing that worries me about this bill is that while this takes care of the situation which arose some time ago, and which undoubtedly will arise again, it surely would make more sense if we were to take some time and take a look at what kind of action could be taken in order to avoid the continued repetition of the flooding and damage.

There is no point in providing people with access to loans in order that they can put back together that which is washed away periodically, and that is exactly what is wrong with this kind of legislation. It is nice to assist people after the catastrophe has arisen, but since we know full well that that catastrophe will arise again it's about time that we paid some attention to undertaking some public works on the shorelines of the province of Ontario in order to try to assure ourselves and those individuals that the kind of erosion that takes place during these periods of catastrophe will not occur year after year.

If you take a look at this year, for example, it would have required very little change in the temperatures in the province of Ontario to have resulted in yet another similar high water situation. We could have been faced today with exactly the same thing that we were faced with a couple of years ago. This kind of legislation doesn't help. It's too late. This only helps to put it back; this doesn't help to stop it.

I remember the debate that my colleague from Essex—wherever-it-is, who is no longer with us, told us he took part in. The debate was aimed not only at getting assistance for the people on Lake Erie and Lake Ontario and in other parts, but also at trying to find a solution to the problem. If the members will recall there was discussion about the

possibility of using some of the excess stone that was available from some of the quarrying operations to build along certain parts of the lakeshore berms or whatever you call those things that go out into the water that would help to break the surf and therefore help to avoid the kind of erosion and catastrophe that overtook so many people—I think it is now three years ago.

I want to say to the hon. member that of course we'll support the bill, but it is time that the government took a serious look at the protection of shorelines. The province of Ontario is lagging behind the northern states that adjoin the other sides of the lakes we're talking about. There are major works being undertaken by a number of US municipalities at the behest of and with the financial assistance of the northern states in order to protect their shorelines.

Mr. Speaker: I'm sure the hon. member would want to talk about what is in the bill.

Mr. Deans: Yes, I do indeed. Therefore it would be better to spend the money that is allocated for use within this bill for the purposes that would better serve the long-term interests of the province of Ontario. I hope the minister and his parliamentary assistant will give some thought to that because it might even be a project that would create employment. We could use it.

Mr. Ashe: Mr. Speaker, I appreciate the support shown for the legislation. In fact, it does provide more flexibility to those people in those municipalities who wish to repay the loans, all or in part, prior to the original maturity date which is involved with 20-year debentures. That flexibility has been asked for and is now being used.

A couple of other points of interest: There have been approximately 465 loans made under the edict of the shoreline property assistance legislation. These have generally varied from \$3,000 to \$5,000. So obviously they've been put to good use.

I don't agree that the loans have been provided and used just for the purpose of having repairs done to property, albeit that was part of the original basis on which the money was available. It also was for future protection and that's where some of the money has in fact been invested.

As for what the government has done and is doing, I think there are two different areas that have to be investigated. Number one, many areas of the province, particularly along our immediate shoreline, are under the scrutiny of and, if you will, indirect control of the elements by—to the degree that is possible—conservation authorities which have

been putting more and more of their emphasis on shoreline assistance, shoreline protection and, more particularly, flood control, albeit this is more upstream than in the lake proper. I appreciate that. But there can be flooding and erosion and so on upstream as well as in the lakes, albeit the elements are much more severe in the Great Lakes.

More particularly with the Metropolitan Toronto and Region Conservation Authority there have been many areas of assistance along the Lake Ontario waterfront, but with particular provisos. Again, one has to weigh the pros and the cons of how far the public purse is expected to pay to protect private property.

Mr. Deans: There is an answer to that too, by the way.

Mr. Ashe: I would have to suggest that most people who choose—for all reasons, of which many are very positive—to live along waterfronts, whatever they may be, make that decision consciously and hopefully agree to take the pluses and minuses of that particular decision. In most cases, they are pluses. On occasion, they are minuses. How much can the public purse pay to protect those properties?

Mr. Deans: How much do you pay now for storm sewers in municipalities to protect property?

Mr. Ashe: Yes, but those same people pay for those storm sewers.

Mr. Deans: That's right. Everyone in the municipality pays for it and everyone in the province of Ontario has access to the shoreline, if you want to make it that way.

Mr. Ashe: We're talking about the protection of private property, when we're talking about—

Mr. Deans: We're not.

Mr. Ashe: We are.

Mr. Deans: We are not!
[9:45]

Mr. Ashe: When we're talking about public property, the government and the conservation authorities have made great strides and even many private properties can be protected, and can take advantage of these programs if they wish to deed their landholdings under water—in other words, their water lots—to the public, namely the conservation authority, they will get the same advantage of whatever works are in their particular area.

Mr. Deans: That is the wrong forum, that's right.

Mr. Ashe: I might say that some have taken advantage of this along the Lake On-

tario shoreline. But on the basis of equity, I frankly don't think we can expect the public purse to feel that it's bottomless in terms of expenditures to protect private property. Of course, that's the always overriding consideration. I really think this is somewhat removed from the bill but I've attempted—at least in a very small way—to respond to the concerns of the hon. member for Wentworth. I don't think anybody belittles what he has said, and he acknowledges the concern that everybody shares. Usually it is only highlighted in the event of a disaster. But I think we all have to be mindful of the public purse and how far it can be dipped into to protect private property.

In summary, I think what this particular legislation does is give what has been requested by municipalities and people who have benefitted by this legislation the right to prepay their loans that was unavailable under the original legislation as it was enacted.

Bill 6 agreed to.

Ordered for third reading.

THIRD READINGS

Bill 6, An Act to amend the Shoreline Property Assistance Act, 1973.

Bill 30, An Act to amend the Municipal Elections Act, 1977.

BUDGET DEBATE (continued)

Resumption of the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Conway: It is my understanding, Mr. Speaker, that the member for Peterborough had the floor.

Mr. Ashe: I think they are digging him up; if I may have the indulgence of the House for a moment, I think he'll be here.

Interjections.

Mr. Ashe: That was a very poor use of words.

Mr. Turner: Mr. Speaker, it is with pleasure I rise to participate in the budget debate this evening. Spring is in the air, Pierre Trudeau is preparing to sell the nation another 10 years of Liberal temporizing, and the hon. Treasurer of Ontario (Mr. McKeough) finds himself contemplating yet again whether to hold a series of economic classes for the opposition.

Seriously, Mr. Speaker, perhaps we could examine the budget with a bit more disci-

pline than has been evidenced over the last few weeks. Judging by policy alternatives advanced by the opposition, it seems safe to say that they are conversant with the concept of progressivity in revenue generation, an important aspect of equity to be sure, but their difficulty with the concept of a full employment norm, coupled with their utter ignorance of the impact of revenue elasticity changes over the past few years, lead me to believe, Mr. Speaker, that this government's difficulties do not relate so much to policy formation as they do to communication.

Interjections.

Mr. Turner: When the Treasurer of Ontario released the Ontario tax study number 15—

Mr. Conway: Over \$1 million deficit is lack of communication.

Mr. Turner: —Reassessing the Scope of Fiscal Policy in Canada, a few short weeks before the budget, members on this side of the House felt confident that the opposition would understand it as the foundation for a new and more enlightened approach to fiscal policy—

Mr. Conway: Is that the speech McCaffrey rejected?

Mr. Turner: —not only in Ontario, but hopefully throughout Canada. Instead, it seems that the connection has not been made at all, so let me make the connection here tonight, by touching briefly on the substantial issues of government debt and unemployment. While these issues have been clouded recently by a lot of heavy-handed emotionalism, they are at core predominantly technical issues which must be approached technically despite their human implications.

Mr. Conway: Kealey gets paid 30 grand for that drivel.

Mr. Turner: Tax study 15 stated, and I quote, "even with a return to full employment, both the province and the federal government are locked into substantial deficits . . . the potential for self-financing macro-stabilization policies does not exist and there is no fast, easy route to regaining full employment in Canada."

Mr. Conway: What's a macro-stabilization policy?

Mr. Deputy Speaker: I believe the member for Renfrew North is the next speaker, not the present speaker.

Mr. Turner: These interlocking statements are not easy to deal with and perhaps that is just the point. We have been so inundated with yesterday's wisdom that it appears our government's real task in the short term is to

communicate forcefully today's realities. When, for example, public debt is casually discussed, all sorts of highly imperfect analogies are drawn to the moralistic virtues of private individuals living within their means. For the record I want to state the obvious, Mr. Speaker, that public debt produces public assets, and that, as the conference board puts it, "the extinguishing of public debt also extinguishes the assets as well."

Mr. Lawlor: Oh, don't let Darcy hear this. It's terrible. What private debt produces public assistance?

Mr. Turner: This acquisition of public assets and debt at one stage of a province's development and extinguishing of both the debt and the assets—

Mr. Lawlor: It's terrifying.

Mr. Turner: —at later stages, is a much-maligned but fundamental contributor to our growth.

Hon. Mr. Drea: Some lefty wrote that.

Mr. Turner: No. As far as unemployment is concerned, Mr. Speaker, our government has recognized, as I have quoted, "the potential for self-financing macro-stabilization policies does not exist and there is no fast, easy route to regaining full employment in Canada." Let me put it another way—

Mr. Lawlor: You have done that twice.

Mr. Turner: I know, I hope it sank in.

Mr. Lawlor: It did the first time.

Mr. Turner: Good, I'm glad.

The idea being expressed in some quarters is that we should be offering revenue concessions such as a retail sales tax cut to stimulate the economy—

Mr. Lawlor: That is fatuous.

Mr. Turner: —and that in turn this stimulation would yield enough additional provincial income tax revenue to pay for the original tax cut—

Mr. Lawlor: Well, it's the bankruptcy of the Liberal mind.

Mr. Turner: —while substantially decreasing unemployment.

Just a few years ago this idea may have been reasonable, when the elasticity of personal income tax was considerably higher, but today it is unreasonable and unworkable.

Mr. Lawlor: You are the best speaker I have heard in a long time.

Mr. Turner: It is also unreasonable to suggest that any of our structural difficulties can best be resolved in a climate of crisis and distrust. I want now to bring to the attention of the House the differing ap-

proaches that were used in confronting economic problems in two different instances in this province.

Mr. Lawlor: Both Tories.

Mr. Turner: No, not necessarily.

One difficulty was the Inco experience of layoffs caused by the soft world market. Despite the enormous media saturation of the issue, the sensational treatment it received at the hands of the opposition, and the extensive review it received here through committee, it is still legitimate to ask whether the intended beneficiaries of this treatment, the workers themselves, have really been any better served.

I would like to contrast that experience with an event that received little attention at the time in the Toronto media and failed to achieve the status of a cause célèbre within the opposition ranks, but managed somehow to be resolved successfully nonetheless.

The story concerns a company that operates in Peterborough, the Outboard Marine Corporation of Canada, and its decision last June to discontinue production of the Pioneer chain-saw line. If the politics of crisis management had intervened at that point it is likely that that would have been the end of the story, as well as the beginning. Fortunately, the theme of all our efforts was participation. City council participated by approving funding for a feasibility study of an alternative to closing the plant.

Mr. Reid: Twenty-five thousand dollars.

Mr. Turner: Our own government, in cooperation with the federal government, participated by exploring rapidly and co-operatively complex mechanisms for financial assistance. And the workers co-operated equally, by equity participation in the new Pioneer Chain Saw Corporation Inc.

Mr. Lawlor: You're darn right. The workers will save you yet.

Mr. Turner: —and by agreeing to a formula in which they would receive lower wage rates in exchange for a profit-sharing arrangement.

Mr. Lawlor: Where is your entrepreneurial system now?

Mr. Turner: That's where it is—that's where it's at.

Mr. Lawlor: Yes, it's in the hands of the workers.

Mr. Turner: I am not pretending that our spirit of co-operation created an unqualified success, because it did not. And I cannot predict what the world market will be like

for chain-saws in the years to come; I cannot do that either.

Interjections.

Mr. Turner: The important thing for Peterborough is that we participated effectively as a provincial government, not by resisting the realities but by accepting them and then getting on with the task of finding reasonable approaches. That is the situation with the Treasurer's budget generally—

Mr. Lawlor: Not at all. Just the opposite.

Mr. Turner: Many tax increases are really only realignments necessitated by the changing real value of our dollar.

Mr. Warner: What utter nonsense.

Mr. Lawlor: You know this is an anomaly; totally exceptional.

Mr. Turner: And in the instance of health care we have accepted the reality that the people of Ontario have utilized the fine system—at an unprecedented rate.

Mr. Warner: You don't know how to run the thing.

Mr. Turner: Our real concern now is not so much with the posturing about progressivity as it is with getting a handle on health-care expenditure increases. We can talk forever about the fairest way to pay the bill, but the truth is that if the bill is too large, there is no such thing as a fair way to pay for it.

Mr. Warner: No other province has the problem—

Mr. Turner: And for those who would argue that OHIP premiums are unfair, I would say this—

Mr. Warner: —no one; no other province has the problem.

Mr. Deputy Speaker: Order.

Mr. Turner: —the cost of the health bill skyrocketed when premiums were frozen for five years.

Mr. Warner: You should be frozen for five years.

Mr. Turner: It was those premiums and not the new ones that have resulted in hardships for some Ontarians by increasing the bill we must all pay one way or the other. To suggest that we freeze premiums again convinces me that some people learn nothing from history.

Mr. Warner: If you learned from history, you wouldn't have survived at Runnymede; they'd have run you through.

Mr. Turner: Our government is capable of learning. Unlike our federal counterparts, we have learned to streamline the operations of

government; we have learned to reduce our claim on the economy; we have learned to reduce regional disparities by effective and selective participation in troubled sectors, and we have presented a budget that carries our insights over into clear policy positions.

Mr. Warner: Did Darcy write this?

Mr. Turner: Our support of tax incentives for research and development jobs, our support of the hospitality industry and our support of the mining industry were carefully targeted policy approaches. It is regrettable that the criticism they received was not as thoughtful.

Some suggested, for example, that our full allowance of foreign processing costs incurred in the processing of Ontario ores effectively exported jobs from Ontario.

Mr. Warner: It is called a sell-out.

Mr. Turner: There are at least four strong arguments against disallowance, not the least of which was the observation that disallowance would be counter-productive.

Our government and our system thrive on the constructive criticism of a constructive opposition. Our government is proud of its economic performance in a difficult economic period, and we welcome the day when constructive co-operation of all members creates even faster progress towards a common goal.

[10:00]

Mr. Lawlor: You're completely lost. You're out of control.

Mr. Deputy Speaker: The hon. member for Renfrew North.

Mr. Lawlor: Say, he's working overtime today, too.

Mr. Riddell: Now for some words of wisdom.

Mr. Turner: Now for the words of wisdom.

Mr. Conway: I should serve notice to my friends in the NDP that I had planned, because of time constraints made very clear to all of us, to speak only for roughly 10 or 15 minutes. I had anticipated the member for Peterborough going for some considerable time in addition to what he did.

Mr. Warner: You can't say your name in 10 minutes.

Mr. Conway: If the hon. member for Scarborough-Ellesmere wishes to collect his otherwise scattered interjections into his speech for 10:15 then I suggest he do so.

Mr. Warner: No, I am going to collect your scattered speeches.

Mr. Conway: I am, as the member for Lakeshore pointed out in a very typical inter-

jection, working overtime today, having had some occasion to speak earlier on two private members' bills. In the second of those bills, I was happy to rise in support of a private member's bill—

Mr. Warner: He's never worked a day in his life.

Mr. Conway: I resent these aspersions about my past working history, and I hope—

Mr. Reid: What past working history?

Mr. Warner: Past non-working history.

Mr. Conway: I would very much appreciate if that kind of personal attack—

Mr. Lawlor: It's the relatively new members who have to do all the work.

Mr. Warner: You retired the day after you were born.

Mr. Conway: Mr. Speaker, I was pleased this afternoon to rise in support of a private member's bill, introduced by my good and quiet colleague from Scarborough-Ellesmere, which sought to restrict the further use of regulations by this government, particularly the Treasurer, for the increase of OHIP rates in this province. However, in one of my common failures, I did not fully understand the constraints which you as Speaker drew to my attention in so far as that debate was not one that really was open to discussion of the OHIP premiums as such, but rather to the tax principle that the bill really was all about. So I wanted tonight to review briefly some—

Mr. Lawlor: That is up to you. The Speaker was wrong on that, but go ahead.

Mr. Conway: I want tonight to review some of my personal comments with respect to what I felt the most significant part of another do-nothing, know-nothing budget presented by the Treasurer here on March 7.

Mr. Turner: That is unfair.

Mr. Conway: The member for Peterborough says it's unfair. It may be unfair, but I think—

Mr. Warner: Yes, the budget was a disaster.

Mr. Conway: —the budget was a disaster, and notwithstanding the macro-stabilization points the member was making tonight from a very well prepared text—and I know that the Examiner will have it on the front page tomorrow. I just hope Peterborough can't—

Mr. Lawlor: Besides, do you think you were elected to be fair?

Mr. Turner: I would hope so, Patrick.

Mr. Conway: Yes, that's another point. The main point of the Treasurer's budget on

March 7 certainly seemed to me, as a member of this assembly and as Health critic for the Liberal Party, to be the very substantial increase in OHIP premiums that he announced at that time.

As has been pointed out in this assembly on a number of occasions since that day, the 37.5 per cent increase in OHIP premiums announced on March 7, 1978, represent the second increase in three budgets, in fact bringing about a doubling of the premium rates in this province in 1978 over where they were pre-budget 1976. So the member for Peterborough may wish to crow ceremoniously about how pleasant it was when the government, in a majority status, refrained from increasing premiums and now it points to the requirement of doubling the premiums in two or three years' time.

It's interesting to see the rationale provided in the budget by the Treasurer for maintaining the premium principle in any shape or form. I've listened and I've read with my usual quiet interest and depth for the argumentation provided by the Treasurer and his friends, the Minister of Health (Mr. Timbrell) and the next Minister of Health, the member for York East (Mr. Elgie), to hear what would be the salient arguments—

Mr. Hall: I'm going to go over there and see what you look like.

Mr. Conway: The member for Lincoln says he's going to cross the floor. Just remember to come back.

Mr. Gregory: I don't blame him.

Mr. Warner: They're all deserting you, Sean.

Mr. Conway: In the budget of March 7, the Treasurer says, "Premiums retain a visible link with the cost of services." It seems to me that to the extent that can be proven, to the extent that the premium mechanism has, in certain theoretical applications, an ability to relate to the cost of services, I'm prepared to accept that as an argument. However, I accept it in terms of this budget only until I get to page 33 of the same budget, drafted by the same very strong-minded Treasurer.

At page 33, in appendix C, headed "The Ontario Health Insurance Plan—Details of Premium Increase," he says: "Table 1 shows that the new premium levels will raise \$1,120 million in revenue for 1978-79. Premiums will cover 34 per cent of expenditures, as opposed to 26 per cent [under the old rates]. Table 2 shows"—and I think this is the very important point—"that almost three-quarters of the increase will be paid for by employers, a reflection of the

fact that employer subsidization of OHIP is a common fringe benefit in Ontario."

That is a very significant point in this document. Three-quarters of the increase in the premiums, like three-quarters of the overall OHIP premium revenue, will be employer-paid. So what does that mean? It means certainly that there is to be understood the fact that squarely 75 per cent of the premium revenue is paid by virtue of fringe benefit arrangements.

For example, take the member for Mississauga East (Mr. Gregory)—

Mr. Warner: You take him.

Mr. Conway:—a typical Tory in this province and, as it happens, a member of this Legislature.

Mr. Warner: Boy, that's a demeaning thing to say.

Mr. Conway: What is the visible link for him in his budget increase in the OHIP rates? It means for the member for Mississauga East as, I must admit, it does for myself and, pray tell, Mr. Speaker, even you, a \$144 annual pay raise.

There is nothing wrong with pay raises for members of this assembly. I spoke very briefly to the subject not very long ago in this assembly.

Mr. Warner: Some day you might even earn one.

Mr. Conway: But it must be understood, taking the members of this assembly as an example, that there is no visible link—none whatsoever—between the OHIP premiums that are paid for us by a very benevolent population, by the taxpayers directly. There is no relation whatsoever, no visible link, for the member for Mississauga East, who smiles Cheshire cat-like tonight.

Mr. Warner: I would have said benignly.

Mr. Conway: He knows what I am saying is absolutely correct and why he should consider repudiating the very feeble and absolutely false logic of the Premier's claim for both maintaining and increasing premiums in this province.

Let us get this clearly in our minds: There is absolutely no justification for saying that premiums maintain a visible link to the cost of services. Increasingly in this province people have their premiums paid by virtue of fringe benefits in collective agreements. I am not saying there is not an indirect tax in that, but there is no visible link; there is none whatsoever.

Mr. Philip: Any insurance salesman would know that.

Mr. Conway: The member for Etobicoke says any insurance salesman would know that. And I see that Mississauga East, although I think he styles himself an insurance executive, nods accordingly.

Mr. Warner: A magnate.

Mr. Conway: But there is not one other argument presented in this budget for maintaining the premiums and, worse still, for increasing them.

I see the member for Scarborough Centre (Mr. Drea), who has been unduly quiet here the last three or four weeks.

Mr. Kerrio: Yes, isn't that a fact?

Mr. Conway: I thought for a while it was just another Catholic having succumbed to Lent. But Easter has passed and I see that little change has come over an otherwise controversial minister of that government.

Hon. Mr. Drea: Oh, wait for my announcement. Just wait.

Mr. Warner: They have muzzled him. They have put the reins on him.

Mr. Conway: There is not one other reason provided in this budget or in any other document that this budget calls upon for maintaining or increasing this premium mechanism.

The member for Scarborough-Ellesmere this afternoon initiated a very worthwhile debate upon the premium tax or otherwise. There is no question, despite the fulminations of the Minister of Energy (Mr. Baetz), that this is anything but a tax, a clear and very regressive tax, one that this government, in all its regressive social policies, continually depends upon and apparently to ever-increasing limits.

For those people in areas like Renfrew county, where we have been passed by in terms of the economic prosperity that this 34-year regime has handed out to such places as Scarborough East, there are an awful lot of people paying this \$528 tax who simply are not very pleased about it and recognize it for exactly what it is, a regressive tax, a fitting and predictable result of Tory economics and a clear indication of how this government and how that party has been drawn away from the real thinking of the real people in this province. Tonight, I was just reading the Toronto Star—

Mr. Warner: Good for you.

Mr. Conway: —a very objective, socially conscious, non-partisan journal.

Mr. Philip: Almost as good as the Etobicoke Guardian.

Mr. Conway: It was interesting seeing in that, and I admit that it is but a very random selection of letters to the editor—

Hon. Mr. Drea: The last time you read them, you wrote them yourself.

Mr. Warner: That was Dear Abby.

Mr. Conway: No, in fact I live in the Ottawa area and I am too busy reading the letters of the former Minister of Consumer and Commercial Relations. What do people say in tonight's Star? I just took two or three of these letters because I think they are very indicative of what is being told by dear little ladies in Lincoln to my good friend, the member for that area, and colleagues of mine who represent the rural hinterland of Huron-Middlesex. All of us who are in touch with the people understand just how penalizing, just how punishing and just how regressive is this McKeough tax.

Hon. Mr. Drea: Those are the usual letters endorsing my inmate work programs. Read those. That's the best part.

Mr. Conway: One letter that I thought was very interesting in tonight's Star—

Mr. Warner: The guy from Etobicoke.

Mr. Philip: That was the one I wrote.

Mr. Conway: —was from a Mrs. McCuaig of Don Mills; maybe that's an appropriate place for this letter to originate. Mrs. McCuaig, in her letter to the Star tonight, says she was shocked to read a certain letter in the Star not very long ago, a letter that apparently applauded the Treasurer for his courage in this misadventure.

Hon. Mr. Drea: Right. Right.

Mr. Conway: "I'll admit that such a decision as that taken by the Treasurer to raise OHIP premiums took courage"—

Hon. Mr. Drea: Will you read her letter?

Mr. Conway: —"but the courage lay in facing the public's reaction to his tactics. How much intelligence does it take to add money to the kitty when the bills are too high, rather than question why the bills are too high and attack the root of the problem? Which takes more initiative? To simply tack a \$6 increase on all bills or to search out the people abusing OHIP?" et cetera. I'm not agreeing for a moment with the suggestion.

Hon. Mr. Drea: Oh, oh.

Mr. Conway: I'm not for a moment suggesting that there is wholesale abuse of the OHIP system.

Hon. Mr. Drea: But you are going to search it out.

Mr. Conway: I am saying, for the edification of the member for Scarborough Centre, that it is quite pointless to shovel additional hundreds of millions into a system which we all understand needs streamlining, which we all understand needs a heck of a lot more control—

Hon. Mr. Drea: We do?

Mr. Conway:—than this maladministration has been able to effect over the last 10 years.

Mr. Gregory: If you are going to take part of those, take all of them.

Mr. Conway: I am going to say this further, this government, under the control of the Tories, has happily let this Legislature investigate everything from the after-hours use of school rooms to the very important and weighty problems of insurance in Dade county, USA.

Interjection.

Mr. Gregory: Conway, you are through.

Mr. Conway: One thing that this government has been very conspicuous in its avoidance of is any kind of legislative scrutiny of our health care system.

Mr. Reed: Shame. Shame.

Mr. Conway: I am not surprised—when the Minister of Health goes to the Wellesley Clinic of yesterday to give what was reported as a bland speech, he found certain of the health care professionals pretty unhappy with the system. I can certainly suggest to him, if he wants to go and meet those people who are now being forced to pay this direct \$528 tax, that he will find something of the same reaction.

[10:15]

But you know, Mr. Speaker, the Minister of Correctional Services stares into the distance. He knows exactly the truth of what I'm saying; that nothing has characterized the cowardice of that administration more than their unwillingness to bring this matter before a scrutiny in this Legislature with a legitimate committee where we can all take a look at what is happening.

Mr. Warner: Cowardly.

Mr. Conway: They've got no hesitation in hiring Laurier Lapierre and the Gallup organization to scrutinize their educational disasters, but they have got total reluctance to come to terms with a similar kind of legislative scrutiny for the single most significant fiscal and social commitment this province through this government has been making in the period of post-1969.

I'm going to suggest very constructively for those members of the executive council

who are fortunate enough to be here tonight, to hear these words of wisdom, that maybe they had just better go back and prevail upon their other colleagues in cabinet—because we know, unfortunately, the Tory caucus counts for pitifully little—that some other members of the cabinet had just better be convinced on the need and the immediate requirement for some kind of legislative scrutiny of this system. That's why I think the member for Scarborough Centre can now smile in agreement.

Hon. Mr. Drea: I was smiling with derision.

Mr. Reid: Let the record show it.

Hon. Mr. Drea: Let the record show it was in derision.

Mr. Conway: Mr. Speaker, I think it's a very significant comment on Tory economics when the third largest provincial source of revenue is now the OHIP premiums.

Mr. Warner: More than corporate income tax.

Mr. Conway: It is a pretty significant and pretty sad comment when fully three-quarters of the additional revenue—

Mr. Warner: That's sad, sick government.

Mr. Conway:—that is being raised by virtue of various tax measures in this budget is being raised on the backs of the OHIP subscribers.

Hon. Mr. Drea: What's your alternative?

Mr. Deputy Speaker: Order.

Mr. Conway: I thought the member for Scarborough Centre had an ounce or a vein of progressivism in his being.

Hon. Mr. Drea: Me? You've got to be kidding.

Mr. Reid: He lost it in Georgia.

Mr. Makarchuk: It's a microgram, Sean, a microgram.

Mr. Conway: A microgram. Well, I think the member for Rainy River is even more accurate when he says he lost even that in Georgia.

Hon. Mr. Drea: I lost it long before that; I never had it.

Mr. Conway: You know, Mr. Speaker, I think it very interesting that the Treasurer would consider the choice of a very regressive OHIP premium increase to be infinitely more favourable than, let us say, a dependence upon the more progressive tax bases we all know exist in this province.

Hon. Mr. Drea: You want higher income tax? Let the record show he called for higher income tax.

Mr. Conway: I am certainly prepared to say this, that if we cannot find a more progressive system on which to base this kind of revenue generation than the regressivity the Treasurer offers this province, then I think it is an abject bankruptcy.

Hon. Mr. Drea: That Hansard is going to read beautifully.

Mr. Deputy Speaker: Order.

Mr. Conway: It's interesting—

Mr. Eaton: Don't beat around the bush, give us your position.

Hon. Mr. Drea: That man is standing for higher income tax and he doesn't want it in Hansard so that they won't read it back home.

Mr. Conway: Mr. Speaker, I regret to say that these interjections are going to force me beyond my 15 minute timetable.

Mr. Deputy Speaker: Order, please. I might suggest to the Minister of Correctional Services that it's the custom of this House for members to speak only from their seats.

Mr. Martel: There, Frank.

Mr. Conway: The Treasurer no doubt felt nettled by the criticism which he received as a result of this gesture. I've got to say something about the nature of the criticism and the flow of response. I know perfectly well that the Treasurer made this misguided choice, knowing full well there would be relatively little response to it, because he understands just how incredibly unfair and how incredibly inequitable this Ontario health insurance premium scheme has come to be, because when 75 per cent of premium revenue is employer-paid, when every single member of this assembly will never see that \$144 increase, there is not going to be the kind of immediate political response that other initiatives might generate.

I would be the first, being a very naive politico, to appreciate the twisted political calculation that's now fundamental to this very regressive system because, as long as the majority don't pay and have no visible link, there just isn't going to be much of a stink or of a response.

Mr. Eaton: You want to bury it some other way, don't you?

Mr. Conway: The Treasurer, in his imitable and machiavellian mental process, would like not to have a system put forward that would draw back to such a requirement all of those who are currently being exempted from the visible link of which he speaks.

Certainly, as long as the member for Middlesex doesn't pay, he's not going to be worried at all.

Mr. Eaton: I'll tell you, I paid my way until it was put on; and I'll pay it again. That's something you have never done. You have never been out in the working world, have you, sonny?

Mr. Conway: I'm going to suggest to the member for Middlesex that I hope he makes that proposition to his Treasurer at next week's caucus, that he's prepared to pay his way.

Mr. Eaton: You have never been out in the working world and paid your way yet.

Mr. Deputy Speaker: Order.

Mr. Conway: The member for Middlesex has said it far more cogently than I could ever say it: He's prepared; he wants to pay. That's the kind of commitment we're going to require from the broad population who are being exempted from this kind of system. What does the Treasurer say in his letter of apology to the Globe and Mail of March 16? He says in part—

Hon. Mr. Drea: Read it all.

Mr. Gregory: Read the whole thing.

Mr. Conway: I'm only reading one paragraph.

Hon. Mr. Drea: You know the rules.

Mr. Conway: "The premium system," the Treasurer says, "is more progressive than some critics would allow. The large number of free premiums and the fact that OHIP payments are for the most part subsidized by employers, and any subsidized amount is taxable as income by the progressive personal income tax, attest to this fact."

Here is the significant part:

"Equally important, this government"—this Tory government—"is not about to damage the investment potential of the economy by increases in the income tax."

That says something about the mentality of this latter day Francis Bondhead. He is quite prepared to screw the individual in the \$12,000 or \$14,000 a year bracket right to the wall.

Hon. Mr. Drea: Oh, come on.

Mr. Conway: But he's afraid to tinker with the progressive tax systems that we have all accepted as fundamental to our governmental process because, whether some Tories in Ontario in 1978 know it or not, we have basically understood our taxation to be funded and founded on the principle that you pay according to your ability to pay.

Mr. Warner: You give according to your ability to give.

Mr. Conway: And he says: "Finally an OHIP increase is preferable to an income tax increase because OHIP premiums are directly linked to health care expenditures and rising costs." That is just so much hollow and specious argumentation—

Mr. Warner: Totally inaccurate.

Mr. Conway: There cannot be any commitment on the part of a responsible opposition—to a premium system and a premium increase, the like of which we have been presented in this regressive document, based on that kind of logic.

Mr. Martel: I hope you vote for our no confidence motion next week.

Mr. Conway: That is why next week we are going to begin an examination of the alternatives.

Mr. Martel: I thought you were going to vote for our no-confidence motion.

Mr. Conway: The member for Sudbury East says, "I thought you were going to vote for our no-confidence motion." I don't for a moment ever dismiss the likelihood of my voting for any no-confidence motion throughout the course of the 31st Parliament of Ontario. I want that clearly understood.

Mr. Martel: But that's not the one.

Mr. Conway: I hope the member clearly understood that point. But I think we in the Liberal Party have taken, as the population expects us to take, a responsible and constructive approach.

Mr. Martel: But; here comes the "but."

Mr. Gregory: Yes, having said that—

Mr. Eaton: Having said that, now let's get on to the other side of the issue.

Mr. Conway: I hear the member for Middlesex howling in protest, but I remember standing in this chamber 11 months ago tonight, as the member for Riverdale said, and I can still see the member for Carleton (Mr. Handleman)—now resigned in disgust about the jackpot into which his colleagues have placed the Tory principles in this province, resigned in disgust. I remember him sitting not too far away from the Minister of Corrections—

Hon. Mr. Drea: Correctional Services.

Mr. Conway:—on that brave and heroic night waving, not a white flag but a red flag, that 37 days later he and his group had stuffed down their collective palates.

Hon. Mr. Drea: The biggest majority I've ever had.

Mr. Conway: I suspect their heroism is one tampered and tempered with the keen understanding of the rebuff they got, justifiably, on June 9, 1977.

Hon. Mr. Grossman: We only won eight more seats. How many did you win?

Mr. Conway: We took the constructive approach, the only approach that we had under the conditions, since this government had been so reluctant over these many years ever to allow a frank and full examination in the Legislature or any of its committees of this high-spending, highly sensitive health-care area: we decided to direct this matter to the standing committee on social development—

Mr. Martel: Yes, to find a way out.

Mr. Conway:—there to be guided by the excellent chairmanship of my colleague from Huron-Bruce, to look in a clear and objective way at both the argumentation that has led to this kind of nonsense—

Mr. Gregory: The Liberals never change.

Mr. Conway:—and the possible alternatives which we are sure have not been looked at; and maybe among other things to find out just what we can believe.

In 1976 the Treasurer stood in this assembly and said we needed to restore a balance in our health-care financing where premiums paid for something of the order of 28 per cent of insured health services. But rather than take my word, as I know the hon. members opposite would never want to do, let me quote from that budget statement: "Premiums," said the Treasurer then, "will generate approximately 28 per cent of the total financing of OHIP and this is a suitable long-run norm to maintain as health-care costs increase in future years."

Two years ago we were told that 28 per cent of insured health services, in so far as an OHIP premium coverage was concerned, is an acceptable long-term norm. Two years later this same Treasurer, brazen as ever, inconsiderate as ever, stands up and reneges as ever and says—no, let me say, the Treasurer says, Mr. Speaker—

Mr. Martel: You will vote to support him.

Mr. Conway:—the point surely has to be that we couldn't believe the Treasurer on the basis of his 1976 statement and I want to know why or how I can take the Treasurer at his word now for those poor, beleaguered, downtrodden payers of the direct premiums? Why should they believe today any more than they did two years ago—

Mr. Warner: Vote against the government.

Mr. Conway: —that the premiums they are forced to continue to pay at ever-increasing levels will be kept to no more than 34.7 per cent?

Interjections.

Mr. Deputy Speaker: Order, order. I wonder if the hon. member could look upward and to the left.

Mr. Conway: Yes, Mr. Speaker.

Mr. Makarchuk: Look to the left anyway.

Mr. Conway: Mr. Speaker, I will happily conclude this portion of my remarks by saying that the Treasurer of this province is increasingly becoming the victim of the credibility-gap politics for which he is the supreme architect. He no longer is being believed by

members of this assembly and maybe much more importantly by the people of Ontario, and I don't think his cavalier, capricious kiss-off that "this is my latest thinking" is in any way, shape or form an acceptable answer to the people of this province who are being seriously and permanently affected by this kind of an increase.

Mr. Warner: Vote against the government.

Mr. Deputy Speaker: Order. Does the hon. member have any further comments? If so, he may adjourn the debate.

On motion by Mr. Conway, the debate was adjourned.

On motion by Hon. Mr. Maeck, the House adjourned at 10:30 p.m.

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Daily Edition

Second Session, 31st Parliament

Friday, March 31, 1978

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, MARCH 31, 1978

The House met at 10:00 a.m.

Prayers.

DEATH OF DR. CHARLES BEST

Hon. Mr. Timbrell: Mr. Speaker, it was with great sadness that we learned this morning of the death of Dr. Charles Best. He was a great Canadian who loved this country and gave to Canadians much of which to be proud. His work and success in research brought new hope to millions throughout the world, including some former members of this House and perhaps some current members.

Dr. Best always placed his first commitment to the betterment of mankind, setting aside financial gain or the many chances to take his talents and expertise elsewhere. His was an example to youth of all generations in Canada and throughout the world. Together with Sir Frederick Banting, as a young man Dr. Best showed perseverance and dedication despite great obstacles that would have discouraged lesser men. It was a spirit that continued throughout his lifetime.

This province and this country have lost one of the greatest scientists, humanitarians and patriots of our history. We all mourn his death, and on behalf of the government and people of Ontario I express sincere condolences to Dr. Best's family and to his many friends and colleagues throughout the world. I would ask the members of the House to join me in a moment of silence.

Mr. S. Smith: Mr. Speaker, if I might just take the time of the House for a moment, I would like to add, on behalf of the official opposition, our condolences to the family of Dr. Best, a family doubly bereaved in recent times. I would like to say simply as a Canadian and as a physician and scientist, that our country has not had many people of that stature, but he is an example and has been an example because we have potentially a lot of people of that stature. Because he succeeded, because he saved, indirectly, so many lives and made so many lives more livable, and because he proved that Canadians can in fact produce results which are as great as any in the history of mankind, he has perhaps done more than the vast

majority of us to prove that the Canadian identity is real, something we can be proud of, and something we can show to the rest of the world. In that sense, I think the country has suffered a great loss, but his life was a great gain to us and is part of the very fabric of our national identity. I simply want to associate myself with the words expressed by the Minister of Health at this sad occasion.

Mr. Cassidy: Mr. Speaker, I should like to add my words of condolence to the family of Dr. Best and pay tribute to him for his contribution to medical science and to our life as Canadians here in this country.

I grew up in this city of Toronto and two people who were heroes for us as young people in the 1940s and early 1950s growing up in this city, were Dr. Best and Dr. Banting for their contribution in the conquest of diabetes through the discovery of insulin. It's been an inspiration to many people, not just in the field of medicine, because Toronto has become a world-renowned centre due in large part to those initial discoveries and the kind of excitement and inspiration that those discoveries led to in other fields of endeavour as well. I know that all members of my party join with the comments made both by the Minister of Health and by the Leader of the Opposition.

ORAL QUESTIONS

Mr. S. Smith: Slim pickings, as usual.

Mr. Ruston: Use the shotgun approach.

Mr. Conway: Frank Drea's been awfully quiet. Try him.

Mr. S. Smith: Can the government House leader tell me if anyone else is coming as far he knows?

Hon. Mr. Welch: My information is that the Treasurer (Mr. McKeough); the ministers of Education (Mr. Wells), Natural Resources (F. S. Miller), Northern Affairs (Mr. Bernier) and Industry and Tourism (Mr. Rhodes), and the Premier (Mr. Davis) are the only members of the executive council who will be absent this morning.

Mr. Kerrio: I thought the House leader was going to tell us who was going to be here.

Mr. Reid: All the first stringers.

Mr. Ruston: Pretty smooth.

Mr. Reid: Sending in the substitutes on the bench, are you?

Mr. Martel: That was the first question; now the second.

Mr. Deans: That was the best answer we've had all week.

Mr. Reid: Sounds like the lineup for the Blue Jays.

Hon. Mr. Welch: Do you have a supplementary?

Mr. Speaker: The House leader has indicated that he would like a supplementary response.

INCREASE IN OHIP PREMIUMS

Mr. S. Smith: Since I'm only talking to the supplementary part of the cabinet I'll address my first question to the Minister of Health.

Can the Minister of Health tell me how he feels being a member of a government in which, as pointed out in the report that has just come out from the National Council of Welfare on taxation and the distribution of income, his ministry is now being blamed for the fact that Ontarians who earn less than \$20,000 a year, because of the new OHIP increases are to be the highest-taxed people in the land and that those at the poverty level or just above, those earning \$10,000 or \$12,000 a year, in terms of combined provincial income tax and health insurance premiums, will be paying vastly more in Ontario than in any other province of Canada. How does he feel about that?

Hon. Mr. Timbrell: Mr. Speaker, the hon. Leader of the Opposition has me at somewhat of a disadvantage in that he has the report. I haven't seen it, so I wouldn't want to comment on it until I have had a chance to look at it.

I know there have been a number of figures bandied about. I think the record, though, shows that in terms of per capita spending on health care and in terms of increases in spending over the last five or six years, Ontario of all the provinces has led the way in showing reason in the growth in spending.

No matter how one feels about a premium system or other means, I have to think that, given the horrendous costs of health care, and the charge of \$1.44 a day for a family or 72 cents a day for a single subscriber like myself, and considering the alternatives, it is still a reasonable system.

Mr. S. Smith: The minister doesn't pay it.

By way of supplementary, since the minister has not seen the report and since it has

just come out, will he kindly listen to a few figures—and I won't take the time of the House unduly, Mr. Speaker—comparing two provinces that have premiums—

Hon. Mr. Timbrell: On a point of order: I think this is a bit of a misuse of the question period to read a report to me and not to ask any questions. I would be glad to answer questions on specifics—

Mr. S. Smith: I will ask questions.

Hon. Mr. Timbrell: —but if the hon. member wants to read the particular report into the record perhaps he could do that during some debate.

Mr. Bradley: And let's have some ministers on the front bench.

Mr. S. Smith: I'll read a few for the minister.

Mr. Speaker: It is not really a point of order. If the question does not contain a question it will be ruled out of order.

Mr. S. Smith: I would simply take a moment to read the comparison between a province with no premiums—that is the province of Saskatchewan—and two provinces with premiums—Ontario and British Columbia. You may be interested to know that the total tax burden for those with \$10,000 earned income and below in Saskatchewan is \$122; in Ontario \$798; in British Columbia \$508. For \$12,000 income: Saskatchewan \$346; Ontario \$960; British Columbia \$677—I will only give you one more and then I will ask you a question—the \$15,000 level: Saskatchewan \$710; Ontario \$1,223; British Columbia \$952.

What I want to ask the Minister of Health—since obviously this situation is not his doing, it is the doing of the Treasurer (Mr. McKeough) who is merely using Health as an excuse to burden his taxation on the lowest income people in Ontario—how does it feel as Minister of Health having to put up with this? How does it feel having to pretend that it is one's own ministry's expenditures that are the reason for—

Mr. Speaker: The question has been asked.

Mr. S. Smith: —having to burden the people at the poverty level?

Hon. Mr. Timbrell: Mr. Speaker, again, I will be sure to get a copy of that report and review all of it. I am sure it has pointed out such things as the \$5 a day charge for a hospital bed in the province of British Columbia. I am sure it has pointed out some of the deductible amounts in some provinces for some services, which we don't have in Ontario. Frankly, I think if you were to compare everything—all the variables, all the

additional charges that apply in other provinces—Ontario would still come out at—

Mr. S. Smith: At the very bottom.

Mr. McClellan: That is not true.

Mr. Swart: That's nonsense.

Hon. Mr. Timbrell: I feel sorry for the Leader of the Opposition on Fridays. He twists his lip and he snarls and tries to be something that he is not. I feel sorry for him some days and this is one of them.

Mr. Cassidy: When your position is weak, shout.

Mr. S. Smith: I feel sorry for the people being taxed in this province at the poverty line.

Hon. Mr. Kerr: Watch the Juno awards.

Hon. Mr. Timbrell: I think we all acknowledge that arriving at the conclusions of his budget—

Mr. Kerrio: Look at the cartoon in the morning paper.

Hon. Mr. Timbrell: —was a very difficult exercise for my colleague the Treasurer.

Mr. S. Smith: This minister is the fall guy for the Treasurer's finances and he knows it.

Hon. Mr. Timbrell: But I was certainly pleased that in the budget he included a provision to raise the taxable income ceiling so that more people would now come under total or partial premium subsidies than has ever been the case before. We will now have, if I remember the correct figures, 1,820,000 people who will pay no premiums at all; and a further 60,000, I think it was, who will be on partial premiums.

Mr. Mackenzie: Nobody in Saskatchewan pays premiums.

Hon. B. Stephenson: We have been supporting them for years; that is the truth.

[10:15]

Mr. Deans: Supplementary: Since the minister and the government continually make reference to the differences in the costs and the hidden charges that are levied in other jurisdictions—

Hon. B. Stephenson: We paid their entire medicare program for years.

Mr. Martel: How did we do that?

Hon. B. Stephenson: This province did— in transfer payments.

Mr. Martel: This province?

Hon. B. Stephenson: The entire thing.

Mr. Deans: The minister was referring to the \$5 and other charges in Saskatchewan—

Mr. Martel: We are now paying Alberta's. With all their oil, we are paying Alberta's.

Mr. Deans: The competition is getting to me.

Is the minister prepared to put on the record the actual costs of medical care in the province of Ontario—on a per diem basis, if you will, or on a per capita basis, or in whatever way the minister wants to calculate it—and then to draw exact comparisons from other provinces and to show us exactly where we get a better deal? Because it certainly isn't evident to anyone here.

Ms. Gigantes: That's right.

Hon. Mr. Timbrell: I can certainly show comparisons between the per capita spending by this government and that of other provinces. The point I was trying to make was that it's something of an improper comparison when one considers that—take British Columbia, for instance, that comparison would not show the fact that in British Columbia you will pay \$5 per day per bed.

Mr. Martel: My colleague is saying to put that in the overall package.

Mr. Deans: I'm saying to the minister to give us the total.

Hon. Mr. Timbrell: Once we get into the standing committee on social development, within the next week, these and other sets of figures will be available, and I'll be glad to share them with the committee.

I am certainly looking forward to seeing what the proposals of the official opposition party are going to be.

Mr. Deans: Frankly, I don't care.

Hon. Mr. Timbrell: I have not seen any proposals from them in 14 months as the minister, and I think it is going to be quite an occasion.

Mr. Martel: He said he will be looking forward to it.

Mr. S. Smith: This program is a revenue-raising device and the minister is the fall guy.

Mr. Conway: Supplementary: I would ask the Minister of Health, given the substantial increases in OHIP premiums effected in this year's budget and in the 1976 budget, whether he has undertaken any study to see if there are any early indications that more and more people just aren't bothering to pay these extremely high and prohibitive premiums? Does he have any statistics to indicate how many people are not covered?

The Toronto Globe and Mail, I noticed some weeks ago, in dealing with the notch-up problem—

Mr. Speaker: The question has been asked.

Mr. Conway: —went out to find people at the notch level and found that people just

weren't bothering to pay the premiums because they were so expensively prohibitive.

Mr. S. Smith: They figure welfare will pay for it.

Hon. Mr. Timbrell: I haven't seen figures for a number of months, but to the best of my recollection—and I will be sure to dig these out and share them with the committee in the next couple of weeks—that is not the case at all.

Mr. Speaker: A final supplementary; the hon. member for Oshawa.

Mr. Breugh: Mr. Speaker, will the minister, before we meet next Wednesday, table for us in this House the most favourable set of numbers that he can come up with? Never mind his allusions to the fact that he might have them or doesn't have them; would he just, once and for all, table those figures?

Mr. S. Smith: That's right.

Mr. Breugh: Let him fix them any way he cares to but let him give us something that shows us what he says is actually true, because no one else in the nation can agree with him.

Mr. Martel: Other than 57 Tories.

Ms. Gigantes: It's a big lie.

Hon. B. Stephenson: Absolute NDP arrogance—speaking on behalf of all the people of the nation.

Mr. McClellan: You should talk about arrogance!

Ms. Gigantes: It's a lie.

Mr. McClellan: Tell us about arrogance.

Mr. Martel: The epitome of arrogance is speaking.

Hon. B. Stephenson: No; I said his arrogance in speaking on behalf of all the people of the nation.

Hon. Mr. Timbrell: If the hon. member, in doing his studies for his new role as health critic, would look at some of the materials in recent years from the Economic Council and other sources, I will be glad to—

Mr. S. Smith: We understand your connection with them. We know you like the OMA, but—

Hon. Mr. Timbrell: Mr. Speaker, I don't know if we can pull out all the data; the thing is, I guess I would sooner get into this with the committee because there are so many different ways you can compare every provincial system—

Mr. Cassidy: No, just give us one example.

Interjections.

Hon. Mr. Timbrell: I have no intention of

cooking the books or whatever, but each system is different.

Mr. Conway: Darcy will look after that.

Mr. Cassidy: And your system is the worst of all.

Hon. B. Stephenson: No, it is not.

Hon. Mr. Timbrell: Each system is different in the 10 provinces, one way or another. I don't know that a direct comparison is possible. But I'll certainly be glad to share with the committee any and all figures we've got.

Mr. Martel: You're so cavalier about making comparisons.

Ms. Gigantes: You are in trouble.

Hon. Mr. Timbrell: Since the committee is of course on the record, as it would be in this House, then what the member wants will be there as it would be here.

Mr. Warner: It's out of your control.

Mr. Kerrio: Leave the cooking to Darcy; he's the champ.

Mr. Speaker: The hon. Leader of the Opposition with his second question.

Mr. Martel: That's three now.

Mr. S. Smith: That's right.

INDUSTRIAL INCENTIVES

Mr. S. Smith: I'll ask a question of the Minister of Revenue, again since the Treasurer is not here. I have sent him an advertisement, Mr. Speaker, which has appeared in today's Globe and Mail on behalf of New York State. The minister undoubtedly is familiar with the fact that the Treasurer says in his budget statement that "in Ontario our taxation levels compare favourably with those of nearby jurisdictions with which we compete." In this ad are listed about seven particular tax incentives that New York State offers and in the body of the material a number of others are listed. With the exception of tax credit on equipment and sales tax exemption on equipment, can the Minister of Revenue tell us which of these incentives are, in fact, offered in the province of Ontario?

Mr. Turner: You mean you don't know?

Hon. Mr. Maeck: Mr. Speaker, I would have to take that question under advisement, but I would inform the Leader of the Opposition that it has been the policy of this government up to this point in time that we are not going to get into situations of a competitive nature as is being done now by other states, particularly in the United States, where there's a highly competitive bid for industry. At this point in time our policy has not been to compete in such a way as to use

tax incentives, for instance, to take industries from other provinces and so on.

Mr. Sargent: Why not?

Hon. Mr. Maeck: Simply because we don't believe that's the route to go.

Mr. Sargent: A lot of guys out of jobs think it's a good idea.

Mr. S. Smith: By way of supplementary: Unfortunately these manufacturing industries understand what the route is to go and they're going to the United States. Is the minister aware that we're losing manufacturing jobs in this country, according to the Science Council of Canada, at approximately the rate of 10,000 a month?

Mr. Rotenberg: Because Trudeau's loused up the economy, that's why.

Mr. S. Smith: Is the minister aware that these are the kinds of incentives which are drawing away Ontario industries that could employ Ontario people—

Mr. Havrot: Why don't you talk to your friends in Ottawa?

Mr. S. Smith:—and why isn't the government competing? It's a competitive world. Why shouldn't we be competing?

Hon. W. Newman: You talk restraint one day and then spending the next day. Where do you stand?

Hon. Mr. Maeck: If everyone competes in this kind of a game it only becomes a cut-throat situation and in the final analysis we all lose.

Hon. Mr. Timbrell: You really want it both ways, don't you?

Mr. S. Smith: Our throats are being cut.

Mr. Kerrio: Supplementary: If the minister does not see fit to pursue this route, what does he have as an alternative to encourage industry to come here? Is there anything being done at a high level on the balance of trade that would induce General Motors and others to make certain that we have other pressures brought to bear that would have those factories come here, if the government is not going to go all that route,

Mr. Rotenberg: Tell Trudeau to fix the auto pact.

Hon. Mr. Maeck: I suggest that particular question should go to the Minister of Industry and Tourism, under whose jurisdiction that falls. I have nothing whatever to do with that particular area. I'm interested only in the tax.

Mr. Kerrio: That's why we're in trouble.

Mr. S. Smith: Final supplementary, if I might: Do I take it, then, that the minister

who is in charge of taxation disagrees with the Treasurer, because this minister feels it's not a good policy to be competitive in this way when the Treasurer says, and I quote again, "Our taxation levels compare favourably with those of nearby jurisdictions with which we compete"? Do I take it then he was not telling us the fact that the Minister of Revenue has decided we shouldn't be competing in the taxation field?

Mr. Rotenberg: Come on, don't misquote him.

Hon. Mr. Maeck: If the hon. member recalls the answer to the first question, I said I would take his question under advisement and check to see what our tax exemptions would be in comparison with New York State. I'm not prepared to tell him that at this point in time.

Mr. Kerrio: Ah, you know what tax exemptions are available.

Mr. S. Smith: You are as aware as anybody of what's happening.

Mr. Kerrio: You're not even in the race.

Mr. Speaker: Order. Order.

Hon. Mr. Maeck: I had promised that I would get back to the hon. member regarding the comparison. As the member is very well aware, the Treasurer directs the policy of taxation in this province, not the Minister of Revenue.

Mr. S. Smith: He's not here though.

Mr. Sargent: Supplementary: Is the minister aware that the lending policies of ODC were to the extent of \$25,000 a job, and he has the audacity to stand there when there are thousands of people out of work and say he has no policy in this regard to entice industry here? VW was offered \$100 million to locate its plant in New York State, and the minister has no policy at all.

Hon. Mr. Maeck: That is not what I said.

Mr. Sargent: It's a fact.

Hon. W. Newman: It is not.

Hon. Mr. Maeck: I said I would compare the tax policies of New York State with the province of Ontario to see how they compared. I said that if we're going to talk about other incentives it should be directed to the Minister of Industry and Tourism, who is in charge of that particular area.

ADOPTION SERVICE FEES

Mr. Cassidy: I have a question of the Minister of Community and Social Services concerning recommendation 59 in the ministry's consultation paper on short-term legis-

lative amendments in the area of children's services. The ministry states in that paragraph, and I quote: "When adoptive parents can afford to pay towards adoption services, we think it should be possible for societies to charge and collect a reasonable fee."

Can the minister clarify recommendation 59 attached to that statement, which says that the ministry should have legal authority to establish and to regulate fees charged by Children's Aid Societies for their adoption services?

Hon. Mr. Norton: Mr. Speaker, that proposal for discussion in the paper was intended to assist in providing some opportunity for societies to charge a reasonable fee which would help to offset the administrative costs incurred in the process of arranging and processing an adoption. I'm not sure, beyond that, what the hon. member's question was intending to elicit. Does that answer the hon. member's question or is there something further?

Mr. Cassidy: I'll come to it in a supplementary, because we are very concerned about this idea that there be substantial charges for adoptions.

I'd like to ask this then: Is this intended to be a possibility for Children's Aid Societies or a requirement? I ask that in view of a letter from the associate deputy minister, Judge Thomson, to a Children's Aid Society in this province that the wording of recommendation 59—and I quote Judge Thomson—"was intended to allow for a ministry decision which would require a Children's Aid Society to charge for adoption services." In other words, there would be a requirement and not just the possibility. Has a decision in this regard been made yet?

Hon. Mr. Norton: The answer to the latter part of that question is no, the paper is still subject to discussion. We're presently reviewing briefs on the total package of proposals from Children's Aid Societies across the province, from agencies and interested individuals who have submitted briefs. The response and the interest was actually much greater than we had anticipated; the quantity of work that people put into the preparation of their responses was such that when requests were made for an extension of the period for consultation beyond the February 28 date that had originally been suggested, I agreed to do so on the understanding that, at the same time, we would begin to review and respond directly to the briefs that we had received so as not to unreasonably delay our schedule, since I had indicated to the House that I would like to meet the commitment

of introducing some legislative change during this spring session. So there is still no decision on a policy basis on any of those proposals. They are still proposals which are under discussion.

Mr. Cassidy: A supplementary: I want to focus on this question of whether Children's Aid Societies will be made to charge for adoptions or whether there will be such financial pressure put upon them that they will charge for adoptions.

In view of the response which the minister mentions has already been indicated by Children's Aid Societies—and that there will be action in relation to this recommendation number 59—can the minister give some idea what charges will be made, or will be permitted or encouraged in relation to adoptions, in view of the very real danger that Children's Aid Societies may start to choose adoptive parents on the basis of their ability to pay and not their suitability as parents, given the financial restrictions of the ministry?

Hon. Mr. Norton: Clearly, I can appreciate the concern of the hon. member on the latter point that he made. I can assure him this is certainly not the intent. I think that should this be approved on a policy basis, if there is any possibility that kind of bias might creep in, clearly there will have to be protections to prevent it.

Mr. Deans: It's not a very good idea.

Hon. Mr. Norton: I noticed that the hon. member indicated that he and his party would be opposed to the charging of any substantial fee. I'm not sure what the magnitude of any substantial fee would be. The terminology we've used in the suggestion is a "reasonable" fee.

Mr. McClellan: There's no room for a fee.

Ms. Gigantes: How much money does the minister want to raise?

Hon. Mr. Norton: Certainly, it is not the intention to inhibit persons, or to prevent persons from proceeding to adopt children. The intention is simply to assign a reasonable portion of the cost. As the member reads the recommendation which is being considered, it was that a reasonable fee be charged in situations where the parents could afford it.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. S. Smith: He's had four or five.

Mr. Speaker: One final supplementary. The hon. member for Bellwoods.

Mr. McClellan: Given that the minister understands we are opposed to fees in adoption, period; let me ask the minister what is the average administrative cost of adoption

in this province, which I gather is the basis for his proposed fees for adoption?
[10:30]

Mr. S. Smith: And what would be the cost if the child were not adopted?

Hon. Mr. Norton: I don't have the average costs at the moment. I will get that for the member. I am aware of the position, as the hon. member states, that there is opposition to any fees and I am sure that it covers areas that don't touch upon my ministry—

Mr. McClellan: You can keep your buy-a-child scheme.

Mr. Makarchuk: Put them out to the highest bidder.

Ms. Gigantes: How much do you want to raise?

Hon. Mr. Norton: I think the hon. members again have completely missed the point that first of all it is not a policy matter. We have invited input from the hon. members and everyone else in the province on such discussions so that the members opposite would have something to discuss and apply themselves in the course of process.

Mr. Warner: Why would you suggest it even for discussion?

Ms. Gigantes: It was Darcy who started it.

Mr. S. Smith: Supplementary if I might: Why does the minister not simply lay that absolutely ridiculous scheme to rest, given the fact that it costs more to keep a child who is not adopted than one who is adopted, given the fact that the minister is not in fact saving any money by charging people for this, and given the fact that the whole thing is simply offensive to anybody's sense of decency and reasonableness? Why not simply declare now that that ridiculous idea is put to rest permanently?

Hon. Mr. Norton: Mr. Speaker, I obviously will consider the opinion of the Leader of the Opposition in the matter when the discussion papers or the briefs have all been submitted and I hope that he has taken the trouble to make some such submissions to us as well.

HOSPITAL WORKERS

Mr. Cassidy: Mr. Speaker, I have a second question to the Minister of Health. Can the minister report to this House on his discussions with the Canadian Union of Public Employees about the difficulties which are being undergone right now in continued master contract bargaining for hospital workers across the province?

Hon. Mr. Timbrell: Mr. Speaker, I met with representatives of the Canadian Union

of Public Employees a few days ago. I had asked to see them a few weeks ago inasmuch as I had seen some of the people who are negotiating on the hospital side and I wanted to be briefed on both sides.

I indicated to the CUPE delegation that I would certainly hope they and the representatives of the hospital bargaining team could get back together as soon as possible. I indicated, as I had in a letter to Mr. Douglas of CUPE a number of months ago, that the government is not going to force either side into a master contract relationship. That is something that, if it happens, will have to evolve.

The representatives of CUPE left with me a couple of suggestions which they wanted me to consider and which I am considering along with my colleague, the Minister of Labour (B. Stephenson), but certainly we are not injecting ourselves in the ministry into the middle of this. We want the two sides to get back to the table as soon as possible.

Mr. Mackenzie: Given the direction of the government in terms of the construction industry and the efforts at province-wide bargaining, does the minister not see the merit of master bargaining in the health field with the hospitals and the hospital workers?

Hon. Mr. Timbrell: To give a brief answer, Mr. Speaker, no.

Mr. Warner: Why not?

Mr. Martel: What's the difference?

Hon. Mr. Timbrell: Mr. Speaker, let me elaborate on that and just say that over the last number of years there have evolved various forms of central bargaining, and in fact we are just coming to the end of the first contract with centralized bargaining between various hospitals and certain unions—CUPE and SEIU. As I say, however what evolves in the future is up to the parties—the unions and the hospitals involved. Let's never forget that of course just as the individual locals have a great deal of autonomy, particularly in CUPE, so too do the individual hospitals. They are after all community hospitals, administered and overseen by community boards.

Mr. Speaker: Final supplementary.

Mr. Mackenzie: Individual contractors have the same kind of autonomy, and I think the minister is on the wrong road.

Mr. Speaker: That's not a question.

FLECK MANUFACTURING COMPANY

Mr. Riddell: I have a question of the Minister of Labour. In view of the riotous

situation which has developed at Fleck Manufacturing Company where police had to close two schools and public thoroughfares leading into the industrial park yesterday in the interest of the safety of schoolchildren, teachers and others who work in the park; and in view of the conduct of workers coming from other areas of Ontario in support of the Fleck strikers breaking into the plant, smashing windows and doors, ransacking offices, and threatening to burn the place down; what action does the minister contemplate to help resolve the differences between the two parties so that this part of the country can get back to a civilized way of living?

Mr. Warner: Get rid of that sweat-shop for a start.

Hon. B. Stephenson: As the hon. member knows, the Ministry of Labour has been keeping contact with both parties in an attempt to get them back to the negotiating table. Late yesterday afternoon we appointed a disputes advisory committee which is at this moment meeting to plan its course of action in order to attempt to resolve that problem.

ESCAPE OF SULPHURIC ACID

Mr. Lupusella: My question is directed to the Minister of the Environment, in relation to the leak of concentrated sulphuric acid at the Prestolite Battery plant at Dufferin and Dupont. On the morning of March 19, 1978, a leak developed in an elevated sulphuric acid tank located at the west side of the plant and the prevailing high winds that day carried a mist of the sulphuric acid southward to a car wash located at the northwest corner of Dufferin and Dupont, forcing the owner of the car wash to close down his operation because his employees complained of skin irritation.

Can the minister report to this House whatever information is available to him and what they have discovered as to the nature and the cause of the leakage?

Hon. Mr. McCague: As to the last part of the question—what have we discovered as far as the leak is concerned—it was a broken seam in the tank.

Mr. Lupusella: By way of supplementary: Considering the leak has aroused considerable concern among neighbours of the plant and because of the fact that this particular incident is clearly something that should not happen again in any circumstances, particularly in the middle of a residential area, can the minister tell us what kind of action his department has taken against the com-

pany? And can the minister assure us that the Prestolite plant will be inspected by his officials to detect any chemical container located in the plant and outside the plant which can constitute a hazard to the public and to the employees working in that particular plant?

Hon. Mr. McCague: There has been an investigation. I don't have a report yet, but I will report to the member when I have that.

UNITED PARCEL SERVICE

Mr. Sargent: A question to the Minister of Transportation and Communications: With reference to the excellent series in the Toronto Star by Brian Vallee on the UPS application—or, I suggest, eventual take-over here in Ontario—I would like to ask the minister, as the only elected person in Ontario who can do something for us in this regard—and in view of the fact that he sold us out in the Greyhound corporation deal. We can understand the fact that free enterprise can take over, but the minister rates very easily in the public sector here—I would like to ask him, because very many people, hundreds of thriving smaller firms in the parcel industry will be wiped out of business by this take-over unless he gets up off of it and does something; my question is this: Why doesn't he, in view of this newspaper series which is very relevant because we have heard that crime is organized—

Mr. Speaker: Order, order. You have indicated you were going to ask a question on three different occasions and I have yet to hear it.

Mr. Sargent: I have to qualify the setting here.

Mr. Speaker: You have been around here for 12 years. If you don't know how to frame a question, it's time you did.

Mr. Sargent: All right, thank you.

Hon. Mr. Grossman: He hasn't been around long enough; he has not really been around.

Mr. Sargent: Whose side are you on there?

Mr. Speaker: I'm trying to help you to ask a question, with great difficulty.

Mr. Sargent: Why doesn't the minister investigate the fact that the rates will increase 150 per cent because of their past experiences? Why doesn't he cancel their licences, because they are now bootlegging in unregulated, modified cars—passenger cars? Why doesn't he cancel the licences until the hearings are completed?

Hon. Mr. Kerr: Working for the post office, Eddie?

Hon. Mr. Snow: I'll try to reply to the statements by the hon. member. First of all—

Mr. Germa: Just answer the question.

Hon. Mr. Snow:—I don't believe the UPS operation that the hon. member referred to has any licences that can be cancelled. There are certain cities within the province—Metropolitan Toronto; Ottawa, I believe; Windsor; perhaps more—where the company does hold a cartage licence issued by the municipality. I cannot cancel that cartage licence.

Mr. Sargent: But they're breaking the Act now.

Hon. Mr. Snow: The corporation has made application to the Ontario Highway Transport Board for a licence, as it is the right of any corporation or any individual to do. I do not intend to rule unilaterally, even if I had the power to do so, that UPS—or Eddie Sargent enterprises limited—cannot make an application to the Highway Transport Board to carry parcels.

The application was made. The board is hearing the application. It is without a doubt, I guess, the most complicated and the most lengthy hearing the board has ever had since it was established back in the 1920s. The applications started back, I think, in October—October 1 perhaps. There have been many days of hearings.

I did talk to the chairman of the board a few days ago when he advised me how many days of hearings had gone on in this application, and the fact that he expected it to go some time yet. I forget now the number of witnesses who have appeared, both on behalf of the applicants and are now appearing in opposition to the applicants.

The hearing, I think, is being conducted in a proper, legal way and the board will eventually issue its decision. When that decision is issued, then as you know both parties have recourse to appeal. I just have to say there's no way that I will or that I should interfere with the due process of the law in the handling of this application.

Mr. Sargent: Supplementary: Would the minister advise me somewhere along the line why the elected people cannot work on behalf of the people, because of the track record—with every market they've gone into, they've broken the market and put everybody else out of business, across the world they've done this. Is there any reason why they won't do the same thing here in Ontario?

Secondly, I understand even the government is using this service now. Is that right?

Hon. Mr. Snow: I'm not sure any of the statements the hon. member has made are

right. As far as whether the government is using this service or not, I have no idea. Certainly not to my knowledge, but I cannot say that someone has not used UPS to deliver a parcel. I can't give the hon. member that commitment. But certainly not to my knowledge.

Mr. Sargent: Final supplementary.

Mr. Speaker: Does the hon. member for Etobicoke have a supplementary?

Mr. Philip: I would like to ask a supplementary if the other hon. member would kindly sit down and allow me to ask my supplementary.

Is the minister prepared to admit that a carrier who does not have licences has an unfair advantage in being able to acquire customers in a way that would not be allowed by those who have licences, and thereby use those customers as proof, in their application for a licence, of necessity and convenience for the service?

I hear in the specific case of UPS where they have used automobiles. Would the minister not admit that a licensed carrier would never be allowed to get away with that, because he would be called in and questioned on some other item, and pressure would be put on him by the transport board?

[10:45]

Mr. Conway: Somebody had better talk to Doug Moffatt.

Hon. Mr. Snow: Mr. Speaker, I am not sure I totally digested all of that question, so I will take it as notice. I would like to read it very carefully.

Mr. Sargent: Supplementary: In view of the fact that 140 Canadian firms and the Canada Post Office is appearing against this, and it is going to cost us hundreds of millions of dollars down the line, why would the minister not personally intervene on behalf of the people of Ontario?

Hon. Mr. Snow: Mr. Speaker, I thought I answered that quite well in my answer to the original question.

Mr. Sargent: You haven't answered it at all. Don't you have any clout at all down there?

Hon. Mr. Snow: I have no power, and I don't believe I should have, as the minister, power to tell the board that it cannot hear an application. There are avenues for appeal under the legislation which the member is very well aware of.

Mr. Cassidy: You are acting like a babe in the woods.

ABITIBI FOREST PRODUCTS LIMITED

Ms. Bryden: I have a question of the Minister of the Environment. Today and yesterday were deadline dates for Abitibi Forest Products Limited in meeting control orders under the Environmental Protection Act. In view of the importance of enforcing these orders, if we are to make any progress in ending the very severe pollution of our waterways by the pulp and paper industry, could the minister indicate if Abitibi has, in fact, met the three deadlines for today and yesterday; namely, the two orders against the Thunder Bay and Fort William divisions of the company to submit an application for approval of a system to reduce the suspended solids in the mill effluent to 50 parts per million, and the one order against the Sturgeon Falls division to submit a report to the director proposing how they plan to reduce the phenol loading from the press runoff at the hardboard mill by 75 per cent?

Hon. Mr. McCague: Mr. Speaker, on the first two orders that were mentioned I can't give the member an answer today, but will on Monday. On the second part, on Abitibi at Sturgeon Falls, I don't think we have anything from them yet but I guess they have the rest of the day.

Ms. Bryden: If they have not complied with these orders by Monday, what action does the minister intend to take?

Hon. Mr. McCague: I would like to have time over the weekend to consider that, Mr. Speaker.

Mr. Cassidy: That is called planning.

Mr. Gaunt: Supplementary: Since Abitibi, Thunder Bay, has obviously been in violation of the control order with respect to BOD emissions in 1977 as opposed to 1976, does the ministry intend to charge that company?

Hon. Mr. McCague: Mr. Speaker, I presume the hon. member is saying "further"; and that too will be considered.

Mr. Breaguh: Don't take the whole one, George.

Mr. Makarchuk: You will have a busy weekend.

Hon. Mr. McCague: That's right.

GREENHOUSE INDUSTRY

Mr. McGuigan: I have a question of the Minister of Revenue, and I would hope that the Minister of Agriculture and Food would be interested in this.

In view of the fact that the greenhouse vegetable industry and the floriculture industry is struggling to cope with the high

escalating costs of energy, and in view of this government's interest in energy conservation, would the ministry eliminate the sales tax on thermal blankets? By way of explanation, these thermal blankets are a system of introducing an extra layer of covering and are responsible for saving up to 60 per cent of the energy. Recently mechanical systems have been introduced to make this very practical. So I would ask the minister to consider reducing the sales tax.

Hon. Mr. Maeck: Again I have to say that that type of policy is made by the Treasurer and not by the Minister of Revenue. From a personal viewpoint, I'll certainly be happy to look into it and discuss it with the Treasurer. It sounds like a fairly good idea.

Mr. Laughren: The Treasurer won't like that.

Mr. Gaunt: Supplementary: Since this matter is very important to the greenhouse industry, that is to say, the entire energy ingredient in their operation is vitally important, as was recognized by the Minister of Energy in the study that ministry undertook to utilize waste heat from nuclear plants and apply them in a greenhouse operation, would the minister undertake to speak to the Treasurer about this immediately to see if some problems cannot be resolved quickly, in view of the fact that the greenhouse industry is already involved in a new season's production and will continue through that season in the next number of months?

Hon. Mr. Maeck: Yes, I will make that commitment to discuss it with the Treasurer. I will get back to the members.

MULTIRACIAL ADOPTIONS

Mr. McClellan: I have a question of the Minister of Community and Social Services. In view of the fact that a member of the Ontario Human Rights Commission made allegations that the Ottawa Children's Aid Society practised a policy of discrimination with respect to adoptions in reference to the adoption of white children by East Indians—and I am quoting from a CP story of about two weeks ago that specific allegations were made that the society did not permit multi-racial adoptions—I want to ask the minister what actions he has taken to investigate those allegations which were made some time ago and what he has discovered?

Hon. Mr. Norton: I was not aware that there had been any allegations made by a member of the Ontario Human Rights Commission. If there is any substance to those kinds of allegations, I certainly am very concerned about it and I will respond to

the member more fully when I have had a chance to investigate the matter more fully.

Mr. McClellan: By way of supplementary, do I understand from what the minister said, that he has not yet investigated those allegations which were made some time ago and were reported quite widely in the media?

An hon. member: Let the Minister of Labour (B. Stephenson) answer.

Mr. Philip: Let him answer his own questions.

Hon. Mr. Norton: I am not sure whether it is a problem of semantics or not but I will again state that I was not aware of any allegations being made by any member of the Ontario Human Rights Commission. I will check into that.

Mr. Speaker: The hon. member for Renfrew North.

Mr. McClellan: May I have a final supplementary?

Mr. Speaker: You will have an opportunity after the minister responds to your initial questions.

Mr. McClellan: He didn't respond, with respect.

Mr. Speaker: He took them as notice.

Mr. McClellan: No, he didn't.

Mr. Deans: He didn't.

Mr. Speaker: He did.

Mr. Deans: He didn't.

Hon. Mr. Norton: With the greatest of respect.

OMA FEE SCHEDULE

Mr. Conway: My question is of the Minister of Health and it deals with the recent OHIP matter. Can the minister indicate to this House whether or not his ministry is giving any serious study to the matter of altering in any substantial way the present payment of 90 per cent of OMA fee schedule? Is he contemplating any change to move significantly from that 90 per cent ratio?

Hon. Mr. Timbrell: Certainly not for the balance of the year that is presently under agreement until May 1. As for the future, I think we have to wait and see what comes out of the negotiations with the medical association for the balance of 1978 and beyond.

Mr. Conway: Supplementary: Then do I understand the minister to state to this House that in future months the 90 per cent ratio is from his point of view very much a negotiable item? Can he assure this House that

to the extent it is a negotiable item—and if it is not I would like the minister to say very clearly to this House here today that it is not negotiable—is he in any way contemplating adjusting that 90 per cent ratio downwards, to perhaps bring to bear certain patient participation that could very well serve to be the most inequitable form of deterrent within our health care system and to possibly ruin the concept of the universal—

Mr. Speaker: The question's been asked.

Hon. Mr. Kerr: Give him a suggestion. Give him some alternatives from over there.

Hon. Mr. Timbrell: Mr. Speaker, I have to be somewhat obtuse on this today because we are in negotiations with the medical association—

Mr. Deans: Today?

Mr. Warner: You are always obtuse.

Hon. Mr. Timbrell: —on the next fee schedule. Let me say, though, that certainly this year's negotiations are considerably different to any that have occurred in the past because, again, following on the instructions of the council of the medical associations, and based on the instructions of the membership of the medical association, they have indicated that it is their intention to write a "realistic" fee schedule. I have indicated in turn to them, and publicly and in this House a day ago, that there is no way that the government can consider, or will, pay 36 per cent more on the OHIP benefit schedule.

At this point, I think we have to realize that perhaps where we may end up is with a separate OHIP schedule of benefits and a separate OMA fee schedule, rather than the current relationship under the regulations where the OHIP benefit is 90 per cent of the OMA fee schedule.

Mr. Dukszta: Supplementary: Will the minister tell me then if he is prepared to accept the OMA proposal of the government paying 75 per cent—once he allows for the increases in fees which they demand—which in effect would mean that the patients would pay infinitely more than they're paying right now?

Hon. Mr. Timbrell: Without trying to destroy the negotiations and make them a meaningless exercise, I would have to say that I would expect that we will probably end up with two separate schedules.

Mr. S. Smith: By way of supplementary, is the minister saying, therefore, that with two separate schedules it will be possible for all doctors in the province to bill over and above what OHIP pays and yet not have to opt out of the OHIP plan? Or will the minister simply

be allowing all doctors under the present-day circumstances to opt out of the OHIP plan, bill the patient directly, and then the patients will bill for the so-called OHIP schedule from the government?

Is the spread going to be more than 10 per cent and will that be allowed without having to opt out the way one presently has to do?

Hon. B. Stephenson: Those are two different questions.

Hon. Mr. Timbrell: That is not what I'm saying. I think we should take one thing at a time. Let's complete the negotiations with the OMA and see where we end up. As I've already indicated, I think I have a good idea of where we're going to end up, but I'm not talking about changing the law that pertains to opting in and opting out.

Mr. Duksza: Would the minister tell me then, in spite of the obfuscating words that he is using, is he now going to move to introduce a deterrent fee and abolish the opting-in system? Is that what he's telling us?

An hon. member: That's what it boils down to.

Hon. B. Stephenson: No, he just said he wasn't.

Hon. Mr. Timbrell: Sometimes when the hon. member speaks too quickly, I don't understand. But I'll try.

Mr. Reed: When you speak too quickly, we don't understand.

Hon. Mr. Timbrell: I know. I have been very careful.

Mr. Duksza: I just said that the minister obfuscates when he is speaking.

Hon. Mr. Timbrell: I've been very careful. If you notice, I've slowed down. I'm taking lessons in diction.

Mr. Kerrio: Sometimes when the minister speaks slowly we don't understand.

Hon. Mr. Maeck: And he's talking louder.

Hon. Mr. Timbrell: And I'm talking louder.

Mr. Martel: Yes, but you're just trying to imitate McKeough.

Mr. Speaker: Order. That wasn't the question.

Hon. Mr. Timbrell: I am not saying that at this time we intend to do what I think the member said.

Mr. Speaker: The final supplementary; the hon. member for Renfrew North.

Mr. Conway: Would the minister not agree that given the fact that it seems to be a negotiable item, and given the fact that this

seems to provide an opportunity to fundamentally qualify the entire health insurance system in this province, will he be prepared to bring to the social development committee next week a statement of policy, as soon as he can? And I realize the situation with regard to the negotiations. Will he be prepared to tell us then what, in general terms, the policy of the government will be in this vital area and when those negotiations with the OMA are expected to be concluded so that, in fact, we can see the final product of these very important and sensitive discussions?

[11:00]

Hon. Mr. Timbrell: One would hope the negotiations would be concluded in a few weeks but, realistically, we are probably looking at another month.

Mr. S. Smith: By coincidence only.

Hon. Mr. Timbrell: They have been held up for a variety of reasons but I won't go into that right now. Certain government policy is the law at present.

Mr. Sargent: You're stick-handling.

Hon. Mr. Timbrell: Depending on the outcome of the negotiations, that can have an impact on it. And if a miracle occurs and we get an original idea from across the floor that looks appealing, that could have an impact.

Mr. Sargent: You need all the help you can get.

FOODLAND ONTARIO PROGRAM

Mr. Swart: My question is to the Minister of Agriculture and Food. I wonder if he would tell the House whether it is his intent that farm produce be wholly produced in Ontario when displayed under the Foodland Ontario logo? Secondly, is he monitoring the supermarket advertisements and other uses of the logo to make sure it is being used only to promote sales of Ontario produce?

Hon. W. Newman: Yes, Mr. Speaker, in order to answer the member's supplementary question first—

Mr. Martel: Slow down.

Mr. Deans: More slowly.

Hon. W. Newman: Okay, I'll slow down.

Mr. Cassidy: You've got all the time in the world.

Hon. W. Newman: It's kind of nice to get a question. To answer what will be the member's supplementary question first, we have had excellent co-operation from the chain stores, from the marketing boards—actually right through from the producer to the processor and to the final sales outlets. We have had excellent co-operation on the Foodland sym-

bol and on the advertising in the stores. We have had tremendous results from our program, which I would be glad to make available to the House.

Mr. Sargent: How do you know?

Hon. W. Newman: Because we know how many—

Mr. Speaker: That wasn't part of the original question.

Hon. W. Newman: I'll ignore that.

We do have the figures to show how successful the promotion has been. There have been thousands of Foodland Ontario symbols used in the ads in the daily papers. Out of the thousands of symbols that have been used by the chains, there have been four mistakes made. Those were either done in the type-setting or somewhere else, and in one case one of the chains apologized that it got in; it wasn't done intentionally. There have been four mistakes out of the many thousands of symbols that have appeared.

Mr. Swart: May I inform the minister then—

Mr. Speaker: The hon. member may ask a supplementary.

Mr. Swart: By way of supplementary, I have two newspapers here with more than four mistakes in them. What would be his opinion on these newspaper ads from the Niagara Falls Review of March 8 which had logos sprinkled all over them where American produce was being advertised and, more particularly, a part of the ad for "orange juice, Bel-Air frozen concentrate, 12.5-fluid-ounce tin, 69 cents, Foodland Ontario"?

May I ask him what his opinion is about the Dominion Store in Niagara Square, Niagara Falls, where the Foodland Ontario logo is displayed all along the canned fruit section, by the Australian peaches and by the fruit cocktail using California grapes—and that's right in the Niagara Peninsula? Will he do an effective monitoring and will he advise the supermarkets to use the logo only for Ontario produce? Doesn't he think this is a misuse of the logo by these supermarkets, probably to promote their own sales?

Hon. W. Newman: It's no wonder the NDP doesn't have a single person over there who knows anything about agriculture. It's quite obvious to me. The hon. member brought his bill forward last week—

Mr. Martel: When in doubt, attack.

Mr. Cassidy: That's why we don't ask you questions.

Mr. McClellan: Tell us about Ontario orange juice.

Interjections.

Mr. Speaker: Order. Only one person has the floor at a time.

Hon. W. Newman: In answer to the hon. member's question, I know about the one on orange juice, but let me tell him this: It's a very successful program. We are doing monitoring in the stores within the ability of the staff that we have. If somebody makes a mistake—and it does happen—

Mr. McClellan: It's a rip-off; it's not a mistake.

Hon. W. Newman: I honestly and sincerely believe that we are getting great co-operation on this program from all sectors. I'm telling the hon. member that the sales have proved, that we've moved Ontario produce out and that we're helping the farmers.

Mr. Warner: You're the minister of baloney.

Hon. W. Newman: The hon. member wants to nit-pick; that's all he's doing. He's nit-picking on one or two—

Mr. McClellan: That's fraudulent advertising—not nit-picking.

Hon. W. Newman: He's nit-picking because there were some mistakes—

Mr. Speaker: Order. The hon. minister is not really answering the question.

PURCHASE OF POWER GENERATING EQUIPMENT

Mr. Haggerty: I would like to direct a question to the Minister of Energy, if I can get his attention. Who is responsible for the cost involved in the overall repairing of the generator rotors in the six operating units at Nanticoke generating station which are now being sent to England? Why was this equipment purchased offshore when such equipment can be constructed here in full or in part in Canada with proven performance?

Hon. Mr. Baetz: I will answer that question in full detail next week.

Mr. Haggerty: Supplementary: Is the ministry now monitoring Hydro's purchase of equipment for the new nuclear plant at Darlington? Is the equipment being bought here in Canada?

Hon. Mr. Baetz: Mr. Speaker, the answer to that is yes, we are monitoring it.

Mr. Cassidy: Supplementary: Can the minister then give us some information to the House in terms of the proportion of Canadian-made equipment which is going into that plant and the reasons for which equipment is being bought elsewhere?

Hon. Mr. Baetz: I will be very pleased to do so, Mr. Speaker.

Mr. Speaker: The time for oral questions has expired.

ORDERS OF THE DAY

TENANT PROTECTION

Hon. Mr. Welch, on behalf of **Hon. Mr. Grossman,** moved resolution No. 11: Resolved: That the Ministry of Consumer and Commercial Relations' report on the policy options for continuing tenant protection (Sessional Paper No. 13) be referred to the standing committee on general government for consideration of such matters as: The implications of rent controls; the need for adequate quantity and quality of rental housing; the affordability of rental accommodation; methods and procedures for the resolution of landlord and tenant disputes; tenants' need for security of tenure; the rights and obligations between landlord and tenant; and that the committee report back to this House at its earliest opportunity, but no later than June 1, 1978; and that the committee have full power and authority to employ counsel and to call for persons, papers and things and to examine witnesses under oath; and the assembly doth command and compel the attendance before the said standing committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations for which the Honourable the Speaker may issue his warrant or warrants; and that the proceedings of the committee be recorded, transcribed and printed by Hansard in the format of the daily House Hansard.

Hon. Mr. Grossman: Mr. Speaker, I apologize for my absence when the order was called. I was trying to explain the new liquor advertising guidelines.

I am pleased to be rising at his point in time not only in the life of this minority Parliament but also at this point in time in the development of new ideas and concepts in the Legislature of Ontario. Green papers have been around for a long time—green papers, white papers and every other coloured paper. At this point in time, what with a lot of discussion about freedom of information, open government and grassroots public participation, we thought that it might just as well be time to attempt a new approach in the area of development of governmental policy.

I thought that this would be especially a very appropriate place to begin this new exercise since it is hardly a secret that the

rent review scheme in Ontario, the nuts and bolts of it, is, if anything, a creature of this Legislative Assembly. It has been dealt with, tinkered with, amended, and changed in great detail by this assembly. There's nothing wrong with that. That's the way the system must operate.

In acknowledging that the system that the tenants of this province and the landlords of this province are living under at the present time is a creation of the very intense debate that has occurred on two or three occasions on the floor of this House, I thought it was time that perhaps we acknowledged the fact that this system very much emanates out of what happens literally on this floor in this chamber. If that's the way it's going to be with this particular piece of legislation, we ought to be fair to everyone out there, and give them the opportunity, the right and the privilege to participate in the process right from day one.

I think it is an important concept in the development, for example, of free and open information. At this stage, if I had followed the advice given to me through the media by way of a press release issued yesterday by the leader of the NDP, then I would be sitting with all the documents and all the studies, the benefit of all the work that my very excellent staff has done, I would be sitting over at my office at 555 Yonge Street developing policy over the next few months without saying to the people of this province or this assembly, "Here's all the information I have. Let's work with it together. Let's have all of you see what I've got to work with."

Then next fall, perhaps 10 or 12 weeks before the expiry of the current program, I would suddenly be coming to this House introducing new legislation with the ordinary compendium being presented to the opposition and expect that at that stage there would be enough time and a lack of pressure sufficient to allow a full and complete, honest, open, sensible discussion of the future of rent control for 1979 and beyond. I don't think that's a sensible way to operate. The leader of the NDP thinks that's a good way to operate—

Mr. Warner: You want to get out of it, and you know it.

Hon. Mr. Grossman: —and I say to the leader of the NDP, I prefer to operate by giving him all the information that I have.

Mr. Warner: You're abandoning the tenants of this province, and you know it. Call it for what it is.

Hon. Mr. Grossman: Surely I would expect his colleague from York South (Mr. MacDonald) to understand and appreciate that step.

Mr. Warner: It is a sham, an absolute sham.

Hon. Mr. Grossman: So what we've done is to present for the members of this House who care to read it rather than knee-jerk react, the analysis that we have, all the facts and figures. Those members who have taken the time to read the green paper with the red cover will notice that we have covered the background, the history, provided statistics, the experience in other jurisdictions, and finally, each and every alternative and option that civil servants from three different ministries could compile for the information of the members, as they hopefully reach a carefully thought out, rational decision.

On top of that, I want to inform the House that they will have seen the invitation by me to the public at large to communicate with me directly, letting me know what their thoughts are on the future—

Mr. Reid: You would have almost thought there was an election on.

Hon. Mr. Grossman: No, I communicate with them during elections. I have invited the public to communicate with me directly to let me know which policy options they thought were satisfactory for them. The public has been kind enough to respond in a fashion which has been very creative. I haven't got many letters that say, "Dear Larry, I love rent controls," signed Michael Cassidy; nor have I had many letters saying, "Dear Larry, I hate rent controls," signed—

Mr. Martel: Stuart Smith.

Mr. Makarchuk: Larry Grossman.

Mr. Kerrio: In fact, you don't get many letters anyway.

Hon. Mr. Grossman: — by one of the friends of the corporate donors that the NDP refuses to accept funds from. In any case, I have had very few of those letters. I have had very reasonable, constructive suggestions in those letters, and in accordance with this government's policy of openness and freedom of information we are going to turn over all those communications, as I have done on the condominium responses, to the committee and to the opposition, so that the opposition will, in this period of time, be able to fully participate in the development of the policy options for tenant protection over the next few months, rather than being forced to do it in the absence of all the public input I am getting, in the absence of the excellent work that has been done by my staff, in a period of time six weeks prior to the expiry of the present program.

I believe, quite sincerely, that that sort of slow and careful non-pressurized development

of a tenant protection package is much preferable to the pressure packed situation which resulted in the last two pieces of legislation. It may even avoid last-minute, ill thought out amendments being brought forward and passed, which later sometimes have to be revoked or changed.

Mr. Martel: Or elections.

Mr. Breaugh: Yes, or it might avoid elections, Larry.

[11:15]

Hon. Mr. Grossman: There seems to be some impression that this is a strange and unusual step, and, indeed, in Ontario this sort of process of referring a green paper is rather unique. It is not, however, unique to Canada. There have been several examples in the federal government—and heaven knows I hardly hold them up often as a fine example of openness or democracy—where green papers have been referred to committees prior to the legislative stage. I'd like to let the House know about some of those initiatives.

We talk about green papers and white papers. I was interested to know that there's an orange paper on social services. It was considered by Parliament and federal-provincial conferences and most of the proposals that were dealt with and received through that process have been now dealt with by way of governmental responses.

There is a green paper submitted to the federal House on MP's conflict of interest. Both federal houses set up committees to consider the green paper. They reached quite different conclusions, the members might be interested to hear, and the matter now is before the federal cabinet at the legislative stage—after the green paper has gone through two series of committee deliberations.

There has been a paper on tax reform. Two parliamentary committees were appointed to consider that paper and sat for a full year. The legislation which resulted from that process closely reflected the report of the House committee.

The election expenses task force produced a green paper which was sent to committee. The revised Unemployment Insurance Act, in fact, started out as a green paper document which was referred to a House of Commons committee for their report to the House.

So these are examples of where the executive branch of government has at an early stage sought consultation with the members of the assembly. It's worked very well federally. There is not a wide range of issues where, because of the very technical nature of the problem, or sometimes because of the

pressures of time, that procedure is not effective. There are very many more instances in which the only way to deal sensibly with a piece of proposed legislation is to put it in legislative form, draw up an Act, present it to the assembly and do it in that fashion.

So there's no set of rules, there is no standard set of proceedings which is automatically applicable, I believe, to every single government initiative.

Then we come to rent control. I think it's important that we assess whether this green paper process being referred to the committee suits the development of policy options for tenant protection. I look at the allegations made by the members of the third party here, claiming that the government is about to try to depoliticize the issue—to get politics out of the issue. I want to be very honest with them, as I always am. If it depoliticizes the issue I think that's great. I think the landlords and the tenants in this province are entitled to a heck of a lot more than to have to live with a rent review scheme that is the product of sheer knee-jerk politics. I think they are entitled to have the thing dealt with on a fair basis.

Mr. Warner: You want to get out of it and you know it.

Hon. Mr. Grossman: Those who disagree with me over in the very raunchy third party this morning—

Mr. Warner: You don't understand.

Hon. Mr. Grossman: —I want to tell them that the members of this party on that committee will not be whipped. They will not be instructed, they will not be pretaught, they will not be pre-conditioned, they will not be told how to vote, they will not be told to vote together on all occasions. They will be invited to go to that committee and actually sit and listen and learn what they can over the period of time—

Mr. Warner: And then abandon the tenants.

Hon. Mr. Grossman: —based upon this option paper, based upon the mail we've been receiving, and based upon the public hearing.

Mr. Warner: What nonsense.

Hon. Mr. Grossman: I challenge the third party to do the same with their members. I challenge them to do that—and I hear no one taking me up on that challenge.

Mr. Warner: We will be there to protect the tenants because you won't.

Hon. Mr. Grossman: Absolutely no one there can take me up on that challenge because they're too fixed into the knee-jerk reaction. Every time we on this side of the House—and I even want to be fair to the

members of Her Majesty's loyal opposition—every time one of our party mentions the words "rent review" or "rent control," the third party reacts by saying, "You're out to kill tenants. You're out to screw the tenants. You're about to drop the rent review."

Mr. Makarchuk: We're looking at your past record.

Hon. Mr. Grossman: Well, just so that those members will know the way this minister and this government feel, let's talk for a moment about the rhetoric that the NDP went through during the last campaign. They were out to assure all tenants—who they believe vote for them exclusively, but of course that is foolish; they don't—that if they elect a Davis majority government it will immediately dump rent controls. That simply is not true.

Mr. Martel: That is what you are doing now. We listened to Sidney Handleman. Tough Sidney.

Hon. Mr. Grossman: Those members who were here and listened will have heard the Throne Speech that came in March 1977, wherein the government clearly committed itself to a continuing program of tenant protection.

Mr. Martel: Until 1978.

Mr. Warner: That is not what your paper said.

Hon. Mr. Grossman: That is exactly what it said in the Speech from the Throne; that is exactly what it says in this paper.

Mr. Warner: It does not.

Hon. Mr. Grossman: If those members want to calm themselves down, or offer to resign if I prove them wrong, then they can sit there quietly—

Mr. Turner: Why don't you read it?

Hon. Mr. Grossman: I will see if I can find it.

Mr. Warner: Try the first paragraph.

Mr. Handleman: Couldn't you get past the first paragraph?

Mr. Warner: It was conceived as a temporary program.

Hon. Mr. Grossman: Take it easy, you are going to have to sit and listen.

Mr. Breaugh: That is the best part of your speech.

Mr. Handleman: It takes a little bit of brains.

Mr. Martel: Well that leaves you out, Sid.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: I am going to read from the preface. Maybe the member for

Scarborough-Ellesmere was too busy writing the press releases for his leader to read the preface to the option paper, which was the subject matter of that press release.

Mr. Breaugh: Do you need any help?

Hon. Mr. Grossman: The third paragraph of the preface says: "On March 29, 1977, the Ontario government announced an extension of the rent review legislation"—the Ontario government, not the then opposition—"to the end of December 1978 in the Speech from the Throne for the fourth session of the 30th Parliament of the province of Ontario. This action extended the period of rent controls from the original 24 months to 41 months."

Mr. Martel: Until the end of 1978. You left that part out of it, to the end of 1978, Larry.

Hon. Mr. Grossman: "At the same time, the Throne Speech announced that measures would be taken to stimulate the production of rental housing accommodation and that the government would be placing before the people policy options for the continuing protection of tenants. It is this latter commitment that this green paper attempts to meet." There it is. The commitment was there in the Throne Speech. It was there in black and white.

Mr. Martel: Go back a bit.

Mr. Warner: Check your own book. The first paragraph says it is a temporary program.

Hon. Mr. Grossman: Unless those members are willing to call the Lieutenant Governor a liar, I want to tell them it was there. They can go and get a copy.

Mr. Martel: You wrote it. Don't give us the stuff about the Lieutenant Governor.

Hon. Mr. Grossman: Have the person who handed your seatmate the second question yesterday run over to the legislative library to see if he can also find a copy of the Throne Speech. They will find it there.

Mr. Martel: Don't give us the nonsense about the Lieutenant Governor. You wrote it.

Hon. Mr. Grossman: Our commitment is clear, and let's reaffirm it right now. Don't go David, you will be sorry. You will be sorry because you will find it. Don't say I didn't warn you. In any case, just so we are absolutely clear about it, let's understand that rent review is here in this province not because of a minority situation. Whether this government were re-elected with a majority or not, we are and were committed to a scheme of tenant protection.

Mr. Martel: That is not what Sidney said.

Hon. Mr. Grossman: I can send the members dozens of my speeches and I know they will not pay much more attention to them than they did to the Speech from the Throne.

Mr. Warner: On a point of privilege, Mr. Speaker, the member for St. Andrew-St. Patrick in his remarks indicated that I was not correct in the statement as outlined in this red-covered green paper.

Hon. Mr. Grossman: You're red-covered too now, come to think of it.

Mr. Warner: I simply want to correct the record. On page 4, in the introduction, the very first line reads: "Ontario's current rent review program was conceived as a temporary program."

Mr. Eaton: That is the then current one.

Mr. Warner: A temporary program. It does not mean that it is permanent protection for the tenants of this province, and that is what I was saying and that is why I am opposing the move to remove the protection of the tenants of this province.

Mr. Turner: You didn't say that.

Mr. Handleman: There's more than one way to protect tenants.

Mr. Elgie: Tell them the facts.

Hon. Mr. Grossman: I thought the member might be interested, now that he is looking back and reading old documents, to hear this: "We categorically reject the government's decision to discontinue rent control after only two years in August 1977. Long-term measures are needed to equalize the power between tenants and landlords and these measures should include rent control until the housing crisis is at an end." Does that sound like a statement made by someone who thinks rent controls should be temporary? Of course, it does—temporary until the crisis is finished.

Interjection.

Hon. Mr. Grossman: And that was issued by someone who was then the housing critic for your party—Michael Cassidy, MPP, Ottawa Centre—on November 6, 1975.

Mr. Martel: Are you saying the crisis is past? Is the crisis past, Larry?

Hon. Mr. Grossman: I wouldn't speak for him today—I never speak for him—but he at that time was acknowledging that rent control was a temporary measure, as indeed the member's colleagues in other provinces, other socialist provinces and formerly socialist provinces, have also acknowledged.

Mr. Martel: Tell us when the crisis is over, will you?

Hon. Mr. Grossman: Even his cousins in Sweden who had the archetypal rental control system have ended it. And by the way, in case the members haven't done that research, they ended it mostly at the request of the tenants' group over there who acknowledged that the continuance of rental controls was smothering them, was killing the market. So that is the situation.

Mr. Warner: Are you finished twisting the words? Then go back to the first sentence.

Hon. Mr. Grossman: Like the leader of the NDP—I'm only going from what I read—

Mr. Warner: That is not what it says here.

Hon. Mr. Grossman: —we believe that rent controls are a temporary measure, and we never held them out as anything other than that, until the housing crisis ends.

Mr. Martel: When's that?

Mr. Warner: That is not what it says here.

Hon. Mr. Grossman: I will agree entirely that the members, when they were going door to door during the election with all their colleagues, held out rent controls to tenants—not to those other people but to tenants—as being a forever situation if they just elected the NDP. The NDP would keep their rent at whatever figure the NDP was using—\$50, \$100, \$200 a month—whatever it was—

Mr. Warner: What sheer nonsense. Boy are you lost.

Hon. Mr. Grossman: —and rent controls would be in forever if they would just elect Stephen Lewis before he retired. That was the deal the members sold at the doors but it wasn't the deal they sold in these press releases. The deal they sold in these press releases was that it's a temporary measure and "we must find a way"—I'll read it to the House again—"to equalize the power between tenants and landlords." What do the members opposite think about that? Is that what their party is saying today, that it is coming here to find a way to equalize the power between landlords and tenants? Because I want to tell the House, I am sure as heck not going to guide the members of our party who are serving on that committee; but since the NDP has already indicated its hesitancy about participating in the policy formation, I am going to see that the members of my party know the statements made by the NDP over the past little while just so that they can let us know whether the members of that party have kept within the bounds of the criterion they've always set out for rent control: "Temporary measures" until one finds a way to end them, until one finds of way to "equalize the power between landlords and tenants"—

the member should take the advice of his friend in front of him who is telling him to cool it—and I know they will be temperate in the development.

Mr. Warner: Point of privilege, Mr. Speaker.

Hon. Mr. Grossman: Point of privilege, he is not your friend?

Mr. Warner: Point of privilege, Mr. Speaker. I don't think the minister or any other member of this assembly should be able to twist the words and meanings from statements which are made.

Mr. Eaton: What have you been doing?

Mr. Reid: You've got to give him credit for gall, anyway.

Mr. Deputy Speaker: Order. I don't think that is a point of privilege.

Mr. Reid: It certainly isn't.

Mr. Deputy Speaker: I would like to remind the members of this House that we are now debating a resolution and any member will have an opportunity to get up and speak to the resolution.

Hon. Mr. Grossman: Thank you, Mr. Speaker. I really have more to say but I am going to let them blow off some steam in the meantime. I am sure every member of their party is going to speak because we have uttered the magic words—rent control.

I want to make it quite clear—

Mr. Conway: Perfectly clear.

Hon. Mr. Drea: Abundantly.

Hon. Mr. Grossman: No, I won't say "perfectly clear." I want to get it on the record—

Mr. Renwick: Well, it will get on there automatically.

Hon. Mr. Grossman: —because I am just not prepared to permit that party to run around the province saying the Tories are backing away from rent control. They did it yesterday in their press release—

Mr. Warner: It happens to be true.

Hon. Mr. Grossman: I won't talk about twisting words. I don't call that twisting words; I just call it wrong.

Mr. Turner: He is honest.

Mr. Conway: Claire Hoy twisted you around.

Hon. Mr. Grossman: I want to get on the record at the start of the debate that this government is committed to tenant protection.

Mr. Warner: Nonsense.

[11:30]

Hon. Mr. Grossman: This government developed this option paper in order that we

can find a mechanism by which we can be fair to landlords and tenants. That is entirely consistent with equalizing the power, and I quote from the member for Ottawa Centre, between the landlords and tenants. That is very consistent with what this government has always stood for, that is, equity and fairness.

Mr. Renwick: Not all the time.

Mr. Martel: You even say that in a pious manner.

Mr. Renwick: There wouldn't have been any rent control at all, if you could have avoided it.

Hon. Mr. Grossman: We're not about to go out and say we are only in the business—

Mr. Martel: Every cabinet minister says he's never introduced rent control. You opposed it before the 1975 election. Don't give us that nonsense.

Mr. Renwick: That's right.

Mr. Turner: If you want to make a speech, stand up.

Mr. Deputy Speaker: Order.

Mr. Warner: You didn't want rent control, and you know it.

Mr. Renwick: You've been trying to get rid of rent control ever since the day you got it and you're still trying to.

Hon. Mr. Grossman: Let's look at the facts.

Mr. Martel: You're opposed to rent control. You didn't want to introduce it.

Mr. Turner: You're very sensitive.

Mr. Renwick: This government won't protect the tenants. It never has.

Hon. Mr. Grossman: This government can simply sit here and let the current scheme expire.

Mr. Martel: Read Donald Irvine's statement, the one on rent control.

Mr. Deputy Speaker: Order.

Mr. Renwick: Read what the member for Carleton (Mr. Handleman) said. He couldn't find a minister to support him.

Hon. Mr. Grossman: I'm glad I'm not sitting on that committee with you guys.

Mr. Martel: Don't come here with that.

Mr. Warner: You're not half as glad as we are.

Hon. Mr. Grossman: This government—

Mr. Martel: Is holier than thou. Your halo is getting too tight.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: Now that is twisting things for them to accuse us of being holier than thou.

Mr. Handleman: We took lessons from them.

Mr. Martel: You'll have to watch your halo. It's going to fall over on top of you.

Hon. Mr. Grossman: This government could sit here and let the current scheme expire. It is sunsetted in the magic words of the Leader of the Opposition and my colleague from London South (Mr. Walker).

Mr. Breaugh: Ah, you got yourself out of that very nicely.

Hon. Mr. Grossman: It dies at the end of 1978. If the members of the NDP were right in saying that we don't have a commitment to tenants, that we don't have a commitment to rent review—

Mr. Martel: You don't.

Hon. Mr. Grossman: —then we could just sit here and let the thing die at the end of this year.

Mr. Warner: That's just too obvious.

Mr. Renwick: Or you could tell us what your policy is.

Hon. Mr. Grossman: We're not doing that. My friend, the member for Riverdale, says we could tell the House what our policy is. I say to my friend that, unlike all the experts on his benches—

Mr. Renwick: You're the government. Do you know that?

Mr. Warner: They've forgotten about that.

Hon. Mr. Grossman: —who accuse us of being holier than thou, we are quite humble over here. We acknowledge that on March 31, 1978—

Mr. Martel: You are too pious. That's why your halo is falling. Can you believe that?

Hon. Mr. Grossman: —we do not have a complete, comprehensive answer to the problem because it is a very difficult one.

Mr. Warner: You have none. You answer for UDI.

Hon. Mr. Grossman: Unlike the members of that party, we do acknowledge—

Mr. Martel: You came into rent control not wanting to.

Hon. Mr. Grossman: You've got 14 speakers. If you want me to sit and listen to all of them, you're going to have to sit and listen to me.

Mr. Martel: But we'll tell the truth.

Hon. Mr. Drea: That would be so unique the place would probably close.

Hon. Mr. Grossman: We'll get a large crowd if you promise to tell the truth. We'll get all our members.

Mr. Deputy Speaker: Order.

Mr. Renwick: You can't block this one.

Mr. Martel: He can't put up 20.

Hon. Mr. Grossman: The point of fact is that the development of a new scheme is necessary because we acknowledge the inequities and problems in the current scheme. The current scheme is one that would have worked well over a shortened period of time, which is what it was originally intended for.

Mr. Warner: It was nicely pointed for UDI.

Hon. Mr. Grossman: Now, in order to be fair—are you ready for this?—

Mr. Martel: Let me brace myself.

Mr. Breaugh: We're ready for anything now.

Hon. Mr. Grossman: —to the tenants out there, some of whom have been faced with the requirement under the current legislation to carry all the increased costs in terms of increased rents on their backs, and in fairness to those tenants who have been faced with two eight per cent increases and a six per cent increase without appeal, when perhaps those increases were not warranted because of an increase in cost—those are the landlords who stayed away—in fairness to them, we think we must develop a scheme which deals with those problems. We can't keep the current scheme. It's unfair. It's unfair to a lot of landlords and it's unfair to a lot of tenants.

Mr. Warner: Bring in some legislation.

Hon. Mr. Grossman: At the same time, consistent with this government's lead in the development of residential landlord and tenant laws in this country—

Mr. Breaugh: Watch it. Your humility is showing again.

Hon. Mr. Grossman: —we have also included in the green paper an analysis of the problems in the resolution of landlord and tenant disputes. One of the things we acknowledge in there and one of the things which I hope the committee would address in detail—once you fellows can get by your reluctance about discussing anything to do with rent control, other than a change—is how to deal with the horrendous problem of a tenant whose landlord won't clean the lobby or won't shovel the snow. Currently, one has absolutely to go to the county court to take any action against his landlord. It's inequitable, it's unfair and it's not workable.

Mr. Renwick: That exists whether there is rent control or not and that is a matter of

landlord and tenant law for which your ministry is responsible.

Mr. Deputy Speaker: Order.

Mr. Renwick: It has nothing to do with rent review.

Mr. Handleman: Maybe there should be something else.

Hon. Mr. Grossman: The member for Riverdale says that has nothing to do with rent review. I presume I can take it then that his members will overcome their fright about discussing rent review or anything to do with rents and, in the committee stage, they will at least deal with that part of the option paper which deals at great length with easy and swift resolution of landlord and tenant matters. There was a representative of the Attorney General's ministry sitting on the development committee of that document; he was there to give all input on landlord and tenant problems.

The terms of reference of the committee are quite clear in the order paper: Part of the process is to deal with landlord and tenant matters. I hope the members of the committee will spend a lot of time in resolving that problem. Forty per cent of the calls coming to our rent review officers are landlord and tenant calls. They do not relate to rent review. That's why we think it's time a committee of this assembly dealt with the problem of sending landlords and tenants to two different places to resolve two different problems with regard to their tenants.

Mr. Renwick: You have two separate problems. You can't run them all together.

Hon. Mr. Grossman: We in this party think there is a possibility of putting them together; and although I don't have all those press releases, I know that given time—maybe by the time this debate concludes—I'll be able to show that, in fact, the NDP has supported the proposition of putting them all together in one tribunal: a rentalsman concept. I don't know if that concept will work; this government is perfectly direct about that. We don't know if that concept will work, but we think it bears investigation.

I urge the members of this assembly, and specifically the members who will be sitting on that committee if this resolution carries, to develop a scheme which includes the landlord and tenant problems, the rental problems and the housing supply problems, and to produce something that is as much as possible free of politics. I'm not that much of an idealist—I can't be, after this long in office—to believe they're going to do it totally devoid of the politics of the situation. But I

do hope, by following this scheme, we can accomplish a couple of things.

First, I hope we can remove the pressurized aspect from it—and long before we move to the legislative phase.

Second, I hope this vehicle will permit the maximum amount of public input.

There is authority in the terms of reference for the hiring of counsel, the spending of some funds and a sufficient length of time to meet. I hope the members of the committee will listen carefully to the public input they receive from both landlords and tenants in the next few months, not in an adversarial fashion but to learn everything there is to know about the situation.

We must come up with a system that is fairer to everyone involved. The option paper sets out all the options that the staff from the three ministries were able to devise. That doesn't mean those are all the options. Again, being a humble group on this side of the House, we don't purport to have all the answers, or all the possible answers.

Mr. Martel: Your humility is getting to me.

Hon. Mr. Grossman: We invite the members of the assembly, the members of that committee and members of the public to read over the options and help us. Are there other options we haven't considered? Is there another way to work the scheme? If there is, we very badly need it.

I invite the members of this House to join with us in this process. Maybe it will work and maybe it won't, but I've heard for very long about the desire of the opposition parties to take advantage of the minority situation and participate in the development of policy. Well, this is the time.

Mr. Renwick: No. You're the government; we're not.

Hon. Mr. Grossman: I can't tell them how to act, what things to look at or the ground rules by which to play. I can't tell them how to assess their own political priorities; they will do that themselves.

I urge the members, though, to apply themselves to the development of overall concepts, the policies to be followed and the types of alternatives that should be selected, so that when we get down to the debate in the fall, when we introduce legislation reflecting the results of the committee's deliberations this spring, we can spend serious time in committee stage, and on the floor of this assembly, looking carefully at the nuts and bolts of the policies that have been indicated previously as being acceptable by the members of this House.

We need that to provide fair treatment to the landlords and tenants who, come the fall of this year, will be wondering what's going to happen to their rents on January 1, 1979. In order to do that, they must have some certainty developed along about September of this year. In order for that certainty to be there, then this committee must deliberate, pick the policy options that it prefers and permit us to develop and come forward with the specifics of the government's legislation along about September of this year.

Obviously I will be back in this House trying to get that piece of legislation passed by this minority Parliament, and I hope it will be passed—and with some consistency with regard to what the committee's deliberations are this spring. That's the only way that we can restore some order out there in the rental housing market.

I want to conclude by saying that our schedule, in order for the orderly development of a rent review program to take effect next calendar year, goes something like this: The committee will report on or about June 1. That will give us time to move into the legislative drafting stage, implementing the general principles approved by that committee. About the middle of September, I hope to be able to announce the specifics of at least the government's intention, reflecting the desires of the assembly as expressed through the standing committee's deliberations. Then in October when the House reconvenes, we will move that legislation into the House. Hopefully at that time, perhaps even some of the venom of the third party on this issue will have been dispersed through the standing committee route, and we can move into a sensible, reasonable debate on clause by clause next fall.

I acknowledge the rent review nuts and bolts have been tinkered with and changed by this assembly and that this assembly has the right to do that. It will always have the right to do that and that's the way it should be. But I think in fairness to everyone out in the marketplace, a 41-month scheme of rent controls permitting a cost pass-through only, and permitting all others essentially to take an eight per cent increase, now a six per cent increase—essentially without appeal, because there aren't many appeals against those—and where those figures have become the minimums not the maximum, the scheme is just not working. That rent review scheme was a temporary one—41 months becomes too long.

Mr. Dukszta: So you are admitting it's a temporary one.

Hon. Mr. Crossman: I have never been shy about admitting the problems with the present rent review scheme—never. I started off that way. I said right from the start that the current scheme is not good enough. It is not a long term scheme. It's a short term scheme—

Mr. Martel: That's not the way you started off.

Mr. Renwick: It was dragged grudgingly out of you.

Hon. Mr. Crossman:—and now this government is moving to a long term scheme. We want to get down to what's going to be in place for the next few years. One of the problems in the development of rental housing is that landlords don't know what's going to be happening four years from today. Will there be a scheme in place? If so, what scheme? Will it be six per cent or eight per cent? Will it be in all municipalities or some? Whatever it is, they have to know. They may not like the scheme but I have always admired the ability of private enterprise to adapt to almost any scheme that governments lay on them—

Mr. Martel: Yes, right, whatever the ground rules are.

Hon. Mr. Crossman:—provided there are some rules, provided there is some consistency. I can never assure them that socialism will not overtake them, but at least I can assure them that until that day happens there will be a consistent and sensible set of rules—and I hope fair rules.

I urge the members of this assembly to participate in the development of some very difficult policies. We acknowledge it is difficult. If it breaks down to a back-biting political exercise, then I would agree in that case with the third party, that there will be no point doing that exercise if it's going to be knee-jerk politics. I urge the members not to miss this opportunity—not to fail to take this opportunity to participate in the policy development stage of a rental control program for 1979.

Mr. Epp: Mr. Speaker, Ontario embarked on a program of rent controls in late 1975 with the enactment of the Residential Premises Rent Review Act. In its recent green paper on rent review called "Policy Options for Continuing Tenant Protection" the government has tried to justify it as part of the national effort to control wages and prices stating that the legislation was "complementary to the federal government's anti-inflation program."

This statement betokens a singular lapse of memory. The fact is that rent review in On-

tario was enacted before Ottawa's anti-inflation program, as a strictly political response during a hotly contested election campaign. The conditions that existed were emergency ones only in the political sense that the Conservative government in the summer of 1975 believed that its survival was at stake. [11:45]

One of the reasons the present program had so many problems associated with it was that it was clearly not thought out at that time. The terms of the objectives were not stated clearly. This is not to say that a real problem did not exist or does not exist in Ontario today. The rebirth of rent controls in this new form of rent review is a response to the problem that rents have been increasing at a faster rate than the incomes of many Canadians.

By the mid-1970s, rents were rising, and vacancy rates in many centres were low. Rent review legislation was imposed as a temporary stopgap measure to protect tenants from excessive rent increases, and we agreed to this. The situation which characterized the rental housing sector in the first half of this decade has not improved. Vacancy rates are still declining, rental housing construction activity is still low, and landlords are still seeking high rent increases.

On the one hand, rent increases have been out of line with income and it is clear that there are hundreds of thousands of households that cannot afford any rent increases at all. On the other hand, large rent hikes seem to be in the offing, and they are apparently needed if the private rental sector is ever again going to be building more rental units.

Thus, we recognize that there are two key issues at stake here. Number one is that there is a real affordability problem for over a quarter of a million people in Ontario. None of the options in the green paper will do anything about this affordability problem, and it is very conspicuous in the green paper that the government has not tried to deal with this matter. I think it is indicative of the fact that the government, after 35 years in power, is very short-sighted and is not planning ahead the way it should. The second key issue is the health of the private rental market. We as Liberals recognize that this is a tough issue, that this is a complex issue. Unlike the NDP, we realize this is not a simple issue of confrontation, as they indicated in their press release. This is not a black-and-white issue. We are not posturing on this issue and we do not intend to posture on this issue.

Mr. Davidson: Would you like to clarify that?

Mr. Epp: We believe that this issue is an important one and should be resolved as quickly as possible. Therefore, we agree and will work in this committee, but we will insist that it look at the real problem of rent control, the real problem of affordability, the real problem of making sure that we have a healthy market in which to obtain rental units, and we will not be bound by the short-sightedness or by the focus of the green paper.

Mr. Duksza: Mr. Speaker, there are three reasons why our party opposes the referral of the Ministry of Consumer and Commercial Relations report on policy options for continuing tenant protection to the standing committee on general government.

First, the rent review program must continue beyond the end of the year, period.

Second, the government actions are phoney. It is clear the government would dearly love to abandon the present rent review program, preferably in its entirety, and abandon tenants to so-called market forces—other words for legalized robbery by landlords—and is referring the matter to the committee hoping that the tacit coalition between the Conservative and Liberal parties will get the government off the hook. It is my fervent hope that the Liberal Party, including the member for St. George (Mrs. Campbell), will wake up to its responsibility towards tenants and vote solidly against the referral.

Mr. Reid: Come on! You can do better than that.

Mr. Reed: Talk about twisting words.

Mr. Duksza: The concept of the government House leader's resolution makes the government's intentions clear. The committee is to examine: 1. the implications of rent control; 2. the need for adequate quantity and quality of rental housing; 3. the affordability of rental accommodation; 4. the methods and procedures for the resolution of landlord and tenant disputes; 5. tenant needs for security of tenure; and 6. the rights and obligations between landlord and tenant. The resolution makes it clear that the present ultramontane government is questioning—and by implication wants to abandon—the hard-won rights of Ontario tenants.

The third reason for our opposition is that the government's green paper is a thoroughly tendentious document. This means it's biased. It's titled, "Policy Options for Continuing Tenant Protection" and proceeds to examine and support options which have nothing to do with tenant protection, but have a lot to

do with the reduction, if not destruction, of tenant rights. The report even begins with a lie: "Ontario's current rent review program was conceived as a temporary program complementary to the federal government's anti-inflation program." Anyone who was in Ontario in the months leading up to the 1975 elections knows that this is patently untrue.

Mr. Cassidy: That's right. It's double-think.

Mr. Duksza: The establishment of rent review had nothing to do with the anti-inflation program. The goal of the paper is obvious from the outset. The covering letter from Mr. Robbins, the executive director of the rent review program, to the Minister of Consumer and Commercial Relations laid it out clearly. "It is our hope that by focusing on the issues involved and some of the alternative policy options that may be considered, this paper will serve as a basis for constructive debate and will prove to be of assistance to the government in determining an appropriate course to follow in the post-rent-review periods." I repeat—"in post-rent-review periods."

The basic assumptions of the report include: (a) rent review is an anti-inflation policy to prevent "unconscionable" rent increases;

(b) Much of the desire of tenants for rent review is actually a response to broader landlord-tenant problems;

(c) "Tenants need landlords and landlords need tenants"; in other words, future non-ownership housing development will be by private-for-profit developers. To quote the report: "In part, this emphasis on private activity has reflected the beliefs of the majority of Ontario citizens in the primacy of private (owner's) decisions. It also reflects a basic satisfaction with the standard of housing production by the private sector." And: "Any policy must include provision for an adequate return, if continued private involvement is to be assured."

(d) Tenants must bear the cost of providing the "incentive" to landlords and potential landlords. Even the limited public assistance now available to builders must be limited: "Any argument in favour of government involvement or activity must stand the test imposed by financial restraints."

The effect of those assumptions is to set up a trade-off between rent review and tenants' rights on one hand, and housing production and investment on the other—a trade-off in which tenants are the losers. The part of the report dealing with the general landlord-tenant disputes and tribunals is a safety valve which the government hopes to use to

ease the pressure from tenants on the fundamental issue of rents and security of tenure.

There are four overall approaches suggested by the green paper—1. continue the program more or less as it is; 2. alter the program with basic changes aimed at relaxing controls; 3. alter the program with increased exemptions of various categories; 4. terminate the program.

Three out of four options are hostile to the present rent review program and nowhere is it suggested that rent review should perhaps be strengthened into an ongoing rent control system. Furthermore, the bias inherent in the report makes it clear that the purpose of including continuation of the program as one of the options is not to make a serious proposal for continuation but to marshal the arguments against rent review.

It needs no genius to see that the paper, under the guise of phoney objectivity, is making the argument that rent review must go. The conditions that led to the establishment of the rent review program have not changed. In fact, if anything, they are worse. Rental vacancy rates are even lower now than they were then. The vacancy rate in Metro Toronto in October 1977 was one per cent as compared with 2.2 per cent in October 1975; in Thunder Bay 0.3 per cent compared with 0.5 per cent two years earlier; in Ottawa 2.3 per cent compared with 2.6 per cent and in Windsor 0.8 per cent compared with 3.4 per cent.

The rental housing construction situation is no better or worse, for that matter, than it was in 1975. It is obvious that to eliminate rent review would be to force on Ontario tenants the same kind of massive unjustified rent increases they suffered in the early 1970s. We in the NDP will not stand for it. We oppose the referral of the green paper for discussion by the committee because for us tenant rights are not negotiable. Our difference of opinion with the government on this issue could not be more fundamental.

Hon. Mr. Grossman: What about landlords' rights? Are landlords' rights negotiable?

Mr. Duksza: The government sees rental housing primarily as a business. Its housing policies, such as they are, are aimed at making housing as profitable a business as possible. When it comes to the crunch, when reasonable rents and security of tenure get in the way of the housing business, tenants' rights have to go.

Hon. Mr. Grossman: Rhetoric.

Mr. Duksza: We see housing as a fundamental social right, as fundamental as food, health or education. When the interests of

business conflict with the interests of tenants, we'll come down on the side of the tenants every time.

Hon. Mr. Grossman: So will we.

Mr. Duksza: Our opposition to the resolution is not based on complete satisfaction with landlord-tenant law in Ontario as it now stands.

Hon. Mr. Grossman: Your colleague liked it.

Mr. Duksza: There are a number of changes which we would like to see made to the rent review program to make it a viable long-term policy.

Hon. Mr. Grossman: For both landlords and tenants.

Mr. Duksza: The administration of landlord-tenant law in general should be simplified to make it more accessible to both landlords and tenants.

Hon. Mr. Grossman: Tell your leader.

Mr. Duksza: The principle of the rent review Act, namely that only increased costs or anticipated increased costs experienced by the landlord can justify rent increases, should be maintained.

Mr. Handleman: What has that to do with the motion?

Hon. Mr. Grossman: He has heard this speech before.

Mr. Duksza: Therefore, the proposed changes will deal with two aspects of the application of the Act. The two aspects are the effectiveness of the Act in limiting rent increases and the administration of the Act. With respect to the effectiveness, the green paper indicates that on the average, increases of 12.5 per cent are allowed. This is about double the present six per cent guideline. The major cause of increases in excess of the guideline is the financial loss provision of the rent review Act. In fact, the financial loss provision has become a major loophole in the Act, permitting increases far higher than those originally intended by the Legislature.

Mr. S. Smith: Then come to the committee and change it.

Mr. Duksza: The Act must be amended to close the loophole.

Mr. Handleman: That's right. What has that got to do with the motion?

Mr. Duksza: In addition, amendments should be made to the Act to render it more effective in controlling rents.

In answer to the Leader of the Opposition's question, this is not where the amend-

ments are going to be introduced since there is no Act at the moment to introduce amendments to, though he may have forgotten this.

Mr. Handleman: Amend the motion, then, to make it possible, but stop talking about the Act.

Mr. Duksza: I can't make a motion. I am not the government. It is the minister's responsibility to introduce it to prolong the Act beyond December 1978. What the hell are you talking about?

Excuse me, Mr. Speaker. That was impolite. [12:00]

In addition, the following amendments should be made to the Act to render it more effective in controlling rents:

1. The equity requirements for landlords should be raised from 15 per cent to 20 per cent.

2. Repayments of principal should not be allowed in financial loss calculations.

3. Expenses incurred in "bringing a building up to standards" should not be allowed in granting rent increases.

Hon. Mr. Grossman: I'm glad you are going in with an open mind, Jan.

Mr. Duksza: Secondly, the administration of the Act leaves much to be desired and continues to be a major source of dissatisfaction and frustration for both tenants and landlords. Accordingly, the following changes should be made:

1. There should be no specific termination date for the program.

2. Only one hearing should be held for each building or project, except on tenant-initiated applications, in each 12-month period. That hearing should deal in advance with all leases due to expire in the period, the officers' orders coming into effect as leases expire.

3. All rents in a building or project should be registered with the rent review office, publicly accessible, updated as changes occur, and posted in the building concerned so that all tenants know what is the legally permissible rent on those units.

4. The Act should require the landlord making an application for rent review to file all information supporting the application with the rent review office at least two weeks before the hearing date. No further information should be considered by the officer hearing the application.

5. The Act currently provides for assistance to people appearing before rent review officers. This provision has been so narrowly interpreted by the government that only blind or handicapped people need apply. Tenants should be given financial assistance under this section, particularly since land-

lords are allowed rent review costs in getting rent increases.

6. The rent review program should be required to enforce its own orders and to conduct investigations of compliance under the Act on its own initiative.

7. The Act should give tenants the right to cross-examine landlords' evidence.

The suggestion in the green paper that the establishment of a residential tenants' board with adjudicatory powers should replace the expensive and complicated county court in landlord and tenant matters is probably the only good one. We have been calling for years for such a move. We are pleased that the government is now prepared to consider that part.

But even in its discussion of landlord-tenant laws the green paper, by supporting a substantial weakening of security of tenure law, makes it clear that the principles on which the green paper is based are not the principles of the New Democratic Party.

That brings me back to our reasons for opposing this motion. We cannot accept this motion because we cannot accept either the spirit in which it is put or the principles on which it is based.

The government must believe that tenants have fallen asleep and no longer care whether or not there is a rent review program. That is not true. I have attended a number of tenant meetings in my riding and everywhere I went there was an awareness of the termination date of the present rent review program and an expression of real concern. At a tenants' meeting at 55 Triller Avenue, the tenants made a decision to inform others of the impending termination and to prepare immediately for the exact eventuality that we are now discussing.

On March 13 I attended a tenants' meeting at Parkdale Library where there were more than 140 people present. One of the panellists was Mr. Robbins, the executive director of the rent review program. Although Mr. Robbins supposedly is a neutral civil servant, he spoke adamantly and at length about difficulties caused by the rent review program and blamed the rent review program for the present stagnation of rental housing construction. So much for objectivity; so much for the tenants' friend in court at the ministry.

At the meeting there was unanimous support for extending the rent review Act and, when I was leaving, the executive committee of Parkdale Tenants was busy making plans to present a brief at the standing committee hearings if this came to pass, or take any other necessary action to make its voice heard

in protest against the government's smarmy document, against the government's virtually explicit bad faith towards tenants and its blind loyalty to big business interests.

The tenants of this province are not asleep. The government will find that out soon enough. The government is using tenants' rights as an excuse for the failure of its housing policies. These policies have failed. There isn't enough rental housing being built, private development industry blames rent review, and the government buys the explanation without question. In doing so, it ignores the fact that, even before rent review, rental housing starts had virtually dried up. It ignores the fact that new construction has always been exempt from rent controls. It makes the clear decision that the profits for the development industry are now more important than protection for tenants.

I admit the issue before us now is a symbolic one. The government is proposing a committee to abolish rent review. We cannot accept the need to discuss the abolition of the rent review program because we do not think it should be abolished. I want to make it clear that our vote against the referral of this green paper to the committee is only part of our fight to continue the rent review program.

If the motion passes, despite our opposition, we will not be co-opted by the government on the committee. The Leader of the Opposition's remarks made me think the government has already managed to co-opt the Liberals on to its side.

Mr. S. Smith: Don't talk nonsense.

Mr. Duksza: We will participate in the committee hearings.

Mr. S. Smith: You were elected to do a job here, not posture.

Mr. Duksza: I can only interpret what you have said publicly only 10 minutes ago.

Mr. Bradley: Misinterpret. You misinterpreted the word.

Mr. S. Smith: The word is "distort," not "interpret."

Mr. Duksza: I did not distort what you said, dear Leader of the Opposition.

Mr. Handleman: Why come to the committee? It's all on record.

Mr. Duksza: Our role in the committee—

Mr. S. Smith: The opposition's job is not just to oppose. It is to be constructive sometimes.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: Who said "holier than thou" earlier?

Mr. McClellan: Is that what you really want to do?

Mr. Handleman: What about sharing responsibilities?

Mr. S. Smith: Next election we will.

Mr. Duksza: The Liberal Party has no option at the moment but to vote against referral if they really believe that the tenants' rights are paramount. I do not believe that they will do so because they have also, like the Conservative Party, abandoned the tenants to the fate of the landlords.

Mr. S. Smith: Rubbish.

Hon. Mr. Grossman: So why have hearings? Why let the public participate? If you guys have made up your mind, why invite the public to participate?

Mr. S. Smith: Why did you run for office at all?

Mr. Duksza: Let me tell him what our role in the committee will be, if the minister is prepared to listen.

Hon. Mr. Grossman: I'll read your press release later, Jan.

Mr. Breagh: Listen with your ears, not with your mouth.

Mr. Duksza: Our role on the committee will be quite simple. We'll try in any way to prevent the government from manipulating tenants out of rent review and to protect and enhance the rights of the tenants.

Mr. Deputy Speaker: Order, please. If I might, I'd just like to draw the content of the motion to the members of the House. I hope they realize that the content of the motion includes that the green paper be referred to committee, that the committee be allowed to hire staff and that Hansard be able to record the comments made by the committee. I feel that the three members who have spoken previously have extended their remarks probably beyond the resolution. I hope that all the further speakers would try to keep their remarks within the content of the motion.

Mr. Cassidy: On a point of order, Mr. Speaker. I presume, if I understand it correctly, that the question of whether or not this green paper should be referred to the committee or whether other actions should be taken on the basis of the question of rent review is what is before the House right now. Is that correct?

Mr. Deputy Speaker: On reading the motion, I would say that the motion is whether or not the green paper should be put before the general government committee for dis-

cussion with the other things I mentioned previously.

Mr. McClellan: That's exactly what is being discussed.

Mr. Handleman: I was going to make that point of order during the member for Parkdale's comments. Now that you've made it, Mr. Speaker, I want to assure you that I will speak entirely to the motion, which I will be supporting.

Mr. Cassidy: This is the anti-tenant member for Carleton.

Mr. McClellan: The anti-rent review member for Carleton.

Mr. Handleman: I have some reservations about it. I'm not at all surprised at the position taken by the New Democratic Party. I want to remind the member for Ottawa Centre of an evening—the night after the election, as a matter of fact—when we appeared on television together.

Mr. McClellan: Why did you sabotage rent review Sidney?

Mr. Handleman: He said: "Minority government will work if we all share responsibility." What ever happened to that willingness to share responsibility? I challenged him then, I challenge him again. He doesn't want to share responsibility, he wants to play politics.

Ms. Gigantes: We don't want the government's crummy policies. It's their crummy policies we don't want to share.

Mr. Handleman: That's fine, that's their privilege; this is a political forum. But don't let him pretend he wants to share responsibility and make minority government work.

Mr. Cassidy: On a point of order, Mr. Speaker.

Mr. Speaker: What's your point of order?

Mr. S. Smith: There is no point of order; in fact it's pointless.

Mr. Cassidy: On a point of privilege.

Mr. Speaker: What's your point of privilege?

Mr. Cassidy: The member for Carleton should speak to the Treasurer of the province who has ignored completely the nature of minority government in the province.

Mr. Speaker: Order.

Mr. Makarchuk: Are you going to share OHIP? What are you going to do?

Mr. Cassidy: If you want to respect minority government, then back down on those premiums.

Mr. Speaker: Order.

Mr. Duksza: Mr. Speaker, on a point of privilege, in the very last remark I made in my speech I suggested we will participate in

the committee on behalf of the tenants, and defend their rights. Nobody should say we would not participate nor participate in the structure of the House. We only said that on behalf of the tenants.

Mr. Speaker: Order. The member for Carleton.

Mr. S. Smith: Then why are you participating in the committee?

Hon. Mr. Grossman: You have already made up your mind.

Mr. Speaker: Order.

Mr. Makarchuk: Have you discussed the budget for this?

Mr. Handleman: I would like to concern myself now with some of the reservations I have about the motion, and I do have some.

First of all, I would like to see this new approach be effective. I think we have to develop new options for the future in tenant protection. There is no suggestion of abandoning the tenants anywhere in any of the documents before us.

Mr. Cassidy: It's just what you do.

Mr. Handleman: The committee will have less than two months to deal with the problem which the government has had before it for something like three years. It's a very complex problem. I hope the committee will have the time to deal with it in its entirety and in its full complexity. I am concerned that the committee by its terms of reference is not empowered to travel. I understand the constraint measures that put that restriction on its activities. I visualize the Urban Development Institute and HUDAC with counsel throughout the entire committee hearing.

The Metro tenants' association undoubtedly will either be there or have its counsel there throughout the meeting. I am concerned about people outside of Toronto having an opportunity to be fully educated and informed and to have full input.

Mr. Renwick: What do you mean they will have counsel there?

Mr. Handleman: I want you to know, Mr. Speaker, and I speak now for my own constituency—including the entire Ottawa area, it's the only place in the province where more than 50 per cent of the households are rented—people there are very concerned about this problem.

Mr. McClellan: Resign.

Mr. Handleman: It is one of the areas in the province where the federal government seeks not to give us a tenancy vacancy rate but to combine us with Hull to make it look good. Actually, I would suggest, the vacancy

rate in Ottawa-Carleton compares somewhat with Toronto's. We have a concern over continuing tenant protection.

I speak now to the chairman and the members of that committee. I hope they will give full opportunity to people from outside of Toronto to be heard. If necessary, I suggest that the counsel, who would have the privilege of travelling, might very well convene meetings in areas outside of Toronto so that those people can be heard and heard fully.

One thing that seems to be forgotten quite often on the NDP side is that a substantial number of the landlords—in fact the majority of the landlords in this province—are small landlords.

Mr. McClellan: There's the voice of the landlords.

Mr. Handleman: They always talk about the giant landlords, and I agree they can well look after their own interests.

Mr. McClellan: Listen to him.

Hon. Mr. Grossman: What about the member for Ottawa Centre? He's one too.

Mr. Handleman: If they have read the green paper at all, they would know that over 40 per cent of the rental housing stock in nine Ontario cities consists of fewer than 20 units. It's clear that a very large number of landlords in this province, not only are small landowners operating in the best principles of the free enterprise system, having invested their savings in what they think will be an income-producing property—

Mr. Makarchuk: It doesn't necessarily indicate that.

Mr. Handleman: —but also their average income is \$14,000 a year, less than the members' of this Legislature. It puts them in the low income group.

Mr. Cooke: But who controls the market?

Hon. Mr. Grossman: Read the paper.

Mr. Handleman: Let's face it, many of the people who rent are in the low-income groups. Who is going to speak to this committee for them, the Metro tenants' association? I suggest there has to be some way of bringing input to the committee and through the committee to the government from those outside of Metropolitan Toronto. I don't know whether the Board of Internal Economy can authorize a standing committee of this Legislature to move around.

[12:15]

I am very concerned about the shortness of time. I know that the government which apparently has not developed a full policy for continuing protection, has had trouble with

all its resources. I am concerned about a committee with counsel, in the space of less than two months, being able to come to grips with this problem.

However, I think the leader of the New Democratic Party should accept what the minister has said, that this is an exercise in sharing information. I hope it will do more than simply educate the members of the committee, because certainly they will learn a lot. I hope they will be able to develop alternatives. I think every member of this House is concerned about the fact that we have between 40 and 50 per cent of our population living in rented premises. They must have protection. By whatever technique their powers must be equalized with those who have greater powers.

Mr. Cassidy: You said you would resign if rent review was continued.

Mr. Handleman: You were there when I said that "this program of rent review." What I heard from your speakers and your interjections was that this program of rent review was great, so let's just keep it going. I don't agree. I think it has had damaging effects on the housing market. I think we have to find some successor program.

Mr. Cassidy: That's not what the green paper says.

Mr. Speaker: Order.

Mr. Handleman: The green paper provides options for continuing protection. That's exactly what it says and that's what it does. The committee is not limited in any way by the options that are put forward in the green paper.

Mr. Cassidy: Of course it is, and you know it.

Mr. Handleman: Any member, including the member for Parkdale, can come forward with what he put into Hansard today, bring it to the committee and try to persuade his colleagues to accept all or part of his motion. There's no reason why he can't do that. That's why I say that the committee exercise can be good.

Mr. Makarchuk: It's the same exercise in futility as the Hydro committee and the Inco committee.

Mr. Handleman: I hope the committee will be able to hear from those outside of Metropolitan Toronto because the problem, despite some of the media publicity, is not necessarily a Metro problem. We do have problems in other parts of the province. In fact, I think the members from the Lakehead might say their problem is worse than Metro Toronto. I will support the motion. I hope my reserva-

tions have been noted by the chairman and members of the committee, and the minister.

Mr. S. Smith: I wish to speak briefly to the motion. I think there are really just a few points to be made about whether or not this matter should go to committee. It's perfectly clear that the government has decided to take a very difficult political issue—a very thorny one and admittedly one which has a number of sides to it—and has decided in this instance to share some responsibility for the further progress of this matter with the opposition in this Legislature.

Depending on one's stance about these things and depending on how one views the opposition role, one can either rant and rail against the notion that one is being co-opted and that one is somehow being put into a position where we might share blame for difficult decisions which the government may or may not have in mind; and I don't know what the government's intentions happen to be. Or one can take the position that finally the government is willing to accept that in a minority Legislature it is much wiser to have some input, as I suggested the very first day after the election, from the other parties rather than constantly play brinkmanship and confrontational games in the House, which I think is to—

Mr. Warner: Are you for coalition government still?

Mr. Cassidy: It's your only way into the cabinet.

Mr. S. Smith: —the detriment of the people of Ontario. There are those who feel that any type of co-operation somehow or other is a type of coalition and so on. Such naive viewpoints from those who prefer confrontation in labour-management relations and confrontation in the political sphere and that type of thing, are what has led our country, in my view, to some of the difficulties we presently have.

The polarization, the attempt to portray everything in extreme terms in the political spectrum or in labour-management relations, that kind of constant determination to portray everything, as I say only in extreme black and white terms, to set management and labour against each other, to set government and industry against each other, as though somehow or other we are not all in the same boat, that is the kind of peculiar—

Mr. Germa: We are not.

Mr. S. Smith: —mentality which is part of the New Democratic Party and is something which I certainly regret even having to have beside me in this House.

It's about time we all learned, in society generally if I might just digress from the motion for a moment, Mr. Speaker, that in this country, whether we be in management, in labour, in government, in the professions or in any situation, we are in the same boat. We can't always assume the other guy is our enemy, that the other guy is always dead wrong, and start drilling holes in our portion of the boat without realizing that the whole boat will go down if we don't start to co-operate with each other.

I take my responsibility as Leader of the Opposition seriously. I see it as a situation where on the one hand one is supposed to oppose—after all, it is much like being a defence lawyer in a trial where to make the system of justice work properly the defence lawyer has to constantly oppose the views of the opposing lawyer; he has to constantly put the best face that he possibly can on the oppositional view, such as it may be, in any given trial. I accept it to some extent; that is the oppositional role, where you have to criticize, you have to be tough, you have to constantly keep the government on its toes. I think the members opposite understand that.

But there is a second aspect to the role—particularly in a minority government, but I think in any kind of a government. That is to be constructive sometimes. That is to be willing to put forward alternatives sometimes.

Mr. Cassidy: We were making constructive speeches about rent review before you even came into this House.

Mr. S. Smith: I think, too, it is part of the role also to say if the government is doing the right thing, as on the liquor advertising matter which the minister brought in. I've just gone on television to say that he has in fact done the right thing in this instance.

An hon. member: For heaven's sake, do you expect someone to say he did the wrong thing?

Mr. S. Smith: I feel we have to be constructive sometimes.

It is interesting, if I may say so, that this particular government is quite willing to share with us the very thorny issues and not quite as willing to share some of the things they should be sharing with us—

An hon. member: That's right. When did you learn that? That's the point.

Mr. Renwick: You are being co-opted, and you don't know it.

Mr. S. Smith: —and I include this phoney committee being set up, a so-called sunset committee, consisting only of Tory back-benchers and one Tory cabinet minister.

An hon. member: What has that to do with rent review?

Mr. S. Smith: The fact of the matter is—

Mr. Speaker: You are straying somewhat from the resolution.

Mr. S. Smith: No, no, it's very similar. I'll explain the connection. Because that's the committee that we should have all-party representation on. It's perfectly clear that they are asking for this matter go to an all-party committee, when another matter—

Mr. McClellan: With enemies like this, you don't need friends.

Mr. S. Smith: —should in fact be put before a committee of all three parties in the Legislature. But then there is always the danger that the committee might actually find something to get rid of in the boards, agencies and commissions, and may even tread on the hallowed territory of Tory fund-raisers; they may even tread on certain dangerous areas of friends of the party; and you can only be sure and safe if you keep it in your own back bench. I think that's a phoney committee.

An hon. member: The Tory senate.

Hon. Mr. Grossman: We don't need your help on that. We have those answers.

Mr. S. Smith: But despite that, and despite this provocation, despite this obvious provocation on the part of the government with regard to this phoney sunset committee—

Mr. McClellan: Let him sell out, he's dying to sell out.

Mr. S. Smith: —we are prepared to work on this important matter of rent review. I want to quote to you from a speech made by the minister, by the member for St. Andrew-St. Patrick, on March 16, 1977, just about a year ago.

Hon. Mr. Grossman: I wasn't minister then.

Mr. S. Smith: He said then, "How long should this scheme continue?" He said, "The scheme in my opinion should continue until the pressures on the market disappear. The only solution to this then is to tie length of the program and duration of the program into the vacancy rate. In simple terms, he said, "we must require that the scheme continue until there have been 12 consecutive months during which the vacancy rate of the particular municipality has been in excess of 3.5 per cent."

And I must say those are excellent words. They are words that I look forward to sharing with him; they are ideas which I look forward to sharing with him on the committee. Obviously, if the minister himself takes such an enlightened view of matters of

this kind, we have nothing to fear by sitting in the committee with him. We will continue, I am sure, to protect the tenants as we have shown every determination to do.

You will remember, Mr. Speaker, the government even used our determination to protect tenants as an excuse for the last election. But should I complain about that, since it had only the effect of elevating me to this lofty position which I presently am enjoying thoroughly?

Hon. Mr. Grossman: And me to mine. I'm not complaining.

Mr. S. Smith: I must say I am not one to quote generally from columnists, although I respect them greatly.

Some hon. members: All of them?

Mr. S. Smith: I feel they have their job, and I have mine.

Hon. Mr. Grossman: Did you see the one this morning about me?

Mr. S. Smith: The one about you? Yes. But I want to read from the column by Jonathan Manthorpe. He says, "No, the NDP wants the good old days back when they could shout and damn the Tories and, knowing full well the government would defeat their proposals, it was always so much easier to present the public with a picture of maligned and downtrodden virtue than to have to take responsibility for finding solutions to problems."

Hon. Mr. Grossman: Well put.

Mr. S. Smith: He also goes on to point out, as their 14 or so scheduled speakers are suggesting, if they're so resolutely opposed to this matter going to committee, if they think it's a simple matter of being co-opted and so on and so forth, they have the option of not showing up at the committee.

Mr. Cassidy: Oh, no, and leaving you to manhandle the tenants of the province.

Mr. S. Smith: What Jonathan Manthorpe says is, "The only logical thing for the NDP to do now is to refuse to take part in the committee discussions."

Mr. Warner: You're as big a sellout as they are.

Mr. S. Smith: That's what Mr. Manthorpe says, and although he and I have disagreements from time to time—of a minor nature, I'm sure—in this instance I have to agree with him.

Hon. Mr. Grossman: But they'll go so they can put out a press release.

Mr. Reid: They don't even go any more, they just put out press releases. It's the first

thing they learn when they get there—write press releases.

Mr. S. Smith: The fact of the matter is that we are resolute in our determination to protect the tenants, we are resolute in our determination—

Mr. Germa: We rely on you when we are in trouble!

Mr. S. Smith: —to make certain that until the vacancy rate goes up the controls remain, but we are prepared to discuss ways to get apartment buildings built in this province. We're prepared to sit down and discuss with members of any party and with members of the public ways that we can get apartments built in Toronto and in Oshawa and in Hamilton and in every other place that they happen to be needed, in Thunder Bay and so on.

It is not our habit to simply issue press releases, take postures, grandstand as the protectors of one particular group in society—

Mr. Germa: Listen who's grandstanding. The saviour of the little people.

Mr. S. Smith: We'll protect the tenants as well as anybody in this society and my record is clear in this matter. We're prepared to work as well to make sure that we start getting some construction in this province, to get rid of the red tape that's holding up construction in this province, to get apartments built in this province, to get affordable housing built in this province. If we can take our ideas to a committee, if we can take our ideas to any platform in the province, we are prepared to participate and take our ideas there and let our ideas be judged by the public when they're put forward in any forum, be it a committee, be it the Legislature or be it any platform in Ontario. Therefore, we will accept to have this matter go to committee, to have a staff hired for the committee so the facts can be brought before the public and we are looking forward to these discussions.

Mr. Germa: What empty words.

Mr. Davison: I rise, as did my colleague from Parkdale, to oppose the motion to refer this red, white and black green paper to the standing committee on general government.

This little piece of propaganda, this sham called Policy Options for Continuing Tenant Protection, has absolutely nothing to do with continuing tenant protection, but rather has everything to do with, and is designed as the opening gambit in, the government's bid to rid Ontario of a rent review program and to put tenants in Ontario at the mercy of landlords.

The paper's theme and basic premise is clearly outlined in the letter that is accompanying the green paper to the minister from W. M. Robbins, the executive director of the rent review program and the chairman of the little in-house committee that drew up this plan. As my colleague from Parkdale pointed out, the last few words of that letter show clearly what the government's plan is and show clearly what its intentions are and refers only to a post rent review period. So before we even get into the report we know that option number one in the government's choice has already been done away with.

It's possible that perhaps in our party we've made too much of that particular sentence attributed to Mr. Robbins. Perhaps it's simply a misprint in the letter or a case of a simple misunderstanding or misrepresentation. Under normal circumstances, that's something I wouldn't consider very likely in such a government document, but as I read through the document and got to page four, the first sentence on the page jumped right off and it reads as follows: "Ontario's current rent review program was conceived as a temporary program complementary to the federal government's anti-inflation program."

[12:30]

I must say that has shattered any faith I had in the author's credibility, in the credibility of this document and in the author's capacity to accurately record information.

As somebody who stood for election in the 1975 election campaign, as did many others here, and as someone who sat in this House during those fall days of 1975, I somehow was under the impression that there was a connection between what happened in the election campaign and the Premier's (Mr. Davis) promise to bring in rent review. I somehow had the thought and the feeling that there was a connection between the seat distribution—in other words the minority government in this province—and the fact that the Premier kept his promise, brought in some kind of rent review and it was passed in this Legislature. I did not realize at that time that it was something that had nothing to do with the 1975 realities coming out of the 1975 election, but was designed to fit in with the government's anti-inflation program.

In case in my partisan mood I had misunderstood what had happened in 1975, I referred to the great impartial observers of our world, the press, and read a number of press clippings from that time and from

recent days. The press currently is reflecting back upon the realities of 1975 and also doesn't agree with this first sentence in the report we have seen. That most excellent paper, the Kitchener-Waterloo Record, said on February 14, after viewing this document and after reading that sentence: "The ruling Conservatives gave the province rent controls in December, 1975, a move made in desperation during the heat of an election campaign. Their hearts were never in it, although the need was obvious at the time."

That is a much more accurate reflection of the events of the fall of 1975 than is the first sentence in this document we see before us. That the authors of this green paper would stoop to rewriting such recent history is something that leaves the paper totally devoid of credibility. In the end, I decided to give credit to Mr. Robbin's comments, only because they seem to reflect the opinion of the Minister of Consumer and Commercial Relations and the government in general.

Given the widely-stated goal of the paper to generate discussion so that the government can engage in an "exercise in public dialogue and policy formation," some people in the public who don't know this world of politics so well as members in the House, might think that the government is approaching this issue, this matter, with an open mind, willing to listen to reasonable arguments and willing not to go in with a closed mind as to what they want to do with rent review. Such does not seem to be, and such is not the case.

On February 10, 1978, the London Free Press, reporting on one of those sessions that the Minister of Consumer and Commercial Relations periodically has where he bares his soul to the media, said: "He"—Mr. Grossman, the minister—"said he didn't want to announce his support for any of the many options discussed in the paper prepared by senior civil servants in the Consumer, Housing and Attorney General's ministries. Grossman made it clear he doesn't favour keeping rent controls."

Hon. Mr. Grossman: No. That is not true. If I were one of you I would stand up on a point of privilege, but I will let you finish.

Mr. Warner: Why wouldn't you?

Mr. Davison: In response to the minister's objection, I am simply reading from the London Free Press.

Mr. Warner: Do you not defend your privileges?

Hon. Mr. Grossman: Is it in quotation marks? Is it in quotation marks?

Mr. Davison: If he would like to accuse the London Free Press of misrepresenting what he feels, that is his privilege, as an individual or as a member of Parliament. Go ahead.

Hon. Mr. Grossman: Okay, I do; I did. Even free enterprise can be wrong.

Mr. Germa: Free enterprise?

Mr. Warner: It is not a dirty word.

Mr. McClellan: I bet he wouldn't say that to the constituents in St. Patrick's.

Hon. Mr. Grossman: Inco is a four-letter word.

Mr. Speaker: Order. The minister has already contributed to this debate.

Mr. Davison: It is quite clear that the whole purpose of this exercise is not to seek opinions on continuing tenant protection, but rather for the government's purpose of finding a way to end the rent control program with the least amount of political flak and trouble. The New Democratic Party in Ontario opposes this motion because we believe that continuing tenant protection is needed and that means that rent controls must continue. They can be continued in an improved fashion. Any government that we had to drag kicking and screaming into the program was sure to frustrate it at every possible turn, and they did.

There are problems with the current review program. There are problems that can be fixed when the government will bring in amendments to fix them. But we are not interested in a committee, the function of which is solely to justify the elimination of controls. We are just not interested in such a committee. The tenants of Ontario understand and support that position, because our position is the same position as the tenants'.

Mr. Rotenberg: How do you know?

Mr. Davison: Why don't you listen, David, and I'll explain it to you.

Mr. Rotenberg: If that were the case, you would be the government.

Mr. Speaker: Order. Will the member for Wilson Heights go back to his own seat if he wants to interject.

Mr. Davison: Or go further.

Jack de Klerk, the chairman of the Metro Tenants Federation has warned that without the kind of controls we now have tenants in Ontario will face increases of 15 to 20 per cent immediately.

Mr. Rotenberg: And how many members has he?

Mr. Davison: The tenants of Ontario and the New Democratic Party of Ontario totally reject this subterfuge called the green paper.

Hon. Mr. Grossman: Oh, you don't even like green papers either.

Mr. Davison: Totally. Even when it comes in red, white and black format.

Mr. Gregory: If it had been red you would like it.

Mr. Davison: It would appear—

Hon. Mr. Grossman: The red cover is for you.

Mr. Davison:—that despite our party's reasonable and sensible opposition to this motion that the government, with their limp-wristed Liberal friends, will be able to carry it through the House.

Interjection.

Mr. Davison: That will mean that we will go to the committee with one purpose and one purpose only—

Mr. Gregory: To agitate and write press releases.

Hon. Mr. Grossman: To write press releases.

Mr. Davison:—and that purpose is to defend and protect the rights of tenants in Ontario. It's quite clear today that neither the Conservative Party nor the Liberal Party share that desire to protect tenants' rights.

Mr. Reid: What a bunch of nonsense.

Hon. Mr. Grossman: New leader, old speeches.

Mr. Reid: They always want to have it both ways.

Mr. McClellan: The Liberals are a bunch of cream puffs.

Mr. Davison: At that time there will be an opportunity to deal with the contents of this so-called green paper at some length and therefore I am not going to spend any great amount of time today dealing with the specific details. But I feel compelled to comment on at least one aspect of the paper that's the central issue before us today and the central issue that is going to be before us when we get into committee; and that is the question of affordability of rental housing, that's what it is all about.

Hon. Mr. Grossman: That is not the issue today.

Mr. Germa: Darn right it is the issue.

Mr. Duszta: That's what is the issue.

Mr. Davison: There are four options outlined under affordability of housing.

Hon. Mr. Grossman: Talk about the issue.

Mr. Makarchuk: There are lots of houses for \$60,000.

Interjections.

Mr. Davison: I took that issue because that is the reason—

Mr. Speaker: Will the members for Bellwoods and Brantford stop interrupting their colleague?

Mr. Davison: It's a well-welcomed interruption.

Hon. Mr. Grossman: Even they can't take it either.

Mr. Davison: The reason we had rent controls in 1975 was because tenants were being ripped off financially. That was the issue then and that is the issue today, affordability of rental housing.

Mr. Reid: That's two different things actually.

Mr. Davison: Listen to the first sentence under the heading "Affordability of Rental Housing" in this green paper: "Unfortunately, to one man—" or if we might add, one person—"financial viability can be another's affordability problem." That is what it is about. The government is trying to swing the balance from the tenants to the landlords.

When we go through the four options—the one option that would hold out some hope for the tenants and the three that are designed to support the landlords—what do we have in terms of that all important issue? Number one, extend the program as is; indeterminate is the response. What that means when you read more closely is that for those not going through rent review the proportion of income going to rent will change according to the guideline limits established for rent increases, as compared to the rate of income increase experienced in the post-anti-inflation program. For those going through the rent review hearing process, their affordability position will be made better or worse depending on the cost experience of their landlord.

Well, better or worse, but better in every case than with any of the other three options, whether we go to option number two, making basic changes where the green paper admits it will be worse for tenants; or whether we go to increased exemptions, where the green paper admits it will be worse for tenants; or whether we go to termination—and how they could even include that as one option—where we find the financial situation for tenants will be much worse; and that's an understatement. There's only one option presented in this report that will continue tenant protection. The other three issues are irrelevant. It's the only one worth considering, and that is the extension of the program. This is obvious to me; this is obvious to the New Democratic Party; this is obvious to tenants.

Mr. Rotenberg: Some.

Mr. Davison: And there is absolutely no need for this House to witness the kind of circus that this government is proposing, absolutely no need whatsoever.

Hon. Mr. Grossman: So boycott it.

Mr. Davison: Finally, while we oppose this motion because it is an attempt to eliminate rental-increase protection for tenants, we will participate in the committee for the sole purpose of defending tenants' rights. Thank you.

Hon. Mr. Grossman: Of writing press releases, you mean.

Mr. Elgie: Mr. Speaker, in rising to support the motion before us, I would like to say that I do so with a great deal of concern and feeling about the problem. The very fact there is a debate about the question of referring this matter to the standing general government committee is reason enough for me to stand and speak in support of the motion. The question of tenant protection—indeed the whole question of housing for the people of Ontario—is far too important an issue in my view to be made a political football. The very idea that any group or party could or might posture themselves as the sole champion of tenants in this province is frankly repugnant to me.

Ms. Gigantes: It's the truth.

Mr. McClellan: It's a reality.

Mr. Elgie: The issue requires reasonable and dispassionate consideration with as much input from as many participants as a possible; the people of Ontario do not deserve less.

Mr. McClellan: All right; give us some legislation and we will take that to committee.

Mr. Elgie: I would remind this Legislature, the public, and the member for Bellwoods (Mr. McClellan), that the public perception of minority government is that this House is composed of three political parties whose members have the capacity and the maturity—

Mr. Reid: Two of which are responsible.

Mr. Elgie: —to contribute positively and meaningfully, as well as negatively when it's appropriate to the issues facing them; and the perception that it is possible for mature, responsible men and women to act in concert to discuss such an important problem as this in a non-partisan fashion.

Mr. McClellan: Coalition government.

Mr. Makarchuk: Who created the problem?

Mr. Elgie: If that is not a true perception that the public has—

An hon. member: It is not.

Mr. Elgie: —then let's say so and clear up what may be a public misperception.

Mr. Lawlor: It's very curious that maturity serves your own interest, isn't it?

Mr. Elgie: Having participated in the deliberations of the select committee on the Inco and Falconbridge layoffs—

Mr. Makarchuk: With successful results, no doubt.

Mr. Elgie: —I know and appreciate how illuminating and invaluable it can be to bring a problem such as this before members of all parties to be exposed to their scrutiny and inquiry. The layoffs issue was, of course, a difficult one to deal with, but it was an example, in my view, of how well-intentioned co-operation can lead to well-considered conclusions.

Mr. Makarchuk: Did you stop the layoffs?

Mr. Elgie: I believe that the public concurred with that co-operative committee effort. I believe that this issue—the issue of tenant protection before us today—is another such matter.

In my view, the need for tenant protection, with all of its ramifications, will be with us so long as there is a shortage of rental accommodation. It is, however, the kind of issue that poses different problems, as the member for Carleton (Mr. Handleman) has said, different problems in different parts of the province—

Mr. McClellan: He created the problems. That's why he quit.

Mr. Elgie: —and that is why, in my view, it is important that we encourage the widest possible canvass of fact and opinion, both from within this Legislature and from the public at large. If we can achieve what the minister so earnestly desires, a consensus on these comprehensive proposals, we may well lay the groundwork for a process that may go on and prevent unforeseen future problems. What is important here is that the ministry staff be given the benefit of the best information and suggestions that this House, in its wisdom, can produce. It is not fair, in my view, to expect that staff to conduct its hearings on its own.

[12:45]

As the minister has indicated, it might be difficult for them to be totally objective, given the fact that they have already worked very hard to produce this policy options paper.

Mr. McClellan: Norton's staff is doing it on its own.

Mr. Elgie: It would be equally unfair to the people of Ontario to have legislation produced on such an important topic and then subjected to partisan wrangling.

The object of sending this sessional paper to the standing committee is to receive constructive input.

Mr. Cassidy: Are you going to stand as an independent? You'd better resign.

Mr. Makarchuk: Never mind the input, build affordable housing.

Mr. Elgie: In my view, partisan posturing should have no place in the developing of laws relating to tenant protection.

Mr. Makarchuk: Try affordable housing for a change.

Mr. Elgie: We all know the story of the lengths to which the penultimate leader of the third party went in painting himself as the champion of the tenant in 1975. That might be overlooked, of course, because that was an election year. But that example is precisely what I'm talking about.

Mr. Cassidy: You might give some credit to the new leader of the party as well.

Mr. Elgie: I don't want to see this issue overtaken by partisan rhetoric, even from an old high-school mate. I do want to see it depoliticized.

Mr. McClellan: Never mind the old school ties.

Mr. Reid: Nobody over there is as old as you are.

Mr. Elgie: Certainly not as mature.

Hon. Mr. Grossman: A lot of high-schoolers.

Mr. Cassidy: That was a low blow.

Mr. Elgie: As stated before, I feel certain that an all-party committee, with its own staff and with the capable assistance of personnel from the Ministry of Consumer and Commercial Relations, could provide maximum exposure of all points of view.

Mr. Makarchuk: How about housing?

Mr. Elgie: It could deal with the inter-related questions of rent levels, landlord and tenant relations, and the housing market; and it could deal with them in a careful, considered fashion.

Mr. Cassidy: And maximize exposure of tenants to gonging.

Mr. Elgie: I am not suggesting for a moment that we should ask the impossible and try to place this sessional paper before a standing committee that will not have any partisanship. Many members, even some of the newer boys, seemed to have learned the

value of contributing to Hansard, or talking out the window, as the Austrians call it.

It is my opinion, however, that a standing committee can produce top-flight insight into the most appropriate course of action. It is also my opinion that the reference to a standing committee will expedite matters.

Mr. Cassidy: What a government! For two years you wouldn't listen to any suggestions about rent review.

Mr. Speaker: Order. I hope in the little time we have remaining in this debate that all members will listen, because we do have some high-schoolers from the most northerly community of Ontario where one can drive, all the way from Pickle Lake and Osna-burg, in the west gallery. I'm sure they'd like to hear the balance of the debate.

Mr. Rotenberg: What party was that, Mr. Speaker?

Mr. Elgie: Thank you, Mr. Speaker. I hope that settles the riff-raff.

Mr. Reid: Very neatly done, Mr. Speaker.

Mr. Elgie: Not that riff-raff, but the other riff-raff.

Mr. Lawlor: That is unparliamentary.

Mr. Elgie: It is also my opinion that the reference to a standing committee will expedite matters.

As the minister has indicated, timing is of the essence. It is imperative that these hearings be completed before June in order that legislation can be drafted for the fall sittings.

The sittings and deliberations of a standing committee of this Legislature are bound to attract more attention in the media than would otherwise be the case; and this is important, because we want to achieve maximum public participation.

By holding our discussions in committee, in my opinion, we would encourage more participation and we would encourage action rather than reaction.

The problems involved in achieving an equitable balance between the interests of tenants and landlords will not be easy. We know that strict rent controls tend to depress starts of multiple dwellings. On the other hand, a wide-open situation combined with low vacancy rates could place tenants at the mercy of a few unprincipled individuals. Of course, it goes without saying that this party and this government totally reject any all-encompassing notion that rental accommodation should be produced and managed by government. The proper operation of a free market is the best guarantee of efficient pro-

duction and the corresponding creation of productive employment.

It is not the intention of the ministry or of the government to shackle either landlords or tenants.

Mr. Makarchuk: How about the speculators?

Mr. Elgie: We're not talking about you today, Mac.

Mr. Makarchuk: There are more over on the other side.

Mr. Elgie: We are confident today that all groups—producers, consumers and government—can come together under the auspices of the standing committee and work out equitable solutions to the many problems.

It would be unthinkable to allow uncertainty to dominate public consciousness. In these times of inflation and unemployment, it would be totally unfair to have tenants needlessly contemplating spiralling rents or diminished standards of accommodation. On the other hand, it would be equally unfair to expect investors who build multiple dwellings to endure diminishing income in the face of rising costs.

I mentioned these two aspects of the question simply because they are so obvious and so perplexing. There are many more, and that leads me to comment on this sessional green paper. In my view, it is an excellent working document and I commend those responsible for its production.

Mr. Dukszta: You must be kidding us.

Mr. Elgie: A review of the paper makes two things abundantly clear to me.

Mr. McClellan: That you hate rent control.

Mr. Elgie: First, any decision as to whether or not Ontario's current rent review program should continue in one form or another must take into account the availability of an adequate quantity and quality of rental housing. In communities where there is a high vacancy rate, market factors, which on their own can serve to control rents, clearly function, whereas in a large metropolitan community, such as this, the vacancy rate in October 1977 was only one per cent, as referred to by the member for Parkdale and market factors cannot function adequately. I must, therefore, conclude that some type of rent control and rent review are therefore necessary in certain communities.

Secondly, although the rent review program was originally conceived as a short-term program to address the problem of inflationary rent increases, it soon became evident that those tenants and landlords found it difficult to restrict their discussions

at rent review hearings to matters of rent alone. In other words, it is clear that there is a need for a simple method of resolving landlord and tenant disputes.

I have spoken to the minister on a few occasions about this and have stressed my own view that we must place greater emphasis on the provision of inexpensive and more accessible means of resolving landlord and tenant disputes and, in particular, to facilitate enforcements of covenants in leases.

I am sure it's also of interest to all members of this House to note with some degree of satisfaction that on March 16 this Legislature approved the resolution of the member for Simcoe East (Mr. Taylor) that called for simplification of consumer contracts. I certainly support that principle, particularly with regard to leases.

In conclusion, I fully support the motion to refer the policy option paper to the standing general government committee. Such an action would, in my view, accomplish three goals. First, it would assist us with the crucial problem of timing. Legislation can be produced in an orderly and considered fashion for legislative action in the fall. Second, referring the paper to committee would minimize the degree of political partisanship involved in evaluating the options proposed and it would, in my view, be in line with the public's perception of how minority governments should function. Finally, the committee would encourage maximum public participation and the greatest amount of critical intelligent appraisal of the problem.

I feel certain that acceptance of this motion will enhance the likelihood of producing valuable comprehensive and lasting legislation in this area that is of concern to all of us.

Mr. Blundy: I rise to support the motion to refer this complex matter to an appropriate committee. I have a comment on one fact first, that is, the wonderful and strange amount of co-operation that is being offered by the government party in this matter now, when there was a strange lack of co-operation with the people who were standing up for tenant protection back just a little while ago before I was here. Now I see that the government wants to talk it over with us and wants to get our views. Why? Because they have never wanted to have rent review and they never wanted to be the party that had to bring it in.

I say we have to continue it. The one reason I rise and support this matter is that I have taken one small sentence out of the green paper, or a part of a sentence. It says: "Policy options for continuing tenant pro-

tection." Let everybody know, and particularly the government members, that that is the purpose as far as I am concerned in discussing in committee ways of working out a satisfactory continuation.

When I talk about that, I also want to say that in my riding we have lived through five years of a rent situation where the vacancy rate has been, for nearly five years, 0.05 per cent. We have just moved out of that now to one per cent. It is an important thing to us. We also have to look at ways of making it possible for builders and developers to get through some of the red tape and get into building so that we will have more affordable housing and decent housing for people.

There are a number of things that this committee can consider. That is one, how we can increase the housing numbers in our province, ways that we can build more quickly and more efficiently. I think there are areas that may very well be able to have some relaxation of controls, but certainly not in my riding, nor in Metro Toronto. There is also perhaps the possibility of relaxation or exemption in the case of luxury apartment buildings and so forth.

These things all have to be looked at very closely. We also have the recommendations that are coming before us now regarding market value assessment and the implementation of it, and the split that has been suggested between private residential accommodation and high-rise apartment accommodation. These are things that need to be considered.

I know that we are just about out of time. I want to say that we in the official opposition are ready and willing to take up our responsibility in this matter. We look forward to being able to sit down and discuss with the other members of the committee ways of continuing protection for the tenants of On-

tario. We also want to look at ways of encouragement for the developers and the builders. We want to ensure that the people who are going to be providing the decent living accommodation for renters in this province are able to continue to do so, and are encouraged to do so. In the long run, by looking at all of these various things in the committee, we are going to reach our goal, which is to continue affordable housing for the people of Ontario and protection for the tenants of Ontario. I look forward to the matter being referred to the committee.

Mr. Breagh: On a point of order, Mr. Speaker. I assume that you are about prepared to adjourn for today. I would like to ask the Speaker to recognize that this resolution, in particular one last part of it, not being drawn into the violence against the thing, is contrary to provisional order 21 concerning Hansard. I would like the Speaker to give us a ruling on Monday as to whether or not this resolution can carry as is. If it is seen to be contrary to the rules of the House, will the Speaker make the ruling by himself or will he seek unanimous consent of the House to step aside from those rules?

Mr. Speaker: The provisional orders indicate that the only committees that will be transcribed are those of supply. The House, in its wisdom, can do anything it wants, as long as it is incorporated as a part of the motion, and if it so directs that the proceedings of that committee and its hearings be transcribed, it is within the power of the House to do so. However, I will reflect on it over the weekend; but I think, in general, that's the way it is.

On motion by Mr. Warner, the debate was adjourned.

On motion by Hon. Mr. Grossman, the House adjourned at 1 p.m.

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Bryden, M. (Beaches-Woodbine NDP)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. (Renfrew North L)
Cooke, D. (Windsor-Riverside NDP)
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Maack, Hon. L.; Minister of Revenue (Parry Sound PC)
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Martel, E. W. (Sudbury East NDP)
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McGuigan, J. (Kent-Elgin L)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
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Smith, S.; Leader of the Opposition (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Labour (York Mills PC)
Stokes, Hon. J. E.; Speaker (Lake Nipigon NDP)
Swart, M. (Welland-Thorold NDP)

Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)

Turner, J. (Peterborough PC)

Warner, D. (Scarborough-Ellesmere NDP)

Welch, Hon. R.; Minister of Culture and Recreation, Deputy Premier (Brock PC)



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Second Session, 31st Parliament
Monday, April 3, 1978

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, APRIL 3, 1978

The House met at 2 p.m.

Prayers.

STATEMENT BY THE MINISTRY MUNICIPAL GRANTS

Hon. Mr. McKeough: Mr. Speaker, I am pleased to advise the members that earlier today I arranged to have deposited, the annual document on provincial assistance to local governments. Normally this publication becomes available on budget day, but this year's early budget made that impossible. As it is, today's release makes it the earliest on record.

As the members will note, the document provides an overview of total assistance, accompanied by detailed descriptions of the more significant changes in grant programs for 1978. Particularly, it emphasizes the unconditional grant programs and provides every municipality with our best estimate of its 1978 entitlement to total unconditional grants. Most of the critical information on 1978 assistance was already provided in my September 16, 1977, announcement, plus subsequent details from other ministries. However, the data in the document I am releasing today should be of great assistance to municipalities in verifying their own calculations.

ORAL QUESTIONS

CASH RESERVES

Mr. S. Smith: A question to the Treasurer. Could the Treasurer please explain the nature of his policy which has prompted him to use \$362 million of his borrowings this year to increase liquid reserves, the cash that the government has on hand, to more than \$1 billion? Could I ask the Treasurer why he is following quite that small-c conservative policy with regard to cash on hand? What is the lowest level to which these reserves have dropped during the last five or six years, and what problems is he anticipating that lead him to wish to have a little more than \$1 billion in cash on hand?

Hon. Mr. McKeough: I think I might bring together some information for the Leader of the Opposition. Perhaps I might give a brief statement with that information, either

at the opening of the House or on second reading of the Ontario Loan Act, which I believe is tomorrow. Then I can give more precise details.

The reserves, for obvious reasons, did not increase during 1977-78; in fact they fell. I don't have the precise figure. Even at the level we had hoped to have, there perhaps was not sufficient in the liquid reserves at any given point during the course of the year.

The reserves normally go up in the first two or three months of the year, then fall off very dramatically during the course of the summer and start to build again in the fall. We would come very close to having a theoretical zero balance at some points during this year—or would have, had we not moved to increase the reserves.

Finally, I might say that as a rule of thumb—and it is a very rough rule of thumb—it is felt that reserves at year end should be about 10 per cent of the budget, which in this case would make them in the neighbourhood of \$1.5 billion. That may be somewhat high, but we would like to increase them somewhat.

I should also add that these monies are constantly employed in short-term deposits and various other ways so that we are earning interest on them at any given moment in time.

Mr. S. Smith: I appreciate that answer and I look forward to hearing a more detailed answer from the Treasurer. By way of a brief supplementary, may I ask him if, when he is explaining why it should be at 10 per cent of the budget, he would give us the record over the years and if he would also agree with me that if he did not have to increase his borrowing by \$362 million to increase the liquid reserves, and merely left the reserves at \$688 million—which is where they are now, or at least at year end—that the \$362 million he borrowed would have been available to have been used by the pension funds in the private sector? Is this a factor which he takes into consideration when he decides his liquid reserve policy?

Hon. Mr. McKeough: No, I don't think the two things particularly tie in together. If our reserves were invested, as I have just said,

then of course the option—and this has been done—would be to use them, if they became too high, to reduce outstanding debt, which has been done on several occasions.

OMA-OHIP FEE SCHEDULES

Mr. S. Smith: A question, which I would prefer to direct to the Minister of Health (Mr. Timbrell) but which, in his absence, I will direct to the Premier: I wonder if the Premier could assist us with regard to the question of the two fee schedules currently being negotiated, where I think the minister has assured us in the Premier's absence that there would be two fee schedules, an OMA fee schedule and an OHIP fee schedule.

Is the Premier familiar with these negotiations and can he tell us whether we can assume that the two schedules, in total and in average, will be a percentage apart greater than the present difference of 10 per cent, and exactly what measures the government has in mind, other than the Anti-Inflation Board, to make sure that the doctors do not opt out in great numbers as a consequence of this additional incentive?

Hon. Mr. Davis: Mr. Speaker, my understanding is that the subject is still being negotiated or discussed, and when the minister or the government has some specific answers to that particular question, and to the supplementaries to it, I am sure the minister will certainly be pleased to inform the House. I think it is somewhat premature at this moment.

Mr. S. Smith: By way of supplementary: Given the fact that we would like to know in this House what is considered negotiable and what is not considered negotiable by the government of the day, would the Premier not agree, if people are going to the trouble of developing two separate fee schedules, that chances are they are likely to be considerably more than the present 10 per cent apart? Can he explain to us why we should be so sure that the doctors are not going to apply the higher fee schedule and opt out in order to do so? Why would they go to the trouble of negotiating an entirely separate schedule if they had no intention of using it?

Hon. Mr. Davis: I can't speak for the medical profession. I think this is a subject that is not only complex but very important, and when the minister is ready to disclose further information to the House he will be more than prepared to do so.

Mr. Cassidy: Supplementary: Can the Premier tell this House whether it is the intention of the government to abandon the principle of universal health insurance, which

was adopted in 1969 by Ontario, by means of deterrent fees or their equivalent, which would in effect prevent people on modest incomes from having adequate health care? Is that now the government's intention? If so, how can the government justify it?

Hon. Mr. Davis: I think the Treasurer (Mr. McKeough)—and I am only going by memory—made some reference to the question of deterrents in the budget. I think there was some reference to the decision on the part of the government to increase premiums rather than go the route of deterrents. So the answer to the question has already been stated.

Mr. S. Smith: If I might have one more supplementary on this, is the Premier aware that if the two schedules are farther apart and doctors do opt out and bill for the higher amount, that will effectively be for their patients a very large deterrent fee indeed? Can he assure us that the difference in the schedule being contemplated would not be such as to render the entire plan ineligible under federal legislation which, as he knows, says that in order to be part of the federally approved plan it must not impede or preclude either directly or indirectly, whether by charges made to insured persons or otherwise, reasonable access to insured services by insured persons? Is the Premier familiar with that piece of legislation and can he be absolutely certain that what the government is contemplating will still be within the framework of that piece of legislation?

Hon. Mr. Davis: I know there has been some speculation in the past few days on this matter. I would only re-emphasize that nothing has been settled or decided and that really it is premature to be having this sort of discussion. I am quite aware of the legislation. As with all policy decisions made by this government, we make a very real effort to abide by whatever legislation exists. We are not always right.

Mr. Breaugh: Supplementary: I would like to ask the Premier, since he has just told us that the government opted for higher fees as opposed to deterrents, would he give us his assurance now that the government does not intend to implement that part of the Taylor committee's recommendations that it referred to as balanced billing?

Hon. Mr. Davis: The Taylor committee's report is being assessed by the ministry. Ultimately, there may be some recommendations coming to the cabinet. If there are such recommendations, these too will be discussed here rather fully in the House. I think, once again, to take any one particular aspect of the Taylor committee's report and

say we will or we will not, would be somewhat premature. It is the kind of report that needs a rather complete assessment, which it is receiving.

DENISON MINES LIMITED

Mr. Cassidy: I have a question of the Minister of Energy. Is the minister aware that Dome Mines Limited of Toronto and two of its subsidiaries have just agreed to purchase a 10 per cent interest in Denison Mines Limited from Madison Funds Incorporated of New York for \$31 million and that at this price all of Denison would have been available to Ontario for \$307 million, which is equivalent to the \$300 million in interest-free advances that we have put forward for uranium developments in Elliot Lake? Does the minister not feel, with that evidence before the House, that Ontario missed an opportunity to provide the people of Ontario with a more economic uranium supply by acquiring Denison Mines?

Mr. Havrot: You're only two weeks behind time.

Mr. Samis: The answer is yes.

Hon. Mr. Baetz: I do not accept as at all valid the premise on which this question is asked. It says the mines "would have been available." That assumes they would have. There is no shred of evidence to say that in fact all that stock would have been available.

Mr. Deans: There are ways of doing it though.

Mr. Cassidy: Supplementary: Did the government, in fact, investigate to see whether Denison was available, and is it the minister's position, if a company refuses to sell because of ideological reasons, that he should just simply take that decision lying down?

Hon. Mr. Baetz: I think the evidence on that subject is available in voluminous amounts, based on the deliberations of the select committee which looked at this thing. [2:15]

Mr. Reed: Mr. Speaker, now that the minister is obviously very satisfied with the position taken by his government in terms of the purchase of uranium, has he made any concerted efforts, since the time of that signing, to deal with the federal government in order to establish a two-price system for indigenous uranium?

Mr. Deans: How about the indigenous energy?

Hon. Mr. Davis: How about the indigenous gas?

Mr. Warner: Talk about a two-price system! Talk to Gillespie about that.

Hon. B. Stephenson: How about oil and gas?

Mr. Reed: We are not net importers of uranium.

Mr. Speaker: Order. Does the hon. minister have any response to that question?

Hon. Mr. Baetz: We are exploring this question with the federal government, as we are other matters relating to world prices on other energy commodities.

Mr. Cassidy: Supplementary: Denison Mines, which is being bid for, is also bidding; and is the minister aware that Denison has recently bid \$158 million to acquire a one-third interest in the Key Lake uranium deposits in Saskatchewan? Has the government attached any condition to the profits that Denison Mines will earn from its contract for Elliot Lake uranium with Ontario Hydro in order to ensure that those profits are reinvested in this province and not elsewhere in the world?

Hon. B. Stephenson: Elsewhere in the world? Saskatchewan is in another country, is it?

Hon. Mr. Rhodes: I thought Saskatchewan would be one place you would approve of.

Mr. S. Smith: The NDP wants a financial barrier to the rest of Canada so you can't take your dollars out of Ontario into Saskatchewan.

Hon. Mr. Baetz: I will take that question under advisement, Mr. Speaker. It's a ridiculous question to begin with, but I'll still take it under advisement.

Mr. Conway: Reuben, you left the NDP at the right time.

Interjections.

CAMPGROUND RATES

Mr. Cassidy: I have a question for the Treasurer: Since he is committed to improving tourism in Ontario, can the Treasurer explain how he justifies removing the provincial sales tax on tourist accommodation while, at the same time, allowing provincial campground rates in Ontario to increase by up to 75 per cent, thus putting them at a level which is not competitive with other neighbouring jurisdictions?

Hon. Mr. McKeough: Mr. Speaker, I don't accept the last part of that question, and perhaps the Minister of Natural Resources (Mr. F. S. Miller) might have something to say about it.

There is another competitive aspect: I don't think it's any secret that, in fact, we undercharge for services in our own camp-

grounds, thereby putting at a very serious competitive disadvantage those in the private sector who operate similar enterprises—

Mr. Laughren: That's really where it's at.

Hon. Mr. McKeough: —and whom we would very much like to encourage and, in fact, do encourage. By holding our own rates down, we make it very difficult for those in the private sector in the campground industry, of whom there are many who are doing well and making a significant contribution to this economy. I would doubt, however, that that would be a consideration the hon. member would take into account.

Mr. Cassidy: Supplementary: Is the minister aware, to take one neighbouring state, that in the state of Michigan they charge \$2, compared with the forthcoming \$5 charge in Ontario for an unserviced campsite—

Hon. Mr. Rhodes: No, no. That is not true.

Mr. Cassidy: —and that they charge \$5, compared with a forthcoming \$7 in this province, for a serviced campsite? Has the minister determined what effect differentials like those will have on tourism by campers in Ontario?

An hon. member: Why don't you move to Michigan?

Mr. Martel: You go to the Bahamas.

Mr. Deans: Why don't you camp in Ontario?

Hon. Mr. McKeough: I would suggest that the leader of the third party put that question to the Minister of Natural Resources, but I indicate again what I said before: We are also interested in fair competition with those in the private sector within Ontario and we aim to maintain our respect for fair competition with them.

Mr. Deans: That's what drove the price of housing up. That exact same policy drove the price of land up in Ontario.

Mr. Samis: Supplementary: Could the Treasurer tell us, in view of reports in the Ottawa press on the weekend that certain operators in the Ottawa region were not passing on the reduction, whether he is doing any follow-up to see that the tourists in Ontario get the benefits of that seven per cent removal?

Hon. Mr. McKeough: I'm not aware of such reports. I'll have a look at them.

Mr. S. Smith: What about when the minimum wage makes us non-competitive? What does the hon. member think of that?

Mr. Foulds: I think maybe you should go on minimum wage, Stuart.

Mr. Swart: Is the Treasurer not aware that the rates of the private camp operators usually follow those set by the provincial parks, and therefore there will likely be a very substantial increase in all of the rates, which will be a deterrent to the tourist industry? Would he be prepared to comment on this?

Hon. Mr. McKeough: My experience would be that it's the other way around.

WASTE DISPOSAL

Mr. G. I. Miller: I have a question for the Premier and I would like to direct it to the Premier, though part of the answer may have to come from the Minister of the Environment. Can the Premier inform me whether a decision has been reached by the Ministry of the Environment to establish a liquid industrial waste treatment facility in the city of Nanticoke in the region of Haldimand-Norfolk, and does he realize the extreme opposition to this proposed facility by residents of the area, to the extent that I have on my desk 1,200 signatures from people voicing their objections? With his permission, I would like to hand these petitions to the Premier today.

Hon. Mr. Davis: Mr. Speaker, if the hon. member is asking me a question as to whether or not I would accept the signatures that he is sending across during the question period, the answer to that is yes. I always made an effort to accommodate his constituents before he became a member, I do so while he is a member, and will at that point in time in the future when we will once again have representation from that particular great geographic area on this side of the House.

Mr. Kerrio: You don't have the addresses to prove it.

Mr. G. I. Miller: Mr. Speaker, after those kind of remarks, can the Premier give an answer to the first part of the question?

Hon. Mr. Davis: Mr. Speaker, I would suggest the first part of the question might be properly directed to the Minister of the Environment.

Mr. G. I. Miller: Mr. Speaker, can the Minister of the Environment advise me whether a decision has been made on the industrial waste site being advocated in the city of Nanticoke in the region of Haldimand-Norfolk?

Hon. Mr. McCague: Mr. Speaker, if the hon. member is asking if a decision has been made by the cabinet, maybe the Premier should have answered that, but I'll tell him no.

Mr. S. Smith: Pass the buck.

Mr. Warner: That was a short stay in the cabinet.

Mrs. Campbell: Obviously neither of them can answer it.

HIGHWAY 17

Mr. Wildman: I have a question of the Minister of Transportation and Communications. In view of the opposition of the band council of the Garden River reserve to MTC's plan to pave the shoulders of Highway 17 through the reserve, expressed to the minister at a meeting we both attended a few weeks ago, and the government's commitment to restraint in expenditures, does he intend to proceed with the contract without modification?

Hon. Mr. Snow: Yes, I intend to proceed with it, as I stated to the chief and the band council that day. I also agreed to take into consideration possible signing and other things that we might do to accommodate some of their concerns.

Mr. Wildman: Has the minister also considered the proposals made by the band council for indications of MTC's good faith and for the paving of only three feet on either side of the road, rather than the 10 feet stipulated in the contract?

Hon. Mr. Snow: No, Mr. Speaker, we don't feel that would be a suitable solution to the problem.

Mr. Nixon: You should have a four-lane highway up there.

MERCURY POLLUTION

Hon. Mr. McCague: The hon. member for Niagara Falls (Mr. Kerrio) asked me about the spill in the Niagara River last week. We are aware that the Olin Corporation did, indeed, discharge excessive quantities of mercury to the Niagara River but do not know of the specific quantity.

Immediately we became aware of the discharge, my staff contacted the New York State Department of Environmental Conservation to obtain details of the discharge. We found that the company had provided the state with false information concerning the concentrations and quantities discharged over a seven-year period. The company apparently made a voluntary disclosure of these activities.

The state is not aware of the actual amount discharged but considers the figure of 38 tons to be highly exaggerated and thinks the amount is closer to the company's revised figure of 5.17 tons but it is carrying out further investigations. Information which was provided to the state in the past and of

which we were aware through our discussions with the state indicated that the company was regularly in compliance with its permit.

The United States EPA is proceeding to prosecute the company and three former employees. New York state is obtaining additional data and was understandably quite reluctant to disclose further information because of the pending court action.

Notwithstanding this, I have written Mr. Peter Berie, commissioner of the department, to express my concern and obtain a full report of the situation. With regard to the hazard to human health, mercury discharge to the water course poses no direct threat. Any hazard to human health would be as a result of eating fish containing excessive amounts of mercury, and we are continuing to sample and monitor the fish.

Mr. Kerrio: I have a new question, Mr. Speaker.

Mr. Speaker: A new question? The hon. minister has the answer to another question.

Mr. B. Newman: I have a supplementary.

Mr. Deans: Why can't the minister answer them one at a time?

Mr. Speaker: The hon. member for Windsor-Walkerville.

Mr. B. Newman: Would the minister care to tell us just exactly the date on which he first found out that Olin Chemicals was dumping mercury and mercury contaminated compounds into the Niagara River?

Hon. Mr. McCague: Mr. Speaker, I personally found out about it the same day as the hon. member for Niagara Falls, who read it in the paper.

Mrs. Campbell: How does the minister know?

Mr. Speaker: The hon. minister has the answer to another question.

WASTE DISPOSAL

Hon. Mr. McCague: Mr. Speaker, the hon. member for Wentworth (Mr. Deans) asked a question on Friday.

The region of Wentworth is responsible for monitoring and controlling municipal and industrial waste being deposited into the upper Ottawa landfill site, and for sampling, testing, recording and controlling any leachate emanating from the site. My staff have also carried out leachate investigation and have instituted monitoring procedures to determine the effect of the landfill operations on Red Hill Creek.

The most recent inspection reports dated November 17 and November 22, 1977, of inspections conducted by ministry staff, are

being forwarded separately. These investigations have not demonstrated any detectable adverse effects on Red Hill Creek stemming from the disposal of industrial liquid wastes at the site. Any pollution from the industrial waste in Red Hill Creek would be mostly in the dissolved form and, therefore, it could be detected by normal sampling procedures even under high flow conditions. Concentrations, however, would be diluted in this case.

In discussions with the staff of the region, it was learned that they recently became aware of some industrial liquid waste being deposited into the site that appeared to be suitable for disposal by other means or that appeared to have an excessive concentration of some metals. It is understood that the region, as a matter of prudence, took prompt action to ban access of these materials to the site until a more thorough investigation could be carried out.

The follow-up investigations revealed that some liquids can, in fact, be disposed of more efficiently by other means. However, the metals detected in the sampling program were in the solid form similar to the metal on tin cans and thus would not gain access to Red Hill Creek. It is stressed that the action taken by the region was a precautionary measure and not a result of any detrimental effects being found in Red Hill Creek.

It may also be worth noting that the Ottawa Street site has been used for approximately 20 years by the city of Hamilton. The amounts of deposited industrial waste in liquid form have been recently dramatically decreased by the introduction of the solidification program and by the recycling of oil recovered from the waste.

Mr. Speaker: The hon. provincial Treasurer has the answer to a question asked previously.

Mr. Foulds: That will be a switch.

FIRST MINISTERS' CONFERENCE

Hon. Mr. McKeough: Mr. Speaker, on March 30, the Leader of the Opposition requested that I provide him with information regarding the package of materials distributed by the government entitled, "Ontario at the Conference of First Ministers on the Economy."

The package, sir, was mailed to about 90,000 Ontarians across the province. Another 2,000 copies have been made available to the government book store to respond to public requests for this material. It is available in either English or French. The total cost of this distribution was \$154,000—

Mr. Bolan: What? Shame!

Hon. Mr. McKeough: —including printing, postage and handling. A sample of the groups across the province which received the material are insurance companies, credit union managers, real estate brokers, doctors, lawyers, manufacturers and union executives.

Mr. Conway: What, no plumbers?

Hon. Mr. McKeough: For this last group, the Ontario Federation of Labour was kind enough to make available to us its current mailing list, as did several other organizations.

Mr. Bolan: What about the unemployed?

Hon. Mr. McKeough: The purpose of this broad distribution was clearly set out in the letter from the Premier (Mr. Davis) which accompanied this material, to provide as many citizens as possible with an opportunity to comment on the Ontario proposal to the conference and the conclusions reached by the first ministers.

An hon. member: Why didn't you run an ad?

Mr. S. Smith: Some of them could read the newspapers.

Hon. Mr. McKeough: I'm sure the members opposite would agree the Ontario proposals played an important part in the conference and deserve a more detailed consideration by the people of the province.

Mr. Peterson: Don't assume anything like that. Don't insult us.

Mr. S. Smith: At a cost of \$154,000?

Hon. Mr. McKeough: Second, the English-language media coverage of the conference was far from complete. Neither English-language television network provided full, live coverage.

Mr. S. Smith: That's pure propaganda.

Hon. Mr. McKeough: Third, the process of devising a medium-term economic strategy for Canada is a continuing one.

Mr. Wildman: How much time does the minister want?

Mr. Conway: Only Gallup polls are more expensive.

[2:30]

Hon. Mr. McKeough: In my view, the first ministers made a positive beginning in February, and they intend to meet again in November; in these circumstances, consulting with the people of Ontario on their number one concern—job creation and economic development—is, to my way of thinking, just plain good common sense.

Mr. Martel: Too bad it wouldn't be the government's.

Mr. Samis: Then came the budget.

Mr. Martel: What in the budget created a job? What jobs did the Treasurer create? He has such concern.

GREENHOUSE INDUSTRY

Hon. Mr. Maeck: Mr. Speaker, I have a response to a question by the member for Kent-Elgin (Mr. McGuigan) last Friday who asked if it would be possible, in view of this government's interest in energy conservation, to eliminate the retail sales tax on thermal blankets for greenhouses. In the past, those greenhouse operators who produced food were entitled to exemption on thermal blankets for greenhouses as farm equipment while those who produced flowers were not entitled to the exemption.

Mr. Speaker: I am pleased to inform the House that we are in the process of preparing a change in the regulation dealing with farming which will include all greenhouse operators under the definition of "farming." Consequently, effective March 8 of this year, which was the date of the budget, all greenhouse operators will be entitled to exemption on their purchases of thermal blankets for greenhouses.

Mr. Reed: Since the minister has taken the initiative and demonstrated his interest in energy conservation, I wonder if he would now extend the tax exemption to stove pipes?

Mr. Speaker: That's not really supplementary. The hon. member for Niagara Falls.

AUTO PACT

Mr. Kerrio: Thank you, Mr. Speaker; I have a question of the Premier. In answer to a supplementary question on March 3, regarding subsidization of the big three, the Premier made some comments that I think were valid, and I just wondered if he has decided on a particular policy as it relates to incentives to the big three to locate in Ontario?

Hon. Mr. Davis: Mr. Speaker, I am delighted to know the hon. member recognizes the validity of everything I say.

Mrs. Campbell: Oh, no; that's not what he said.

Hon. Mr. Davis: Oh, didn't he say that?

Mr. Ruston: Not quite.

Hon. Mr. Davis: I thought that's what he meant.

Mr. Speaker: just to add to this discussion, I did communicate to the Prime Minister my

concern about this province or any province getting into, shall we say a bidding war in terms of location of major capital plants of this or any other nature. I reminded the Prime Minister of our discussions at the first ministers' conference related to the auto pact and the automotive industry, and pointed out that I was concerned about the principle of having to get into this type of situation with those particular corporations. At the same time, Mr. Speaker, we are keeping something of an open mind, because we want this kind of investment within the province, but we would much prefer to have it done in the spirit of the auto pact rather than by having some major capital appropriation made to any of the big four. The Minister of Industry and Tourism (Mr. Rhodes) has commented on this as well as the Treasurer and myself.

There's no question that some states of the union, and perhaps, sister provinces, are taking a somewhat different approach. This is one reason we are meeting with the auto companies again in the next few days, and we will continue to keep a very close eye on it. I do emphasize that we are reluctant to get into a situation where we have large scale capital funding in order to attract an industry that under the spirit of the Act should be locating here in any event.

Mr. Kerrio: Supplementary, Mr. Speaker. I wonder, then, if a survey has been made of production capacity in automobile making and parts, and to what degree do the auto manufacturers really owe us a future in the manufacturing of autos and parts in Canada, and in the province of Ontario specifically?

Hon. Mr. Davis: Obviously, we have a particular interest in the province of Ontario. I must confess I am not sure that the auto pact specifies the province of Ontario. I think it refers to Canada, and so it is difficult for me to comment other than as it relates to our own province. Obviously, we would like to see the bulk of this investment take place in our own province, but I don't think the auto pact precludes the possibility of some of it taking place in our sister provinces, and I am sure the hon. member wouldn't want to preclude the possibility of that happening on occasion, knowing the very fair-minded type of person he is.

In terms of what is presently going on, we are discussing not just the existing figures but the publicly stated figures of the industry as to their tentative plans over the next several years. It is very difficult to develop figures that are based on possible investment. I can get figures for the hon. member

relating to the state of the auto pact, say in 1977; I don't think we can get them for 1978 yet. We are really talking about future investment at this precise moment.

Mr. Makarchuk: Supplementary: In view of the fact that the Premier has written letters regarding the auto pact to the federal minister who is supposed to be in charge, can he indicate at this time whether he has received a reply, whether he intends to get a reply or whether he has given up hope of getting any kind of reply from the federal government?

Mr. Wornton: Where there's life there's hope.

Mr. Makarchuk: I'm not sure there's life.

Hon. Mr. Davis: I always live in hope.

Mr. Cooke: Supplementary: When the Premier is meeting with the executives from the big four, what approach does he plan on taking with these people? Does he have any proposals to give to them in order to encourage Chrysler in particular to keep the 750 jobs at the truck plant in Windsor? What approach does the Premier plan on taking with these people, or is it just an information meeting?

Hon. Mr. Davis: I can assure the hon. member we will certainly make it very clear to Chrysler that we are concerned about not only the maintenance of existing employment, but the potential in terms of whatever future investment they may be contemplating as a corporation. We will be dealing with both.

HOSPITAL BUDGETS

Mr. Breaugh: I have a question for the Minister of Health. It is a little difficult to find hospitals with expansions going on, but I did find two, and I have a question relating to both of them. The Peel Memorial Hospital, which is well-represented in this Legislature, and the Charlotte Eleanor Englehart Hospital, also well-represented in this Legislature, both have expansion programs on for this current year.

Hon. B. Stephenson: What's the second one?

Mr. Breaugh: It's the Charlotte Eleanor Englehart Hospital in Petrolia.

Mr. Nixon: Where's Petrolia? Is that Lambton riding?

Mr. Breaugh: It's in Lambton. In the case of these two hospitals which have expansionary programs and yet at the same time are trying to live with the ministry's budget operating restrictions, will we see the phenomenon this year of hospitals closing beds

in one ward while they open up new beds in new additions?

Mrs. Campbell: Again.

Hon. Mr. Timbrell: First of all, I want to agree with the comments about the quality of representation in the two ridings concerned; I think we all agree with that in all parties.

Mr. Wildman: They will have to increase the size of the beds.

Hon. Mr. Timbrell: Let the record show I paused to let the applause to that die down.

Mr. Foulds: Let the record show there was a short pause.

Hon. Mr. Timbrell: I am sure members will find in a number of parts of the province that the uses to which certain beds are put will change during the year. They will see in some cases active treatment beds become chronic care beds and they will perhaps see obstetrical beds become medical-surgical beds and that sort of thing. I don't carry around in my head the facts and figures to do with all of the almost 250 hospitals—who is doing what and who has got new programs and in what ward.

Mr. Lewis: Why not?

Mrs. Campbell: Just for Tory ridings.

Hon. Mr. Timbrell: Certainly, in the case of Peel Memorial they have been given the go-ahead to proceed with an additional 60 beds. Their architects are working on it now. There are a number of projects like that around the province. There are also as many or more projects involving the rationalization of existing facilities to make sure they are put to the most effective and economic use. As I stated, with almost 250 hospitals I can't carry all the figures around in my head.

Mr. Deans: You are speaking too quickly again.

Hon. Mr. Timbrell: If the member would like me to find out for him from the area planning co-ordinators what these two particular hospitals are doing vis-à-vis their budgets for this year, I will certainly be glad to get that information for him; or it could be that if he wanted he could get it directly from the hospitals himself.

Mr. Breaugh: Supplementary: The question was not related to rationalization of bed use. I want to know will we see the phenomenon of certain wards in hospitals being closed and those beds not used at all, while we have expansion and new beds provided in other parts of the same hospital?

Hon. Mr. Timbrell: It could happen; for instance, if a hospital is opening up a day-surgery unit and a traditional ward was closed

down and something near the emergency area or the operating theatres was opened for this purpose, that's possible. Every hospital, of course is different. The layouts are different and sometimes in order to make the most effective use of the facility it means closing down one area and opening up another. But—

Mr. Warner: That's not good practice, Dennis.

Hon. Mr. Timbrell: It is good practice.

EDUCATION FUNDING

Mr. Bradley: My question is for the Minister of Education, Mr. Speaker. In view of the policy of the Ministry of Community and Social Services to phase out training schools and to integrate the children from them into the various communities across the province, would the minister indicate to the House what special provision for funding he has made to various boards of education so that they can accommodate the needs of these children? I think we can assume such funding would be over and above what one would expect from the children who are in the present schools in terms of special education, special training for teachers and special programs.

Hon. Mr. Wells: Mr. Speaker, under the Education Act and the general legislative grant regulations, the province pays for these services to children, such as the hon. member has indicated, that are provided by local boards. There's a special arrangement and special payment for services provided to students from those homes or community facilities going into the local schools. There is also provision for the local school boards to provide educational services to teachers and supplies into various community institutions that happen to be in their jurisdiction.

Mr. Bradley: Supplementary: Could the minister indicate to the House in general terms—I recognize he wouldn't have specific figures—how the various boards of education have been responding to this particular policy? Has he received further representation from boards or from organizations representing those boards as to the need for further funding in this area?

Hon. Mr. Wells: I'm not aware that anybody is in the need of further funding. It's my recollection that the provisions we have provide for close to 100 per cent payment by the province for services in this area; either for the students attending the school in a local board jurisdiction where they don't have taxpaying parents, or for the services provided in an institution.

I do know there is concern in certain parts of the province that too many of these facilities will be in their particular jurisdiction. Some of the boards and some of the directors have spoken to me about this concern and whether they will be able to provide all the services that would be necessary if a whole host of community facilities suddenly ended up in their board's jurisdiction. We're working with them on that.

Mr. Nixon: Supplementary: When the minister was consulting with the directors of education and some of the boards about this change in policy, did any of them bring to his attention their concern that many of the young people have behavioural problems that are treated better in separate settings? Was he told they anticipate, unfortunately, some problems in the general classroom setting when these young people move into that setting?

Hon. Mr. Wells: I think it's fair to say that it's easy to generalize in this area. There's a great tendency today to believe that regularization—putting everyone in a regular classroom setting—is the best answer and that's the way we should be moving in every case; of course that really isn't so. Each individual child must be looked at, and in some cases provision of a program in a regular classroom will present a problem. That concern has been expressed to me.

But on the other hand, for a long time we've felt that the only way to treat a lot of people was to create special facilities and special classes and keep them away from the regular school program and the regular school stream. We're now trying to hit a middle course that provides regular programs for those that can take those programs, but not forgetting there will always be some students who will need some specialized form of facility or class.

ENERGY CONSERVATION

Mr. Deans: I have a question of the Minister of Energy. Did he read the report in which Mr. R. J. Toombs was quoted as saying there might have to be oil and energy rationing in Canada by the year 1982?

Hon. Mr. Baetz: Yes, Mr. Speaker.
[2:45]

Mr. Deans: He did; good.

Mrs. Campbell: Did the minister read Alexander Graham Bell on the same subject?

Mr. Deans: I'm sorry, what was that? I know it must have been important.

Mrs. Campbell: I asked if the minister read Alexander Graham Bell on the same subject.

Mr. Deans: Did the minister read Alexander Graham Bell on the same subject? No; okay. I just wanted the minister to answer and save a supplementary.

Mr. Martel: He can't read.

Mr. Deans: Given the nature of that report and the problems that that obviously brings to mind, has the minister given any thought to whether Ontario might make representation to the energy board with regard to the continued sale of natural gas out of the country in very large quantities, and the fact that in many instances the use of natural gas and the use of oil is interchangeable, so we could in fact make some rationalization and change?

Does the minister think it appropriate that we continue to sell natural gas? Today's report is of another 250 million cubic feet daily to be sold, that is another 250 million cubic feet to add to God knows how many other millions of cubic feet we sell. Is the minister prepared to make some representation with regard to energy conservation at that level; keeping it here in Canada for our use and rationalizing the uses to which it can be put?

An hon. member: Dog in the manger.

Mr. Deans: Dog in the manger nothing.

Mr. Kerrio: The minister didn't even do that with uranium.

Hon. Mr. Baetz: Certainly this whole very complicated question of energy supply—and how much we require domestically, and how much we should sell to other countries—is, as the hon. member opposite has implied, a very complicated and complex question.

Mr. Haggerty: What is the minister doing about it?

Hon. Mr. Baetz: And it certainly needs to be constantly reviewed.

Mr. S. Smith: That's Joe Clark's policy

Hon. Mr. Baetz: In this particular report that the member has cited, I would have to question some of the statements, some of the assumptions, some of the conclusions that have been reached by that author, because I suspect some of it is based on conjecture more than on fact.

In other aspects of the report, it may well be that he is operating on a very solid basis, but certainly at this given point in history it remains very difficult to know really how much reserves we have in natural gas for our own purposes and how much we can sell.

Mr. Foulds: How about this given point in time?

Hon. Mr. Baetz: We don't know how much natural gas may be available if we were to

embark on a Polar Gas pipeline proposition. There are people who are saying now that in fact the Americans don't need all the natural gas we probably would be selling via northern pipelines. There are all kinds of questions and conjectures and everything else in this field.

Mr. Peterson: Tell us what you do know, Reuben.

Hon. Mr. Baetz: I can only promise members opposite that the whole area is something we will be actively considering and following as part of our energy policy.

Mr. Warner: We should export you.

Mr. Deans: Supplementary question: Since the minister doesn't know—

An hon. member: Do you?

Mr. Deans: I don't know either; but since the minister doesn't know, and since it is becoming increasingly more apparent that we are not going to have a sufficient amount of oil-based products to meet our needs in the future, doesn't it make sense that wherever possible we should attempt the transition from the oil base to the natural gas base, and that we should attempt to utilize the product that is in fact here in Canada; and that we should stop selling it off until we do know?

Mr. Conway: Aren't you glad you left the CCF, Reuben?

Hon. Mr. Baetz: I would certainly agree with that observation and I thought I would include the energy of electrical power in that as well, because that is something we can produce at home without having to import it if we use uranium as we are doing. But I think the hon. member opposite also knows that while you can replace some oil with natural gas for certain purposes, you cannot do it for every purpose.

Mr. Deans: That's all I am saying, I didn't say you could.

Hon. Mr. Baetz: We have not yet invented the automobile that can use natural gas; at least as far as I know.

Mr. Reed: Oh yes we have.

OMA-OHIP FEE SCHEDULES

Mr. Conway: Mr. Speaker, my question is of the Minister of Health and deals with the negotiations in the matter of the OHIP-OMA fee relationship. Can the minister assure this House, following upon his answers on Friday, that the result of those negotiations will in no way alter the universality of our Ontario health insurance program and that whatever is decided upon by the government and the Ontario Medical Association will respect that

portion of the Medical Care Act of Canada which says that "it must be based on a provision for reasonable compensation for insured services rendered by the medical practitioner and does not impede or preclude, either directly or indirectly, whether by charges made to insured persons or otherwise, reasonable access to insured services by insured persons?"

Can the minister assure this House that that provision of the Medical Care Act Canada will be respected and that the universality of the Ontario health insurance scheme will in no way be altered by the present negotiations?

Mr. Speaker: It seems to me that question has already been asked and answered.

Mr. Foulds: No, it has not been answered.

Interjections.

Mr. Conway: It was indeed asked by my leader of the Premier, but I think it is sufficiently important that it should be redirected to the Minister of Health since it is a matter of what I determine to be urgent public concern.

Mr. S. Smith: The Premier didn't answer the question.

Mr. Nixon: He passed the buck.

Hon. Mr. Timbrell: I really can't add very much to what the Premier said earlier.

Mr. Makarchuk: You are adding nothing to nothing.

Mr. Nixon: He didn't say anything.

Mr. Conway: Can the Minister of Health assure this House that what the Treasurer stated in his budget of March 7, 1978, where he pointed out, "that we as a government argued eloquently against deterrent fees, quite rightly pointing out that such a policy would deny access to our high quality of health care system—"

Mr. Speaker: That question has also already been asked and answered.

HOME RENEWAL PROGRAM

Ms. Bryden: I have a question of the Minister of Housing. In October, 1976, the Ontario home renewal program was extended to cover rental accommodation for low and middle-income groups and the usual housing-by-headlines press releases were issued extolling this program and promising an expenditure of \$2 million in the 1976-77 fiscal year and future payments based on the need established in that first year. I would like to ask the minister how much was actually spent on this program in 1976-77 and whether any expenditures were made in 1977-78 or are contemplated for this year, or is this an-

other housing program which the government is quietly phasing out?

Hon. Mr. Bennett: I have not got the exact sum of money that was spent in 1976-77, but I will be pleased to get that for the member. Let me assure her that this program and a great number of others in the field of housing are now being reviewed by the Ministry of Housing for the province of Ontario with the federal government and CMHC. I would hope that some time later this month there will be an announcement relating to national and provincial housing policies for the future.

Ms. Bryden: Supplementary: I take it if it is being reviewed that it may be being phased out. I would like to ask the minister how can he justify an allocation of only \$60,000 from the first year's \$2 million to the city of Toronto? That would cover only six units, if the maximum of \$10,000 was taken up. There has been no further allocation in the next fiscal year to the city. How can he justify that in the city of Toronto where the housing need is so great?

Hon. Mr. Bennett: I think the member should realize that it is upon application, not just the province deciding to hand it out wherever they think it should go. Municipalities apply for it, and the program is in place. As for phasing it out, I would not accept the remark that we are phasing it out this moment except to say that it is being reviewed in relation to other programs that are presently in place in Ontario and federally.

Mr. Warner: You should phase out the ministry.

Mr. Cassidy: Your reviews all mean phasing out.

TEACHERS' STRIKE

Mr. Sweeney: I have a question of the Minister of Education. Could I have his reaction to this headline:

Mr. Foulds: It will be unique.

Mr. Sweeney:—"Will Risk Failing of Pupils to Raise Quality of Education," referring to teachers in the Huron public school board?

Hon. Mr. Wells: I don't know that it is really proper for me to comment upon what goes through the mind of a headline writer for the Toronto Globe and Mail.

Mr. Wildman: Headline hunter.

Hon. Mr. Wells: I don't know what they're getting at. I read the story and it comments on the teachers' strike that's presently going on, in Huron county I believe. As my friend knows, the Education Relations Commission

and all concerned are working night and day to try and bring a successful conclusion to that very knotty problem.

Mr. Sweeney: Can the minister reconcile the decision by Mr. Owen Shime of the Education Relations Commission that he will not intervene, and the comments of the five secondary school principals who have warned both the teachers and the board that the education of 4,500 students is in jeopardy?

Mr. Ruston: Right; Shime won't do anything.

Hon. Mr. Wells: First let me say that I haven't talked to those principals nor received any communication that I have seen from them. But I would be very surprised if what they had said is exactly as was reported in that story. I think that Owen Shime and the members of the Education Relations Commission are very diligently carrying out their jobs. If they feel that the students' education is in jeopardy and that some action should be taken, they will recommend that action to the government.

UNIVERSITY HIRING PRACTICES

Mr. Martel: A question of the Minister of Colleges and Universities: In the material which he submitted to me concerning the hiring of Canadian faculty at our universities, can he indicate if the four universities still well below the 70 per cent in hiring Canadian staff have given him any reason as to why they can't reach the same level as the rest of the universities have in the province?

Hon. Mr. Parrott: I think in reply, Mr. Speaker, I would say to the hon. member that all of the university presidents are aware of my concern on this item. As a matter of fact, I think I've been quoted rather extensively as being hawkish on this. So to say that they're not aware would be anything but correct—and I'm not suggesting that the member said that. They have come to my office and indicated on a direct basis, one by one, why they were not able in this instance to hire faculty members other than the way they did. I don't think there's any doubt that they have made it their personal concern to look at these hirings and to do the very best they can. Those situations change year to year.

Mr. Martel: Supplementary: In view of the fact that the four in question are still hiring only in the vicinity of 50 per cent new faculty, which is less than the number they already employ, at that rate is the ministry not aware that they'll never reach a 70 per cent level because approximately half their hiring is non-Canadian?

Hon. Mr. Parrott: I think in that one instance the hon. members refers to this year was particularly low at the same institution—if we're thinking of the same one—and that last year was much better.

The presidents feel that it would be unfair to look at this on a yearly basis, and with that I agree. I think we have to give the policy that we have put in place—and which we have stated rather forcefully on occasions—a little more opportunity to become effective. We're monitoring this yearly and I would think that in the future, particularly given the conditions as they exist today in our faculties, the hon. member will see improvements each and every year. I think, for instance, the president of the University of Windsor has made that very clear and I think he would be the first to admit that was at our insistence.

TRAINING CENTRE STAFF

Mr. Worton: Mr. Speaker, I have a question of the Minister of Community and Social Services: Did the minister and the Minister of Correctional Services (Mr. Drea) have any input into assisting people who had been long-time employees of this ministry and the Ministry of Correctional Services in avoiding the moving of them from Glendale to Hillcrest or vice versa? This is causing considerable disruption and in some cases putting people out of work. Did ministry people talk to one another to see if they could assist in order to avoid one or two employees being unemployed after long-time service?

[3:00]

Hon. Mr. Norton: Mr. Speaker, not only have I had some discussions with the hon. Minister of Correctional Services but there was also a considerable amount of work done at the staff level to attempt to ensure that there would, first of all, be no loss of employment without our at least being able to present to the employees an alternative within either the adult corrections system or the juvenile corrections system.

In some instances, it became impossible, as I understand it, to ensure that it would not be necessary for some people to relocate. Given the fact that the facilities which were involved in the transfer were geographically reasonably close to each other, we had hoped the disruption would be minimized and that in some cases the relocation of an individual or a family would not be necessary, but commuting would be possible.

Mr. Worton: Supplementary: In this case, there was a gentleman in charge of stores at Glendale who is supposed to be taking a

position at Hillcrest and then there is a maintenance gentleman at Hillcrest who was supposed to be taken to Glendale. I understand that neither of these was given the opportunity by the ministries to discuss this. Both of them were satisfied where they were but now, through the disruption, one if not both of them are going to be without positions.

Hon. Mr. Norton: Mr. Speaker, I do recall the hon. member bringing to my attention one of those individual cases and my following it up with staff in an effort to try to ensure that the individual would not be without employment as a result of the changes. I was not specifically aware of the other. If the hon. member would bring those two cases to my attention, I would be pleased to see if we could resolve them with the Ministry of Correctional Services.

TEACHERS' STRIKE

Mr. Yakabuski: Mr. Speaker, I have a question for the Minister of Education. Because of the concern demonstrated by both parents and students alike with regard to, first, the teachers' withdrawal of certain services in the high schools of Renfrew county and then the lock-out of these teachers by the boards, can the minister advise the House what new developments or what progress has been made by the negotiator from the ERC in the last few days?

Hon. Mr. Wells: Mr. Speaker, all I can tell my friend is that Tom O'Connor, who I believe is the mediator in that particular situation, is still working on it and is available, and he and the Education Relations Commission are attempting to, as I said earlier, arrive at a satisfactory settlement in the dispute.

Mr. Yakabuski: Supplementary: Does the ministry plan or contemplate any changes or amendments to Bill 100 whereby the kind of work to rule that is carried out in Renfrew county high schools could be better defined? If it had been, it would not have resulted in the lock-out we are faced with now.

Hon. Mr. Wells: No, Mr. Speaker.

MOTION

HANSARD COVERAGE

Hon. Mr. Welch moved that the proceedings of the standing social development committee, when considering the annual report of the Ministry of Health, be recorded, transcribed and printed by Hansard in the format of the daily House Hansard.

Motion agreed to.

ORDERS OF THE DAY

ESTIMATES, MINISTRY OF GOVERNMENT SERVICES

House in committee of supply.

Mr. Chairman: The hon. minister.

(Applause.)

Hon. Mr. Henderson: Thank you, Mr. Chairman.

Mr. McClellan: Could the minister tell us what he does?

Hon. Mr. Henderson: I consider it a great honour today to be chosen for the first estimates to come before this House. As you know, it was 10 weeks ago last Saturday, at 3 o'clock in the afternoon, when I assumed my responsibilities as Minister of Government Services.

Before proceeding with the discussion, and the various votes and items, I would like to make a few brief remarks concerning the Ministry of Government Services.

Mr. Chairman: Order, please.

Hon. Mr. Henderson: The operations of the ministry are grouped into three major programs: service of accommodation; supply and services; and management and information.

1. The accommodation program has the responsibility for the provision and maintenance of accommodation for the ministries and agencies of the government.

2. The supply and services program involves the provisions of a wide variety of centralized services and facilities to achieve efficiency and economy in the supply of purchases, goods and services, as well as certain commonly used government support services.

3. Management and information services is responsible for the provision of information systems design and computer programming and management consulting services.

The report recently tabled in the design and construction program, 1978-79, outlines the accommodation projects completed and those planned for this year. In addition, the ministry's annual report, 1976-77, provides information on the achievement of all ministry programs.

My ministry is very mindful of the importance of ensuring fair competition and economy in the award of government contracts. This is accomplished through publicly advertised tenders and the award of contracts on the basis of the lowest acceptable and responsible tender. Complete information on tenders and contracts awarded are published each year in the ministry's annual report.

I will conclude these brief remarks by saying that the 1978-79 estimates of the Minis-

try of Government Services are within the target established by the government and in accordance with the government program of expenditure restraint. I will be pleased to answer questions concerning the estimates of my ministry.

Mr. Ruston: I am sure we'd all like to congratulate the minister on his appointment to Government Services, having been in the cabinet for a year or so before that as Minister without Portfolio. We're glad that he has been assigned a particular position, although I'm sure that this minister was always able to find things to do, even if it was opening up new buildings in western Ontario with whomever was building them, or opening up new highways, or whatever there was.

I would suppose, as Minister of Government Services, being the real politician that he is from way back—he's not that old, I don't mean that—

Mr. Foulds: Yes he is.

Mr. Ruston: I guess we call them the pork barrel politicians, Mr. Chairman, where, if the government was building any new buildings or new bridges this minister would be there.

It seems too bad that they're cutting down his total budget from previous years because that isn't going to give him the opportunity that he likes. He does very well, I must say. He attended the opening of a street reconstruction in the town of Essex and presented the mayor and myself with a new tie that day. I think I still have it, Mr. Chairman.

Mr. Samis: Is he left-handed or right-handed?

Mr. Ruston: However, that is one of the things in politics that people accept to a great extent since they like to have the minister down into their community, but it does bother me somewhat that we are cutting back when we have an unemployment rate of more than seven per cent in the province; and in some areas it is much higher.

At one time the government was supposed to be in the building business when times were kind of tough and we had high unemployment. I can recall the former leader of our party, five or so years ago, saying to the Treasurer and the then Minister of Government Services that when times were booming and there was very low unemployment, the government should not be constructing buildings for the future—any new courthouses and things like that—if they could possibly get along without them, because it's really government's place sometimes to kind of pump-prime, and when we have high unemploy-

ment that's when they should build the buildings they will be using for the next 25 or 50 years. So it's of some concern to me that we see the budget cut down at this time.

One of the new methods the government is using for buildings is the lease-back proposition, where the contractor signs a lease with the government for 20 or 25 years, and at the end of that period the government owns the building and the contractor is then out of the picture. This is easy financing, I suppose, and the government doesn't really have to get involved. A contractor can go to a bank or another lending institution and, if he has a 25-year lease on a building, I am sure he can go into the bank and walk out with most of the money to build that building and not have to supply too much of his own, because a guaranteed lease with the government is certainly good collateral.

While that's another system the government has been using over the past few years, I believe I questioned a year or two ago in the estimates—and there is some difference of opinion—as to whether that's the most economical way to provide government buildings. It certainly avoids the government getting into capital debt and having to borrow the money to build, and it leaves the private sector to furnish the money. So it has that advantage. But at the end of the 20 or 25 years most buildings need a certain amount of rebuilding, and of course the government would be involved in that and it could run into a fair expenditure after 25 years. There are, as I say, some different thoughts on that and when we get into each individual vote, I would like to get into a little more detail and see whether the minister and his officials have any figures as to how that does work out as to cost.

One of the other matters I will be bringing up under the proper vote is the matter of the Burwash centre, south of Sudbury. I understand that some of it has been sold to the federal government for about \$350,000 but that there is a great land mass there yet that the province still owns. You will recall there was a considerable sum of money spent in 1974 and 1975 to reconstruct that edifice and the surrounding buildings, and then it was closed. We are concerned with what might be done there to make it into some kind of an area where we can get some employment and whether it can be used for some form of an industrial area or whatever. It certainly is something we have to look at, because there is an awful big acreage there and I don't think the province is making enough use of it now, considering the cost

of maintaining it. That's something we will be bringing up a little later.

As far as the total estimates are concerned, I don't think it's necessary to engage in diatribe or to make a long speech on the Ministry of Government Services. It's something that's more or less a caretaking job. I guess that's what you would call the minister—a caretaker of the public buildings in the province of Ontario to see that they are maintained properly. We have some things we want to bring up under the proper vote on employment of contract help in maintaining the buildings. Members' services and the members' share of this particular building, I am sure will be brought up under a later vote—probably by the member for St. George (Mrs. Campbell) and other members of the committee that deals with that. I don't think I will speak any longer on that.

I will be looking forward to getting into some details of the estimates as we go along, and let it go at that now.

[3:15]

Mr. Davidson: I would be remiss if I did not, in my opening remarks, offer congratulations to the member for Lambton on his appointment to the position of Minister of Government Services. I do so not only on behalf of myself but also on behalf of my colleagues in the New Democratic Party caucus. I would suggest that in this case the appointment is particularly long overdue, given the minister's true and faithful service to his political party over the years. Be that as it may, we wish him well in his new role, knowing full well the limitations of decision allowed a minister, other than a few, under the present government.

I, too, am new in the role of critic for this ministry, having been the critic for Correctional Services prior to this time. During that period, I also found myself working with a new minister; and although we did not always agree, we found we could work well together. I am confident that this will also be the case with you.

I was a little envious there; the member for Essex North referred to receiving a tie. I've never had that pleasure, but maybe one day the minister can accommodate me with a tie.

Hon. Mr. Henderson: We'll see.

Mr. Davidson: It's been some five months now since discussion of the 1977-78 estimates for this ministry took place. At that time our previous critic, the member for Hamilton Mountain (Mr. Charlton), raised a number of important items during the debate. We will, of course, be following these through as we

go over the normal procedure of voting on the various programs of your ministry. But perhaps by reviewing them now you will be able to have the necessary material available at that time.

Of particular interest and concern was the area of capital construction, the tendering processes carried out in that program, and any follow-up the ministry may or may not do regarding construction projects. Through the member for Hamilton Mountain, we specifically raised the problem of the number of suppliers and contractors who were having difficulty with a company called Embassy Management Limited, and the details relating to these matters can be found on pages G-230 to G-232, Volume 1 of the Legislature of Ontario Debates, 1977.

On page G-232, the then minister, the Hon. Mr. McCague, acknowledged that there was a problem. If I may, I would like to quote his statement, in which he said the following: "The problem of Embassy Management Limited is not an easy one. We are aware there have been some doubtful practices. I personally have not signed a contract with Embassy Management since I became minister. I would be very hesitant to do so, in view of what has come to light in the last few weeks. But I really don't know under what authority I could refuse to sign a contract if they were low bidder."

We would like to know if in fact the problems with Embassy Management Limited, or Lamco Services Limited, which is a sister company, have been corrected. Have all of the moneys owed to those people listed by my colleague for Hamilton Mountain been paid in full? We would also like to know if the ministry has applied any pressure on Embassy Management to settle these matters out of court; and if not why not?

It would also be of interest to us to find out whether or not the ministry has had any further dealings with Embassy Management or Lamco Services Company, given the statement of the previous minister. Surely on its record this company does not deserve to be given any government business at all. There are, no doubt, other companies which conduct business in a similar manner, and it is our opinion that any such companies should simply be rejected in any bid or tender.

Another item raised in the last debate was put forward by the member for Grey (Mr. McKessock). It is also an area of interest to us; that is the number of acres of land owned by the government throughout Ontario. This is something which both opposition parties have been attempting to find out for a long

period of time. While we recognize the difficulties faced by the ministry in getting this all put on computer, we have been told it can be accomplished in six months. Since, as pointed out previously, the estimates took place some five months ago, and since the original question had been raised quite some time prior to that, can the minister tell us if this program has been completed? If not, why the delay? And if completed, can he provide us with the figures requested?

Another area of concern to those of us in the New Democratic Party is the tardiness with which this government is carrying out the proposal to decentralize services in the province. We, like others, were pleased with the announcement that the Ministry of Revenue would be moving its head office to the Oshawa area, but the program appears to have been stalled there. We have heard nothing further regarding the decision of other ministries moving out of the Toronto area. Yet by their very nature there are those that should not, in fact, be located in Toronto.

Take, for example, the Ministry of Northern Affairs. Here we have a ministry designed specifically to provide much-needed services to the people of northern Ontario, and where do we find it located? Why in Toronto, of course, as far away from the needs of those requiring the service as one can be without swimming across Lake Ontario. It only makes sense, Mr. Minister, that this particular ministry be located somewhere in northern Ontario—

Hon. Mr. Rhodes: Sault Ste. Marie, right on.

Mr. Martel: Come on, John.

Mr. Davidson: —for example Sudbury, where there is a need for employment—for the convenience of the people using the services; perhaps you can tell us if there is any move in that direction.

It is also difficult for us to comprehend the necessity of maintaining the Ministry of Natural Resources in the Toronto area. Here again we have a ministry which by its very nature could be and should be located outside the city of Toronto, and again we request any information you may be able to give us regarding any contemplated move.

There are others, of course, which should be looking outside of Toronto in an effort to provide a better service to the people of Ontario. If you have any information on this subject we would be pleased to be made aware of it. We will also be raising with you questions relating to the future use of property now under control of your ministry. As

an example, we will refer to the buildings and property which were once a part of the Grandview School located in Cambridge.

As you are no doubt aware, the Ministry of Correctional Services has used a small portion of this property to create the new region of Waterloo jail. The Minister of Correctional Services (Mr. Drea) has said on many occasions that he has no further use for any more of that property, or for that matter the buildings remaining on the property. I note, however, that under your design and construction program 1978-79, page 31, you have listed for Cambridge an adult training centre, which of course falls under the Ministry of Correctional Services. Prior to raising any questions regarding this, I should perhaps make you aware of the recent history of the Grandview School.

Back in the 1940s the school was a training school for young men—or boys, as your government saw fit to call them. It served its purpose well in that capacity and the community was aware of its existence. Later it was transformed into a training school for young women and existed as such until 1976, when it was phased out as a school. A portion of the property was maintained by Correctional Services, and the balance of the property turned over to Government Services.

Prior to this taking place, the Ministry of Correctional Services had spent in excess of \$100,000 for renovations to buildings on the property. Those renovations included renovating the washroom areas, the showers, the living quarters, the lounges, the entranceways to the property and all that. In addition to this, sometime during the early part of 1972 or 1973 they installed an outdoor swimming pool which cost in excess of \$35,000; and they made renovations to the arena, built a lounge area onto the arena, developed soccer fields, softball diamonds, et cetera, which cost an additional amount of over \$100,000. Then they turned around and phased out the property.

The reason for doing this was that Grandview was to become a co-educational facility—these are the reasons for the renovations—

Mr. Laughren: It is called Tory mismanagement, that's what it is called, Lorne.

Hon. Mr. Henderson: You don't believe that.

Mr. Davidson: —which would house both young men and women, but as you are aware, your government changed its policy and Grandview now sits empty, unused—other than Churchill House, which is now the jail—and under the control of your ministry. It is my understanding that the estimated value

of the remaining buildings and property is somewhere in the neighbourhood of \$4 million to \$5 million, but there it sits, unused and costing the taxpayers of this province, in addition to the renovation costs, a substantial amount of money in maintenance fees.

Though on a smaller scale, it almost reminds one of the situation at Burwash, where the government saw fit to spend countless millions of dollars on a refurbishing project, only to later close down an institution that was functioning and serving its purpose.

I may point out to you that when I say around \$4 million, the renovations that took place in Burwash were the building of a gymnasium and the building of single male quarters. Aluminum sidings and windows were put onto the houses. They repaired the interiors of existing homes. There were road improvements, transformer improvements and cell renovations. That total came to somewhere around \$4 million.

Here again we have a property of somewhere in the neighbourhood of 35,000 acres, if I am not mistaken, on which many buildings are located, sitting idle because of the policies of this government. While we are aware that the federal government has purchased a small portion of this property for its use, we would like to know what is to happen with the rest of it? During last fall's debates we were told by the then minister (Mr. McCague) that the ministry was looking at the optimum use of the property and that the process was under way at that time. I am also given to understand that you have met with the mayor and a delegation from Cambridge regarding the Grandview property.

We will be questioning you regarding these matters during the appropriate votes. Some of the information we would like to have available would be as follows: How many other properties such as Burwash and Grandview are under the control of your ministry? What, if any, decisions are being made with regard to the two properties mentioned? What is the estimated yearly cost for maintenance of the two properties? And do you not as the new minister and a member of this chamber, have a total disregard for any government which would spend millions of dollars of the taxpayers' money for renovation purposes, only to close down the buildings, render the property useless and allow it to sit there unused for a number of years? Surely this could only happen in the province of Ontario.

In closing, I would like to point out to the minister that the concerns we have raised are not the only ones we intend to deal with. It is our intention to go through these estimates

with a fine-tooth comb, we reserve the right to raise many questions under the appropriate vote. These will include questions relating to wages, benefits, working conditions, et cetera, of those persons both within the ministry and those working under contract to your ministry. We will also be discussing the money spent on protocol services, and more important hospitality services provided by your government. We look forward to an interesting discussion during the debate.

Mr. Foulds: A fine opening statement.

Mr. Chairman: Before calling for discussion on item 1, would the minister wish to reply?

Hon. Mr. Henderson: Yes. In reply to the hon. member for Essex North, I would have to say that his remarks are well taken. I have always enjoyed my visits to his area of the province. I like to think it is one of the greatest areas of this province. Just to cross over to my opponent, with your consent, Mr. Chairman, I would be glad to give my tie to the hon. member for Cambridge.

Mr. Reed: Has it got any soup on it?

Hon. Mr. Rhodes: It has got lunch on it.

Hon. Mr. Henderson: But if he would wait, I might have a different one that I can present in the upcoming days.

Burwash will certainly be a subject that will be discussed later. The hon. member for Cambridge mentioned Embassy Management. I have not had the best of relationships with Embassy Management. There has been no contract signed with them since I became minister. I would agree with all of your comments respecting them.

Respecting the buildings and the spare space around and within Cambridge, I met with the mayor and officials, and I believe the city manager. I would only answer you to the effect that when we do have government property such as this as surplus property we do circulate it among all ministries before we do anything further to see if other ministries have a use for the property.

As to your suggestion about decentralization; yes, our government is committed to this. As you know, in the 1976 budget the Treasurer suggested that we were committed to decentralization. You have mentioned the Revenue Ministry going to Oshawa. You didn't mention the OHIP building going to Kingston, and you didn't mention Northern Affairs.

Mr. Samis: He didn't mention that you announced that before the election.

Hon. Mr. Henderson: The main point is it is going to proceed, it doesn't matter when the announcement was made.

Mr. Samis: In time for the next election.
[3:30]

Hon. Mr. Henderson: It's a fact that it is going to happen.

Northern Affairs doesn't have an office in Sudbury with an assistant deputy minister. It does have an office in Kenora with an assistant deputy minister. And, of course, I am sure you are all fully aware that the Minister of Northern Affairs does have a private and personal office in the Kenora area. So the ministry is well distributed—

Mr. Foulds: A private and personal office?

Mr. Laughren: Do you call that decentralization, Lorne?

An hon. member: Tokenism, Lorne.

Hon. Mr. Henderson: —and fully represented in the north.

Mr. Laughren: Is that decentralization? Is that your idea of decentralization?

Hon. Mr. Henderson: I would suggest that the Minister of Northern Affairs has taken himself straight across the northern part of the province and has established offices all across.

Mr. Foulds: Is the head office in the north?

Mr. Laughren: That's Tory decentralization all right.

Hon. Mr. Henderson: With respect to Embassy Management, the member for Halton-Burlington (Mr. Reed), I believe it was, drew this to my attention a few days ago; he does agree to a certain extent with the minister, although he does have some differences in thought and concern.

Mr. Chairman, I am ready to answer any questions that may be brought forth.

Mr. Chairman: If the committee is agreeable, we will discuss vote 801 item by item.

On vote 801, ministry administration program; item 1, main office:

Item 1 agreed to.

On item 2, financial services:

Mr. Ruston: I see the staff in the financial services has been increased by five, from 65 to 70. Are they involved in buying and selling, or what are they involved in? I was just wondering if there was any reason for this when we hear the Treasurer (Mr. McKeough) say he is keeping our civil service staff to a kind of a steady stream and yet this minister is increasing that staff by five. Can the minister tell me what financial services entail?

Hon. Mr. Henderson: Mr. Chairman, under item 2 there has been an increase of \$44,900.

Mr. Ruston: For staff.

Hon. Mr. Henderson: It's the conversion of unclassified staff to classified staff.

Items 2 to 8, inclusive, agreed to.

On item 9, ministers without portfolio:

Mr. Chairman: I believe the member for Dovercourt is not in his seat.

Mr. Lupusella: Thank you, Mr. Chairman. In relation to item 7, which is described as legal services, can the minister explain to this House—

Mr. Chairman: I believe this was carried.

Mr. Lupusella: I was trying to raise the point, Mr. Chairman, and I hope that I can have your indulgence to raise particular questions in relation to legal services. I am just wondering if the minister can explain to this House what this service is all about and what this money is spent for? Can the minister give us guidelines what this operation of legal services is involving?

Hon. Mr. Henderson: Even though the vote is carried, I'll be very glad to speak about this service. I am sure the hon. member understands that all moneys owed to the government come to this ministry for collection.

Mr. Foulds: I thought it went to the Treasurer.

Hon. Mr. Henderson: No, they come to this ministry for collection.

There are many different real estate transactions that we have to deal with and it is for that reason that; to step up the collection we do require the additional staff.

Mr. Lupusella: Mr. Chairman, if I may reply to the minister's comment. Can the minister outline how many transactions covered by legal services expenses took place in the previous fiscal year—1977-78?

Hon. Mr. Henderson: My answer to that might be a little bit longer, but I would appreciate being able to answer that question fully. The total budget estimate is \$436,500. The classified staff is 10 man-years. The complement is not with the Ministry of Government Services but with the Ministry of the Attorney General. The unclassified staff is 10 man-years. At the time of the preparation of this material, unclassified staff has not as yet been converted to the regular staff. The goal is to ensure the legality of the ministry's operation and to provide legal services for its program and activities.

The legal services are provided by the Ministry of the Attorney General and include legal matters related to property acquisition, leases, expropriation, sale of property, contracts, orders in council, collections, drafting

of legislation, and appearing before various courts and administrative tribunals. Of the additional funds, a sum of \$30,000 is included in the budget estimates to cover salaries and wages for one additional solicitor and one articling student to handle the additional requirements arising from the collection service activities. The number of writs issued in 1977-78 was 95; the expected number in 1978-79 is 125. Judgments signed, 1977-78, were 58; in 1978-79 it will be 125. Collected, other than for collection services, \$196,000 in 1977-78; and we expect \$250,000 in 1978-79.

Mr. Lupusella: If I understand the statement properly, the minister has just one solicitor working on that particular branch and from time to time he is using the legal services of the Attorney General. Is this the regular procedure which you are using? You have just one solicitor and the clerk, so you get service from the Attorney General's office as well?

Hon. Mr. Henderson: In response to the question, we do have four to five solicitors with our department. They're hired through the Attorney General's office but we pay them out of our budget.

Mr. Reed: So actually, as I understand it, according to your explanation Mr. Minister, these lawyers are simply paid by your ministry but they work under the aegis of the Attorney General? Would that also include the Attorney General's full complement of lawyers? Is his full complement paid by your ministry, or what portion?

Hon. Mr. Henderson: These people, whom I referred to as the four or five, actually worked in our ministry. They are not the complete complement of the Attorney General, as I understand it. As I understand it also, the Attorney General does acquire all lawyers needed by all departments and we pay the ones who work in our ministry through our ministry.

Mr. Reed: Do these lawyers go on loan to other agencies of government and other ministries when there are special project cases to be deliberated, or do they work entirely within the framework of the Ministry of Government Services?

Hon. Mr. Henderson: I think these particular lawyers work within the framework of Government Services.

Item 9, agreed to.

Vote 801 agreed to.

On vote 802, provision of accommodation program; item 1, program administration:

Mr. Ruston: With regard to your policy on requiring accommodations of less than 5,000 square feet, I understand you do not put those out to tender at this time.

Hon. Mr. Henderson: For less than 5,000 square feet, one of our agents goes out to the area concerned to see what is available in space, if there is any. Once we find there is sufficient space that there can be competition, it is then advertised for public tenders. Does that answer your question?

Item 1 agreed to.

On item 2, capital construction:

Mr. Charlton: I have a number of questions for the minister under this item. I could start out with the proposed provincial office tower in Hamilton. I understand from statements by the minister that the project is now going to go ahead. Perhaps the minister could tell me have all of the problems that were related to us last fall during the last estimates with the region and the city of Hamilton been straightened out, and do you have the date for start of construction on that project yet?

Hon. Mr. Henderson: In response to the hon. member, I am sure that he has read the article in the paper in the last few days. About two weeks ago tomorrow I had a letter hand-delivered to the mayor whereby we rejected the proposal by the city of Hamilton for private enterprise to build the necessary accommodations, including an office tower, hotel and recreational convention centre.

In that same letter, I proposed to the mayor that we would give the city of Hamilton up to one year to accept the original proposal that the province had put forth. Under this original proposal, we agreed as the province to pay \$5.1 million towards the cost of a convention centre, which would be two storeys on top of the present parking garage in Hamilton, providing the city picked up the balance of that. There was a slight difference between us and the mayor who was in to see me last week with Mr. Bob Morrow and some of the city officials. We estimate the cost of this convention centre at about \$17 million while the city estimates it at slightly less, possibly \$16 million. However, our proposal was that we would pay the \$5.1 million on whatever the cost was and the city would pick up the difference. Following this, if a satisfactory agreement can be reached the province would continue and build an office tower that would cost a similar amount of money—possibly a little more—on top of the convention centre.

[3:45]

I would only add that I have spoken with his worship the mayor, as I mentioned, and his controller, Mr. Morrow and the city engineer Mr. Phillips. They put forth another proposal to me and I will be taking that to my colleagues in cabinet. I don't have sufficient money in my budget this year to proceed with the whole project but I am convinced that I have sufficient money, if we can work out a satisfactory arrangement, to make a start on this building.

Mr. Cunningham: Mr. Chairman, I wonder if I might make a comment?

Mr. Chairman: Go ahead.

Mr. Cunningham: I wonder if I may, with the indulgence of the member for Hamilton Mountain, ask a few more questions on this subject. It is of vital concern to all of us in the Hamilton area.

First of all, I'm wondering if either you or your officials could give us some indication as to what the cost has been in terms of the delay associated with this project? It's been talked about for along period of time now and your commitment for \$5.1 million means less every day as the rate of inflation continues. I'm also wondering if you've given some consideration to possibly sharing with other members of the Legislature the proposal that has been put forth so that we might offer our suggestions on it. I know we're all vitally concerned, as residents of the Hamilton area, in so far as we do not, in our view, obtain the kind of assistance that some other larger municipalities, like Toronto, have received in the past. Quite often, it's with a great deal of justification that we feel left out.

I don't think the city fathers of Hamilton are out of line in any way in their proposals, especially as their concept relates to private enterprise proceeding with this project. I'd like you, if you would, or maybe your officials, to let us know exactly what your objections are to the private sector taking over this particular project. Possibly you might indicate to us the possibility of amortizing the cost of this over several years of your budget, so that the city of Hamilton won't have to pay the tremendous price that they're going to have to pay; certainly you might reduce the effect of the delay that is associated with this project.

Hon. Mr. Henderson: I don't have any idea of what the cost of this project will be in however many years you are proposing. His worship the mayor made me well aware that the city of Hamilton has been making proposals for a great number of years for this project. He made me aware that at one time

it was a 50-50 proposal for the convention centre, but he also agreed that at no time did we ever commit the province to more than \$5.1 million.

I would only tell you, that beyond that it's been pointed out to me that the steel for the second project to go on top of the convention centre will possibly add \$1.5 million to the cost of the number one project. He felt we should accept the responsibility for that cost and he pointed out other items.

I just received quite a lengthy letter from the mayor. It's a personal letter to me. He has proposed in it that we should maybe accept half the cost of the building. I'm not ready to accept that at this moment. I should have brought a copy of the letter I sent to his worship the mayor, because it's no secret what I said. I pointed out that we had spent some \$5 million in the general area of preparing for this project over the last number of years. I pointed out that through Wintario the government had committed itself to about \$2 million to the arts centre, and once again we in the government are studying the suggestions of his worship, the mayor, respecting additional funding. He suggested in his telegram to me that a start should be made April 7, which as you know, is less than a week away. I pointed out to him that the negotiations will take several weeks to work out and he was, I believe, quite happy, with the hope that if we can work out an agreement an early fall start will be made on the building.

Mr. Cunningham: For a clarification of part of what the minister said: am I to understand then that until he and the ministry reach an agreement with the city on the convention centre none of the project will go ahead, including the provincial office tower?

Hon. Mr. Henderson: Yes, we must reach an agreement before we proceed; that is correct.

Mr. Makarchuk: On the matter of capital construction, as the minister is aware, there is unemployment in the province and in the country, and one of the methods to try to take care of the problem is to proceed or encourage capital construction projects. Saskatchewan is embarking on a major capital construction project that will probably create something like 35,000 jobs in the province. Relatively speaking, if we did something similar, Ontario would create about 100,000 jobs in capital construction. The minister has put out a book showing the various projects he has in the contract phase, on the drawing boards, in the planning phase, et cetera; I wonder if the minister could indicate if he is considering trying to expedite some of

those projects at this time in order to help alleviate the unemployment problem? Is he personally of the opinion that perhaps we should expedite construction on these projects because of the unemployment problem? Has he made any representations to cabinet? Also, perhaps he could indicate whether cabinet is interested in listening to him.

Hon. Mr. Henderson: The minister is looking at all the projects you mention as listed. I have spoken to my colleagues in cabinet. The Premier (Mr. Davis) himself has suggested that we look at anything that will cause employment and help the present situation. The answer is yes, we are looking at all projects.

Mr. Makarchuk: Can the minister at this time give us some indication as to which of the projects he has listed he intends to expedite? He hasn't listed the year 1978-79 and so on. We are not concerned about the projects in 1979 or 1980, but it would be interesting to know if he has moved some of the 1979 or 1980 projects into 1978 in order to take care of the unemployment problem.

Hon. Mr. Henderson: The hon. member realizes this is my 11th week in office. I am sure he also realizes that during that 11 weeks the Sudbury building has got the nod and we are negotiating on the Hamilton building. To help him a little further, the Hamilton building will provide 1,600 man-year jobs. I estimate it will take four years, and that's 400 jobs a year in construction. I don't have the actual estimates on the Sudbury building, but that's two pretty major jobs to get underway in 10 weeks.

Mr. Makarchuk: I will assume of course that you will continue to look outside Sudbury and Hamilton; and that there are other projects that you will be concentrating on and be trying to bring to fruition a lot sooner.

The other item that is of concern under this vote is a matter of supply, acquisitions for construction, et cetera, the supplies particularly. Have you made it a policy within your department to buy Canadian or buy Ontario products? If you have, have you got any indications now as to whether there has been any change in terms of the percentage of spending on the purchase of Canadian products versus what was being spent a year or two ago? I notice that Ontario Hydro just put out a booklet to the members indicating what their spending was and which jurisdiction received the money, et cetera. Are you doing something of that nature in your ministry right now? I realize it is only

11 weeks since you have been in charge and that could be a problem.

Hon. Mr. Henderson: It is the policy of the department that I am minister of, and of this minister, that we shall give a preference to Canadians of 10 per cent.

Mr. Makarchuk: At this time, Mr. Minister, is there any noticeable change? In other words, is this preference working in terms of change in the purchasing now as compared to about a year ago? Do you have any figures or any indications as to whether there was an increase, on the percentage of your spending that is done on Canadian products versus the percentage spent on Canadian supplies, say a year ago? Do you have any figures at this time to indicate whether it is effective or working?

Hon. Mr. Henderson: I can't give you a confirmed figure on that.

Mr. Makarchuk: Again, Mr. Minister, I feel that on the one hand you have your government saying that we are interested in encouraging the economy, we are interested in promoting private enterprise, we are interested in having our industry working; on the other hand, we find out that your approach to these matters is rather haphazard. You said that in certain contracts if there is a 10 per cent differential we'll give it to an Ontario—

Hon. Mr. Henderson: Not in certain contracts, in all contracts. In all contracts we give a preference of 10 per cent to Canadians. We are Canadian-first.

Mr. Makarchuk: Then we will find that in all contracts if there is a 10 per cent difference in price, you will prefer to give it to the Canadian? Have you looked at the possibility that perhaps this is not the only policy that is available to you in order to ensure that there is an opportunity to increase the spending of Canadian dollars in Canada?

It is not something we have to worry about. If you look at the American disincentive programs, their incentive programs, and everything else, they have been doing this and are doing it on a grand scale. I am not necessarily saying that's the best policy to follow in world trade, but in the matter of self-interest and self-defence I think it is necessary for us to embark on some of these types of programs. Have you looked at any programs that may perhaps increase Ontario spending in Ontario—or in Canada preferably?

Hon. Mr. Henderson: The minister looks at every contract that is let, every project. If he has any doubts or thoughts that there should

be something different considered, the minister intervenes himself.

Mr. Davidson: I notice your funding for this year has gone down some \$34 million, I believe, approximately. That, to my mind, would indicate that in all probability there was a capital construction project that had been planned but will not now be completed. Could you tell us if that is the case, and if so, which capital projects that were on the books for this year will not be completed?

Hon. Mr. Henderson: In response to the hon. member, yes, there has been a reduction of \$34 million, but I would suggest that this has not reduced our overall capital projects. As you know, we went to a lease-back agreement whereby we let the job to an outsider and at the end of a term of years we own it. I note the number of projects we have in the planning stages and I believe we are up to the original intentions, even though we are spending \$34 million less this year.

Mr. Davidson: Has anything that was planned to go on board this year been curtailed as a result of the cutbacks?

Hon. Mr. Henderson: I would have to respond this way: There has been no cutback of any planned projects since I became minister. That's only 10 weeks, I realize, but—

Mr. Warner: The dirty deed was done earlier.

Hon. Mr. Henderson: —but I do say to the hon. member that the Sudbury building has been put on stream, and I hope the Hamilton one. So the two of them together is the \$35 million.

[4:00]

Mr. Makarchuk: In other words, you wouldn't let the Treasurer intimidate you, would you?

Mr. Deputy Chairman: Order.

Hon. Mr. Henderson: I have great respect for the Treasurer.

Mr. Warner: Providing we get a courthouse in Scarborough.

Mr. Samis: Does he have great respect for you? Look what happened to Margaret.

Mr. Cunningham: While we're on the subject of capital construction, I'd like to ask the minister some questions about the Bronte athletic complex. Possibly you could correct me on this, but I gather this has been either scrapped or has just been put off for a long time. Am I correct in my assumption there?

Hon. Mr. Henderson: The Bronte project has been delayed till the ministry has an opportunity to review the needs.

Mr. Cunningham: If I could, I'd like to make a couple of suggestions to the minister. One is that hopefully through the sad experience associated with this particular project, you might develop some better standards with regard to the establishment and study of the needs before you start these projects. This particular project, as you may recall, was talked about immediately prior to the 1971 election. Thereafter they started talking about it at the 1975 election. The minister was backtracking in the 1977 election because I think he realized the tremendous costs associated with the project. Now we find out it's been scrapped.

I'd like to know from you now the extent of the costs associated with the plans, the extent of the costs associated with the delay and just what are your plans to compensate people to whom you had already made a commitment in terms of architectural support and to people who were going to supply tile for the pool and all sorts of things like that. It really is frustrating to see you people track out some great, grandiose plans to bail out a political minister in 1971 and then have the temerity to come on almost eight years later and say that this particular project is not going to take place.

I, for one, accepted in 1971 the idea for this provincial facility. I thought it was a great idea. I thought it was at least an indication to me, an individual who has been interested in amateur sports, that the province was now going to make a very significant commitment, albeit in a Conservative riding, to amateur sport. I looked at it quite objectively in that regard.

I must say my objectivity waned year by year to the point that now that you've cancelled it, I'd like to know exactly how much this fiasco has cost the Ontario taxpayers. I'm talking now about the architect's plans, the commitments that you've made, consultants' reports and the whole shot. Would you not agree that once you've spent all that money that it's not prudent to go ahead with the project?

Hon. Mr. Henderson: I would have to differ with my hon. friend. This money has not been wasted. This project has gone forward this far. We would not know the cost and we would not know the proposal, if we had not hired an architect and brought in a plan. I don't know of anyone who has not been paid for the work he has done on the project. If the hon. member knows of anyone, he should bring it to the attention of the minister.

The project is delayed, it's being studied. There is no one who has said it's not going

to go. I have not said so; I don't know of anyone else that has said so. It is being studied; it's delayed.

Mr. Cunningham: Are you going to build it or are you not?

Hon. Mr. Henderson: I think I answered that. It's being studied.

Mr. Cunningham: If I could ask yet another question then, what are the costs? I want to know exactly how much you've spent on this so far, on acquisition of land, legal fees, the architect's work and the consultant's work. I'd like to know that before this particular ministry's budget is passed here in this House.

Hon. Mr. Henderson: We will get that. I don't have those figures all here. We'll supply them later in the week.

Mr. Charlton: I'd like to go back for a moment, if I could to the Hamilton project. You laid out for us the negotiations that are going on and the proposals that are going back and forth. Some of the details are a bit scanty, but you mentioned you hoped you could come to some kind of an agreement with the city of Hamilton. In the negotiations, as they go on, is this \$5.1 million to be a hard figure on the part of the ministry, or is that negotiable as well? Has the minister thought about it? Is he willing to move beyond that \$5.1 million to see this project come on stream this year?

Hon. Mr. Henderson: I suggested in a letter to his worship two weeks ago tomorrow, to which I referred, that we were ready to put up \$5.1 million. His worship did respond immediately with a telegram, accepting the offer and suggesting we should get on as of April 7. If the hon. member will remember, a few minutes ago I suggested that his worship came back and gave me another proposal. He did not turn down the proposal of us paying \$5.1 million and the city paying the balance. He asked me to reconsider our position. Firstly, he reminded me that for the office tower that will be going on top of the convention centre the additional cost of steel is about \$1.5 million. He went on to say his estimate for the cost of the building is \$16.2 million and suggested that we should assume half that, I am taking that back to my cabinet colleagues.

Mr. B. Newman: Mr. Chairman, I want to ask the minister a few questions concerning the provincial public building that is going to be opened formally within the next two or three weeks.

I am wondering why the whole proposition was downgraded. This has been under discussion in the community since prior to 1959,

and when the plans were originally proposed for the project it was going to be substantially higher. If I am not mistaken, it was going to be an 11-storey building to accommodate the many offices in the Windsor and environs area. Now it is ending up by being a six-floor government office building. Why was it downgraded?

Hon. Mr. Henderson: Mr. Chairman, my only response to that question would be that I am not aware that it has been down-sized. It is my understanding that we built for the need, and that is the size of the building.

Mr. B. Newman: I can understand the minister not being aware of it because, after all, he has been in this particular portfolio for only a short period of time. But I would have assumed that members of his staff would have known about the original plans for the building and that practically all of the provincial government offices were going to be centred, concentrated and located right in that building. The location, by the way, is a very fine one, in my estimation. But it was going to contain most or maybe even all of the provincial government offices. Why, all of a sudden—and this was within the last two or three years—were the 11 floors whittled down to what we have there today? And it is a very nice building.

Hon. Mr. Henderson: Mr. Chairman, the staff that I have with me today are not aware that the size was reduced. They again confirm that the building was built for the needs of the area.

Mr. B. Newman: When the minister says "for the needs of the area," we have the OHIP building, now that the OHIP offices have moved out of there and are being concentrated in the London area. What is the minister's proposal for that building? The government is going to be renting that facility for other purposes, and apparently we are going to be putting some offices of the OPP and other branches of the Ontario government in that building, whereas the building that has just been completed is all filled up. So there must have been a need for a greater amount of space than actually was constructed. Could I have an answer on that from one of the ministry officials, through the minister?

Hon. Mr. Henderson: The hon. member will understand that my officials can't speak within the Legislative Assembly, but they inform me that it is going to be used for other government offices. I don't think the hon. member would want surplus space in Windsor any more than I do, and the OPP and other government agencies will be in the

OHIP building. We are going to keep it for a few years for government needs.

Mr. B. Newman: I would think the ministry will be keeping it longer than for a few years because there are enough government offices in the community, in my estimation, to use up completely the space that is in the old OHIP building.

Somehow it strikes me that there was some kind of faulty planning there, Mr. Minister, or some type of intentional downgrading of the size of the facility in the community. When we lose so many government offices and find that we don't get treated in the fashion in which we think we should be treated—and maybe it is the fashion in which we should be treated—people get very sceptical. And it doesn't speak well of government because they immediately say, "Well, don't listen to government, you can't trust them. They will promise you anything at one time and then they will renege on their promises."

I know you can't answer, Mr. Minister, and maybe your officials can't answer, but if you wouldn't mind would you try at some time or other getting the answers to that. Perhaps you can tell me personally, rather than telling me on the floor of the House, if you don't wish to do so.

Hon. Mr. Henderson: Mr. Chairman, there is nothing I want to hide about this. We built the building to serve the government offices in the area. The OHIP building is going to be used. It's a choice site—I think you would agree both of them are choice sites. I don't think there was any misplanning or anything. It has worked out that we are using both buildings.

Mr. B. Newman: You said there was no misplanning. Then I can assume that the government's intention to close the OHIP offices was a long-planned affair? Otherwise, why would you not have continued with the 11 floors on your provincial government building, the new building, unless you had plans to close up the OHIP offices in Windsor, knowing that instead of making the one building substantially bigger in size you could use the OHIP building?

I don't think for one minute we should have vacant space. I think we should build according to the needs in the community and I think it turned out that way, but I don't think you intended it to be that way. I think it was by some strange quirk, because of what did happen over the last couple of years, that you have the surplus space in the OHIP building.

I don't think for one minute you should not have kept the OHIP offices there; I think

you were wrong in moving them out. I think they served a real need. And remember, Mr. Minister, the first prepaid health services scheme in North America was in the city of Windsor and I think that deserves some type of recognition—you should have considered the historical importance of a prepaid medical plan.

Naturally you may say you are going to be wasting funds by maintaining that office and duplicating facilities in the London area. You could have just as easily transferred London to Windsor instead of Windsor to London, because after all I am told that everything goes by telephone. Does it matter where the office is if communication is going by telephone or Telex or some other electronic means? It could be located up in James Bay and you could still process various problems by electronic methods.

We in the community were disappointed when the government closed the OHIP office. I would say now that the plan to close the OHIP office was a long-range plan and that the provincial public building was downgraded because you had intentions of eliminating the OHIP office years ago. I hate to say this, Mr. Minister, because I know you as a very good friend and I don't think you would have acted in that fashion were you the one responsible for Government Services several years ago. You would have built it to the size that was needed for the community and you would have kept the OHIP offices in there.

I have another thing to raise, Mr. Chairman, but I will raise it under another vote rather than under this vote.

Mr. Deans: I won't be very long, but I want to go back to the Hamilton thing again so that I fully understand exactly what's happened.

Am I to understand that you are going to proceed on the basis of the \$5.1 million, but that you have made a recommendation—and I want you to listen to me—that you have made a recommendation to Management Board and to cabinet to assume on behalf of the province 50 per cent of the anticipated cost up to half of \$16.2 million? Is that correct?

[4:15]

Hon. Mr. Henderson: No. The mayor of Hamilton and the deputy mayor presented a plan to me requesting that we assume one-half. I have put a proposal to cabinet, which I hope it will be dealing with over the next three or four weeks, and I have included in that the suggestion of the mayor of Hamilton. I have not necessarily made that my proposal.

Mr. Deans: When you say then that you have not necessarily made it your proposal, what you're telling me in fact is you haven't made it your proposal. You have proposed something somewhat different from the proposal put forward to you by the mayor and the deputy mayor on behalf of the citizens of Hamilton. Is that correct?

Hon. Mr. Henderson: No, I have made a proposal that would include the building of the building, but I don't believe I will divulge the financial breakdown at this time. I'll be very happy to do so once cabinet has dealt with it, but not at this time. As I suggested, I did include the proposal of the mayor, but I'll leave what my own thoughts were until cabinet makes the decision.

Mr. Deans: Without trying to extract from you anything that you wouldn't want to tell me—which I couldn't do anyway, I know that—I just want to have some sort of an inkling as to what we're talking about. We have \$5.1 million which is firm, but that's a figure that was arrived at some years ago, based on construction costs of the day. Construction costs have risen. The mayor of Hamilton, quite rightly, says that the \$5.1 million, which may well have been approximately 50 per cent of the original cost, now is about one-third of the actual anticipated cost. I think that's a reasonable way to put it.

What you're telling me is that the \$5.1 million is firm. You have made a recommendation to your cabinet colleagues for something other than the \$5.1 million. You're not going to tell me whether or not it's \$8.1 million; but that doesn't matter, I don't care whether you tell me that or not. You have also put forward the position of the city of Hamilton that it is entitled to 50 per cent. Am I correct in my recollection that the \$5.1 million that was originally proposed to be spent was about half of the anticipated cost at the time it was first put forward?

Hon. Mr. Henderson: If I might answer the hon. member this way: In 1971 the government committed itself to \$3 million for the Hamilton project.

Mr. Cunningham: Was that before or after the election?

Mr. Deans: It was just prior to the election.

Hon. Mr. Henderson: In 1975, it committed \$4.5 million.

Mr. Warner: It's called an election gimmick.

Hon. Mr. Henderson: In 1977 the government committed \$5.1 million.

Mr. Martel: That sounds like pork-barrelling.

Mr. Cunningham: You're not planning more elections, are you?

Hon. Mr. Henderson: It's my understanding, though the mayor would argue—

Mr. Cunningham: Five more elections and we'll be right up to the top.

Mr. Warner: They have no principles left over there.

Hon. Mr. Henderson: —that these figures did represent half—

Mr. Deans: About half.

Hon. Mr. Henderson: —it's my understanding from my staff that they never did represent quite half. The mayor would put forth the argument that it did. He did put forth that argument to me.

Mr. Deans: Would it then be reasonable to assume that if tomorrow we were to vote no-confidence in the government, we could anticipate an added amount would be offered to the city of Hamilton on the eve of the 1978 election? Would that be a fair assumption?

Mr. Warner: Right; if they have an election, they give out money.

Hon. Mr. Henderson: No, Mr. Chairman, I would not accept that as feasible at all. Things like that don't happen.

Mr. Warner: Cheap tricks.

Mr. Deans: I want to go back with you, because you missed one part of it. In 1967, in the Scott Park High School, John Robarts stood and offered \$2.5 million. That was the first one. That was just before the election. In 1971, you upped it. In 1975, you upped it again; and in 1977 you upped it again. The only thing that was consistent throughout that period of time, with the possible exception of the fact that the dollar amount being offered in each of those years was approximately 50 per cent of the total costs, was that in each of those years we had an election.

Hon. Mr. Rhodes: And we lost seats.

Mr. Martel: And they lost seats.

Mr. Deans: If you would come up with \$12 million you might win a seat. We could maybe guarantee you Eric Cunningham's seat; or maybe we could do something for you with Stuart Smith's seat if you would make it \$12 million.

Mr. Cunningham: We were thinking of Hamilton Centre.

Mr. Deans: You can see the degree of co-operation you will get from me in this regard and you can understand how eager I am to help you.

If you would just raise it to an amount that would save the taxpayers of Hamilton this onerous burden they are going to have to carry as a result of the Treasurer having reduced the amounts of the grants currently available to offset municipal taxes, if you would increase the amount on this building, then I am sure the people of Hamilton would look very favourably upon that. If you could get Maurice Carter to come out of retirement, and if you could get him to run against Stuart Smith, we would all go down and canvass for him and the end result would be Utopia. How about that? That's better than the mayor's proposal.

Mr. Cunningham: Stuart Smith will win again.

Mr. Martel: I have a number of points I want to raise, Mr. Chairman. Would you like to call the quorum now or should I wait?

Mr. Deputy Chairman: I recognize the member for Sudbury East.

Mr. Martel: I'll give them to the minister in order and I will take them one at a time.

I want to talk about Burwash and some expenditure there; I want to talk about the land registry office in Sudbury; I want to talk about the courthouse in Sudbury; I want to talk about the provincial building that you promised in Sudbury; and then I want to talk about the Legislative Assembly if it is under this vote as well.

Mr. Chairman: Can I ask the member for Sudbury East to only deal with matters of construction under this vote.

Mr. Martel: It's all construction, Mr. Chairman; all are construction, all are on the planning board and all have been there for quite some time. The Burwash project goes back to 1974. The province closed it down after the estimates of the Ministry of Correctional Services were completed. This was about three days later so you couldn't talk about it. I visited it a few times—I had difficulty staying away from the place.

We spent \$4 million remodelling it only to shut it down. Then a previous minister, the Hon. Margaret Scrivener, about a year ago announced—by the way they had a big celebration over at Government Services when they moved her out of the portfolio, they threw a party over there.

Hon. Mr. Rhodes: That's not nice.

Mr. Martel: But it's true though.

Anyway, the minister announced she was going to sell Burwash. Do you recall that? We came to meet the Premier, and Mr. Thatcher was there, and the Premier said, "No, we won't put it up for tender." You

got, in fact, one offer; a \$1 million offer for the whole thing. Ultimately, by hanging onto it, we sold Camp Bison to the federal government, for over \$4 million I guess. This left the whole of Burwash still intact, to be used hopefully in a multi-use scheme.

I understand that went to Dillon recently for a land use study for the ultimate function of that facility. It has now sat idle for the better part of four years and has cost the province, I suspect, over \$1 million in that time just having security people there and keeping the place heated.

You wiped out the fourth-largest employer in the Sudbury basin overnight on that move by the way; and you have a facility there that has cost us \$1 million, at least, to look after in the past four years; and we have now, I think, reached the drawing board stage of some type of multi-use concept, which I have been advocating now for four years, from almost the day it closed. We have a situation now where you could take those facilities and offer services to the Sudbury basin via the government of Ontario which don't now exist.

I can give you a whole series of illustrations if you want. You've got the single quarters, which is comparable to any motel in the province and which, in fact, would be a great place to train civil servants in northern Ontario rather than bring them down to Kempenfelt Bay at Barrie. That's been in the wind for a long time.

That building sits and deteriorates. I don't think it's been lived in for more than six or eight months. It's an absolutely beautiful building. If we put a kitchen in it we could then, in fact, offer food and train the civil servants in northern Ontario.

The government of Ontario is presently going to build a facility near Toronto for the mentally retarded. I've been trying to get this government to take 15 of the homes in Burwash and make them into group homes so that we could bring the young people from Smiths Falls back to Burwash and then back into the community of Sudbury itself. In fact, we would do what we haven't been able to do in two years, and that's to successfully get a group home for the mentally retarded in Sudbury. In fact, you've got some 60 kids sitting on the fourth floor of the Sudbury Nursing Home. I would hope that the Minister of Industry and Tourism (Mr. Rhodes) would support those ideas and kick this government along so that we could utilize those facilities.

I understand the Ministry of Agriculture and Food want partial use and so does the Ministry of Natural Resources. In fact, it

might make a good headquarters if you were to move the whole Ministry of Natural Resources to—

Hon. Mr. Rhodes: Sault Ste. Marie?

Mr. Martel: No, not Sault Ste. Marie. What would you offer them there, John? You could offer them access to the American border, but besides that?

Hon. Mr. Rhodes: Compared to what?

Mr. Martel: Compared to the facility that we've already got built and which is empty. It wouldn't cost you any money.

Hon. Mr. Rhodes: Oh, I see; the community is bargaining for representation.

Mr. Martel: They've got that in the Sudbury basin; you'll notice how intelligently those people vote.

It's on the drawing board. I want to ask the minister, how much longer he intends to keep Burwash on the drawing board? How long before he adapts that facility and brings it into some type of use, particularly in view of, (a) the unemployment problem in the Sudbury basin as a result of the massive layoffs by Inco; (b) because he, in fact, wiped out the fourth-largest employer; (c) because he has got a facility that's costing from \$350,000 to \$500,000 a year to look after and which sits there vacant; and (d) because there are so many services which aren't available to the people—and not only in the Sudbury basin, as my friend from Manitoulin Island would agree I'm sure.

If you build a road through Manitoulin across to Killarney then you would have easy access to a variety of government services which could well be offered at Burwash and which don't exist in northern Ontario. He agrees with me. I know he does, because he and I have had some discussion on the utilization of Burwash and the road into Killarney park over to the island. We've had a number of people who have taken shots, particularly at my friend; but we've indicated that we have supported his move to try to get a road built for people to travel from Killarney to Espanola to school, which is much shorter than driving them all the way to Sudbury.

You could combine all of those things. The facilities are there. All it really takes—and I say this to a minister with a little bit of clout in the cabinet—is a minister who has a little clout, who can use his influence to put that facility to use, to provide the services which are lacking now, which would create employment; and the cost wouldn't be all that great because the facilities are there.

I speak of a gym that has, I guess, four basketball courts in it. I speak of new single-

male quarters, which could easily be adapted for female and male; it's so well laid out there's no problem at all. It cost \$300,000 or \$400,000 and it's deteriorating. You've got the 85 or 90 homes which have all been repaired, with new windows and aluminum siding. In fact, the day the government was closing it, the contractor was in there re-modelling the insides of the homes. To let that lie there, when there are so many services and so much unemployment in the basin, is really a disgrace!

[4:30]

I would ask this minister if he's got—and it has happened every time we have spoken to a Minister of Government Services; each year there has been a new minister, and there has been no continuity. I don't know if it's a hot seat, but I want to tell the minister that every time we hope there will be some continuity, we can extract an answer from a minister; and a year later, when we come back and ask, "Aha, now what have you done?"—they play musical chairs. We can't even get continuity in the ministry long enough from one year to the next to get a follow-up answer. Maybe this minister can tell me about Burwash.

Hon. Mr. Henderson: Mr. Chairman, I am sure most hon. members are aware that Burwash is located on Highway 69, approximately 25 miles—not kilometres; miles—south of the riding represented by the hon. member.

Mr. Martel: It's right in my riding.

Hon. Mr. Henderson: Oh, it's right in the hon. member's riding—not south of his riding? It includes some 35,000 acres—

Mr. Worton: Now we know.

Hon. Mr. Henderson: How in the world do we get any voters there if there are 35,000 acres for that one institution and there's no one there?

Mr. Martel: All the civil servants you put in those facilities.

Hon. Mr. Henderson: Of the 35,000 acres, there is 32,000 of rough outer terrain, 2,700 acres of choice agricultural land, and 300 acres in two camps, the main camp and Spruce camp. The camps are serviced with water, sewage disposal, roads and electrical power by Ontario Hydro.

The Ministry of Government Services was given the responsibility for this property on January 15, 1975. It includes 54 single-family dwellings, eight semi-detached dwellings, nine four-unit apartment dwellings. Those totals add up to 106, up 20 from what the hon. member suggested.

Mr. Martel: Yes, I said 85.

Hon. Mr. Henderson: Yes.

Mr. Martel: You tore down some. I wasn't sure how many.

Hon. Mr. Henderson: Well, there are 106 now.

Mr. Martel: That makes it a bigger disgrace.

Hon. Mr. Henderson: Bigger and better, we say. There are 34 rooms in the single staff quarters, four self-contained and 30 with shared washrooms.

I could go on at some length and make further statements respecting this particular piece of property. We consider it's a valuable asset that could be used for many things. I would simply respond by saying that when a previous Minister of Government Services (Mrs. Scrivener) suggested that we should sell this property, there was great pressure from the other side of the House to appoint somebody to find out what we could do with it.

The government has done this. It has appointed M. M. Dillon, who, we hope, will come up with some company or form of organization that will create employment in that area. I do hope to have the report by the year's end, but I won't make that a promise; that's our hope. I would suggest that M. M. Dillon was appointed because the hon. members suggested that to the former minister. I do have that recollection.

Mr. Martel: I am glad the government is looking at it, but it seems a long time. Dillon has had it some time.

Hon. Mr. Henderson: Not too long, I think.

Mr. Martel: A substantial time; the Premier indicated to me some time ago that it was six to nine months. I hope it's not until the year's end. I would hope that the Premier, come Friday—you know, he's speaking at a clambake in Sudbury on Friday called "2001," at which he's going to talk about jobs for the Sudbury basin. I suggested to the Premier he bring his satchel with a bundle of—

Hon. Mr. Henderson: Are you going?

Mr. Martel: Yes, I am. I am on one of the panels and I hope to contribute in some way. But I would hope the Premier might make an announcement that we are moving ahead and going to open up 15 of the homes as group homes for the children. We could bring back from Smiths Falls or any other institution—in fact, to me, the biggest black eye in the city of Sudbury right now is about 65 or 70 kids who are on the fourth floor of the Sudbury Nursing Home. They have no yard in which to play and they are kept like sheep. The

staff looks after them well, but I want to tell you the yard those 65 or 70 kids have is as big as the size of this chamber. It is an absolute disgrace.

What is more frustrating than anything, I say to the minister, was a promise by his colleague that the only children who ever would get into that facility would be those who were bedridden. And I want to tell you, none of them are, none of them. They all get around fairly well. They should be taken out of that cruddy place and put in a place like Burwash, where you could make 15 group homes and bring them into the Jarrett Centre to work and get their education.

To put 65 or 70 kids in a place like that is an absolute disgrace. I can think of no other term for it. I have opposed it bitterly. I had the words of the previous Minister of Community and Social Services that the children in the home would all be bedridden, and not one is bedridden. It is a disgrace to put kids in that type of environment.

I hope the minister will be in that position long enough to table the report in the very near future. He says the end of the year; I hope it doesn't take quite that long. Hopefully, the Premier might have something to say about it when he is in Sudbury on Friday or Saturday, on whichever day he speaks.

I want to turn to the land registry office. This is capital, Mr. Chairman, so I don't want you to get too excited. I see you moving in to look at it.

Mr. Chairman: I was just leaning forward.

Mr. Martel: It is a capital expenditure, because the province is in the process of building a new building in Sudbury, a provincial building, which I know is going to house the land registry office. I would like to combine my remarks with respect to two facilities that are vitally necessary, not two and a half years down the road, but now.

I understand from correspondence with this minister, with the Minister of Consumer and Commercial Relations (Mr. Grossman), who is responsible for the land registry office, and the Attorney General (Mr. McMurry), as it now exists in Sudbury the land registry office is so small they virtually stand on each other's shoulders to do work. It is that bad. The province is well aware of it and was prepared to, in fact, move into rented premises on March 31 or April 1, but the costs were going to be something like \$80,000 to renovate, plus the lease. So that, together with the announcement of the new provincial building with which the province was moving ahead as a result of the layoffs in Sudbury, we are not going to move the land registry office.

I really don't know how the Hon. Mr. Crossman keeps people in that land registry office. It too is something to behold. I mean, you have to sidle along just to get from one set of files to another, it's so small.

Mr. G. Taylor: Only lawyers would work in there, Elie.

Mr. Martel: You'll have to speak from your own place, George, and you don't happen to be in yours.

You have to sidle along to get to the various files and so on, it's that bad. But what even compounds it, I was in Sudbury just the other day and I was at the President Hotel—

Hon. Mr. Henderson: Is that unusual?

Mr. Martel: Well, it's not unusual. I was at the President Hotel, and that's not unusual, but I was there to appear before the Workmen's Compensation Board which was holding hearings in the hotel. I went to leave through the basement and there was the coroner holding a coroner's inquest in the basement of the hotel. If you wanted the family court, you went over to yet another building. You don't have to be surprised to see that lawyers in Sudbury can't get into the library in the courthouse to get at the books because they are holding court in the legal library. In fact, there are no facilities for the 13 different courtrooms that one would need, or some combination of them. It is actually impossible for the judges to operate.

If we had moved the land registry office out of its present location you could make at least two more courtroom facilities in the land registry office, which is adjacent to the present courthouse. In fact, they could become permanent courtrooms, I suspect, if you don't have the money to build a new courthouse—which has long been promised, although I understand you just finished a new one in Peel. Everything goes to Peel. I I can never understand it. I'm told there's been an addition within the last year or year and a half in Peel. Is that right?

Hon. Mr. Henderson: Very smart people live in Peel.

Mr. Martel: Yes, right. I heard my friend, the Health critic, telling me today they are one of the two areas that are getting new hospital beds this year, an addition for Peel; is that by coincidence?

Hon. Mr. Henderson: He was wrong on the two areas, there was only one.

Mr. Martel: All right, the one I'm making reference to, Peel, also got the new courtroom facility, as I understand. Is there some-

thing magical about Peel? Does it go based on need—

Mr. Johnson: Yes.

Mr. Martel: —or is there something else there that's the drawing card?

Mr. Warner: That's how you get stuff.

Mr. G. Taylor: Barrie got one.

Mr. Martel: Did Barrie get one? How many years was it in the making?

Mr. G. Taylor: For years.

Mr. Martel: Hundreds? Well, there you go.

Mr. Warner: The county courthouse goes into the riding of the member for Scarborough East (Mrs. Birch).

Mr. Martel: You can't tell me that the administration of justice can be administered properly in Sudbury when all of the WCB hearings are in one building, in a hotel; the coroner's inquests are held in a hotel and family court is held in an old building adjacent to the Holiday Inn.

You have to use the library facilities, so the lawyers have to get out. The librarian sits in there while court is being heard. How do the lawyers check references? What do they do? They carry a whole case full of books with them because they can't go into the library on a given day to get some of the books they need as they look up certain things in the law. They can't do it because court's going on. What in the hell kind of way is that to run a ship anyway? All we get is the nonsense we're going to save \$80,000 because of the renovation.

Have you ever thought of what it would mean in terms of the employees who work in the land registry office to have an adequate facility to do their work in? I've visited it and it is a disgrace; but going to the courthouse is even worse. It is really something to have to hold a coroner's inquest in the basement of a local den of iniquity. That's where we hold it.

Surely to God we're not that poverty stricken that we couldn't proceed with that, even if it meant \$80,000 until the provincial building is completed in 1980 or 1981. Surely it's time that the people in the land registry office worked in proper facilities so that the people of Sudbury could go in and have this work done for them on their behalf in a proper environment.

Certainly in terms of the administration of justice there is absolutely no reason why court should be held in the library or in the local hotel. Surely it's time you parted with the \$80,000, renovated the building as you were going to do and used it for the

next couple or three years. You're talking about two or three years, providing everything goes well, and if it doesn't then we're a little longer down the road. Then you could use the land registry office for a couple of courtrooms so that you might not have to build a new court facility in the meantime.

You just can't have it all ways and simply say we've got a provincial building that's coming sometime in the 1980s, and expect that both in terms of justice being meted out properly and in terms of people getting services adequately from the land registry office that that hodgepodge can prevail. The only thing that's holding it up, I suspect, is the \$80,000 or \$90,000 that you might spend, in view of the fact that in 1980 you're going to have a facility which you could utilize.

It's just an untenable situation. I'd ask the minister is there no way he can proceed with the agreement and then make the two moves that I recommend? Move over to the old Loblaw building and put the land registry office there for the next two-and-a-half years, and then renovate the land registry office to make two more courtrooms available so that we can have the administration of justice meted out properly in the Sudbury area.

Hon. Mr. Henderson: I can agree half-way with the hon. member. Once we get the new building that we propose to start construction on later this year, we will put the registry office in that building. Then, as to your suggestion to renovate the registry office for additional court facilities; yes, we'll do that, but the actual new registry office is some years away.

[4:45]

Mr. Martel: I realize it is an \$80,000 expenditure to lease and renovate the facility you were prepared to go into—at least the Hon. Larry Grossman tells me you were prepared to go to—up until two months ago. You had entered into an agreement and then got out of the agreement. If it was the \$80,000 that was the deterrent, don't you think it would be advisable to proceed to put the land registry office in a proper facility for the next two or two-and-a-half years, and utilize the land registry office for a proper purpose?

Every time you hold a Workmen's Compensation Board hearing in the President Hotel surely that is costing some ministry a vast amount of money in the form of rental; if you have got to have a coroner's inquest that runs a week downstairs in the Mayfair Room at the President Hotel, that has got to

cost a fair bundle. If you have to rent accommodation at the President every month for the Workmen's Compensation Board, because there isn't even a small room that you can hold it in at the courthouse, don't you think these things over a period of two-and-a-half to three years are going to cost the province a considerable amount of money? Is there not a trade-off whereby we could bring those facilities into line, make proper accommodation and save money in one place, while it might cost you somewhere else, but provide the proper facilities.

I am not sure if you have ever looked at the number of facilities that various government agencies have to rent daily or weekly in the Sudbury area. It seems to me that rather than have to hear court or a coroner's inquest at the President, you might be better off taking the money and entering into the agreement for the facility you were going to renovate and rent for two or two-and-a-half years. Calculate how much money you would save the other way; you might find it is not really that much. And it would be a lot more convenient for the people who are working to have adequate facilities in which court could be heard.

Hon. Mr. Henderson: The hon. member puts up a very good argument. The ministry has decided the route it will take. Naturally, we are always open for reconsideration, but I do believe that to this point you have not presented sufficient argument to change our minds. So I would ask you to continue presenting your arguments as to why we should make this move.

Mr. Worton: Try another argument.

Mr. Martel: Might I ask if in fact the ministry has asked the various agencies of government what facilities they rent on an ad hoc basis, to determine what we are laying out in terms of rental facilities for the Workmen's Compensation Board when it comes to Sudbury every month, or what it is costing to rent for inquests? Have you looked at that sort of calculation to determine if—I am not saying save money because if you are going to rent somewhere else it is going to cost money; I wouldn't be saying you are going to save money—for what it costs somewhere else, you could not obtain better facilities and a more permanent facility by going another route? Have you, at least, looked at it?

Hon. Mr. Henderson: The only comment I could make is that the Workmen's Compensation Board is one body that does supply its own room. Personally, I don't know the amount of money they pay in rent. But I

think we looked at the overall situation when we agreed on the size of our new proposed building.

Mr. Martel: The new proposed building, yes.

Hon. Mr. Henderson: I don't know the amount of money the Workmen's Compensation Board pays. You would have to take that up with the Minister of Labour (B. Stephenson) during her estimates.

Mr. Martel: I suspect it also includes people like the Solicitor General (Mr. Kerr) who would be involved. If you are going to hold a coroner's inquest you have to rent accommodation, I would suppose that one could ask Government Services to find out what it is costing monthly. While I recognize the Workmen's Compensation Board has its own funds, ultimately it is the same people that pay in this province. All I'm looking for is to see if it is worthwhile to transfer the land registry office and maybe make sure of the facilities that are there, and the former land registry office. Then you might not have to rent all this accommodation on an ad hoc basis and you would have something in place, for the next couple of years, at roughly the same cost. I am not suggesting you are going to save money but it might provide better and more suitable facilities, and I would ask the minister if he would consider that.

The provincial building, has that gone to tender yet?

Hon. Mr. Henderson: Yes, the provincial building has been tendered; tenders are in. The contract has not been announced yet.

Mr. Martel: I might ask for some guidance, then, on the last item, the Legislative Assembly. Is that to be discussed under this vote or some other vote? I want to talk about the recommendations of the select committee and the suggestion about a \$20 million expenditure that was calculated roughly as the cost of bringing this building up to standard. I am not sure where you want to discuss it. I would ask the Chairman where the minister is prepared to discuss this particular item.

Hon. Mr. Henderson: If you are speaking of this building here it should really come under legislative services, vote 804, item 8.

Mr. Worton: Last October, Mr. Minister, the former Minister of Government Services (Mr. McCague) indicated that tenders would be advertised and they were—and I think they were closed December 19—for new provincial court facilities. When do you expect to make an announcement as to whether this is going to be built or whether you are going to lease or what? Could you bring me up to date?

Hon. Mr. Henderson: Where?

Mr. Worton: In Guelph. I've spoken to you about this before.

Hon. Mr. Henderson: I know you've spoken to me before on one or two occasions. I now believe that the police building is crowded and we do need additional courtroom space in Guelph. In a moment we hope to have the answer here for you.

Mr. Chairman, at this moment we haven't got the answers the hon. member wanted. Could we go on with another area and once we get the answer—

Mr. Warner: I just wanted to know at what stage the Scarborough courthouse was. I understand it was shelved earlier. Are there any plans as to when we can see that come back? The one that is not in my riding?

Hon. Mr. Henderson: Yes, we do have plans for a courthouse there and I would suggest that you take this up with the Attorney General during his estimates. The Attorney General sets the priorities. We have the plans and everything ready to proceed once we receive the word from the Attorney General that it is on the priority list.

Mr. Warner: You are not given the priority of that until somewhere along the line?

Hon. Mr. Henderson: It has no priority to be built at the moment. Its priority will be arrived at through the Attorney General.

Mr. Warner: But it was earlier on the priority list—is that not so?

Hon. Mr. Henderson: Not during my term.

Mr. Warner: No, I realize that, but I'm speaking of last year.

Hon. Mr. Henderson: It was never on the A list—never on the list for active construction. It was never on the priority list.

Mr. Warner: If I could—

Hon. Mr. Henderson: No, let me clarify that. We do have a plan of a building, the architect's drawings, but it never was on the list to go to tender.

Mr. Warner: It really raises a point of curiosity with me then. What is the purpose of making an announcement of some significance to the local area, if it is in fact not on a priority list and it's just an idea? I assume that you've got lots of ideas over there, not all of them good, but you've got lots of ideas. What's the point of announcing it if it's not on a priority list?

Hon. Mr. Henderson: Mr. Chairman, in response to the hon. member's question, we do have other projects in a similar stage. It's not imagination or anything. We do get the architect's drawings and once the department

concerned puts it on a priority then we are ready to proceed. So we, Government Services, can be ready to proceed almost immediately.

I think the Sudbury building is an excellent example. We were ready to proceed with it once the crisis came about, once the need for the employment and everything within the area became known—I know we could say that employment is needed all over Ontario, but the Attorney General has not at this moment placed it on the class A list.

Mr. Warner: I can appreciate that, Mr. Chairman, and the minister certainly is not responsible for the Attorney General. I will raise the matter with him at the appropriate time. But it just seems to be inappropriate to make a first-class announcement about the project unless in fact it has been placed on the priority list and you know that it's going to be dealt with within a particular period of time.

The courthouse is needed. It's got a good location that's been selected. It is, I would think, an overall part of that civic centre area complex. But quite frankly it just seems to me that it's nothing more than a political game to make an announcement when you don't have any priority and you have no immediate plans for actually constructing the thing.

So with some sense of futility, Mr. Chairman, I will take my seat and raise the matter with the Attorney General when his estimates come along.

Hon. Mr. Henderson: In response to the hon. member, we have in our program three ratings. Priority A is under construction, going—either advertised or in this current year; we have B which is under active consideration by our department, waiting for the final word from the ministry concerned; and then we have C projects that we visualize for some time in the future. The Scarborough one is in the B category.

Mr. Young: I see North York is in the C category.

Mr. Chairman: The hon. member for York Centre.

Hon. Mr. Henderson: I'd just like to respond to the hon. member for Wellington South (Mr. Worton).

We have obtained tenders for the leased space. We have re-erected a building and we are drawing up plans for alternative sites. So the tenders that were advertised were not acceptable. We are drawing plans to make proposed changes to an existing building; once we get those plans ready, we will be ready to make some announcement.

[5:00]

Mr. Stong: Mr. Chairman, I would like to ask questions of the minister with respect to the courthouse complex in the Newmarket area. I would like to know whether that complex is going ahead as originally planned and scheduled or whether the original plans have been scaled down. I would like to know whether the entire concept will be built and whether the project is meeting with the plans and the timetable. As the minister is no doubt aware, there is a tremendous need for courthouse space in that area.

Perhaps in the same answer the minister could direct his mind to whether the provincial courthouse in Richmond Hill is to be used for criminal trials or whether it will be used for highway traffic matters, with the transfer of all criminal matters to Newmarket. I understand the ministry is currently seeking space for highway traffic trials in that area, and I wonder what provisions the minister is making to accommodate the police forces and the trials under the Highway Traffic Act and other provincial statutes.

Hon. Mr. Henderson: Mr. Chairman, in response to question number one, the original plans are proceeding. There is no reduction in size. The estimated time of completion is March 1980.

Regarding the hon. member's next question, about Richmond Hill, we don't have answers on that. We will have to get some priorities from the Attorney General and the Solicitor General.

Mr. Stong: I understand the ministry is currently seeking accommodation for provincial statute matters such as Liquor Control Act and Highway Traffic Act trials, which are already being heard in Richmond Hill provincial court.

Hon. Mr. Henderson: Our ministry is not aware of those requests at this time. I would suggest that the hon. member follow it up under the estimates of the Solicitor General and the—did he say the liquor laws as well?

Mr. Stong: As I understand it, the provincial statute offences that are being heard in Richmond Hill now are to be moved out, or there is some movement afoot to have them moved out. I am just wondering what the timetable is and what accommodations the ministry is making for those matters.

Hon. Mr. Henderson: We here are not aware of that request. If we find out we are, we will bring back the information later. But at the moment we are not aware of any request by that ministry.

Mr. Stong: I wonder if I could also make an inquiry with respect to the Willowdale

courthouse, where there has been a move from the present courthouse on Yonge Street to new or other facilities. I am wondering if there is a policy in the ministry with respect to finding this type of accommodation. In view of declining enrolment and available classrooms, and the movement of students from one school to another to try to satisfy the presence of those classrooms, I wonder whether there is a policy to look at schools that may no longer be in use, or parts thereof, for purposes of courtrooms and housing trials—provincial traffic offences, for example. Is there a policy in the ministry to consider that type of consideration when looking for accommodations for courthouse facilities?

Hon. Mr. Henderson: Yes. Every time a vacant school room is brought to our attention, it is looked at and studied; and I am sure the hon. member knows that a family court in Etobicoke has been placed in a school.

Mr. Stong: I understand there were schools or classrooms available in the Willowdale area, and a factory has been taken over. I am just wondering how much emphasis has been put on the use of those vacant classrooms.

Mr. Chairman: I'd like to say to the hon. member that he's probably straying a bit from capital construction.

Mr. Stong: I'm concerned about the use of already existing facilities, which would save costs.

Mr. Chairman: That might come under accommodation alterations, or some other vote.

Mr. Stong: I'm sorry, I don't want to get off the track on this but I thought we were talking about capital expenditures and perhaps my other observation on the use of facilities that are already in existence to cut down on the acquisition of new property is in order. For instance, is there any consideration by the ministry to make better use of existing facilities?

We all know that judges can only put up with between four and five hours of listening to evidence per day. That day is stretched from 10 a.m. until 4:30 in the afternoon, with perhaps a two-hour split at noon with very adequate breaks during the day. Would the minister not consider that perhaps better use can be made of our facilities, to cut down on the acquisition of further courtroom area and also to cut down on the long waiting list, by perhaps considering that the courts begin at 8 o'clock in the morning and go through until 12 noon, which is a four-hour stint, and then

that another shift begins at 1 and proceeds to 5 o'clock?

It seems to me that the public would be better accommodated and better served in terms of having earlier trials—

Mr. Chairman: Order, please. I think the member is straying considerably from capital construction.

Mr. Stong: Mr. Chairman, I'm just trying to get some kind of a commitment from the ministry about saving capital cost by better use of existing facilities. It seems to me that if I'm in the wrong vote I would be glad to withhold my observations until a different time. It seems to me that these things should be considered, but I'm in the hands of the Chairman as to when this should be discussed.

Hon. Mr. Henderson: Mr. Chairman, the hon. member puts up a very good argument. I would suggest the appropriate time would be under the Attorney General's estimates.

Mr. Chairman: The member for Hamilton Mountain.

Oh, sorry, did you have another question? The member for York Centre.

Mr. Stong: Thank you, Mr. Chairman. It concerns Pine Ridge Hospital in Aurora, which is just on the boundary of my riding. I'm given to understand that that hospital, which is a converted school, houses the mildly mentally retarded. It is located on something between 98 and 110 acres of land, as I understand it, which is under the control of the Ministry of Government Services.

I'm wondering if any consideration has been made to utilize that 108 or 92.8 acres—I'm not sure just what the figure is; I've had both figures given to me—to better purposes. It is vacant land under the control of your ministry. With the emphasis in the ministry on the assimilation of the mildly mentally retarded into our communities by virtue of work projects and even living accommodation, which I think is a very commendable policy, would it not be worthwhile exploring the use of that land—to put it in the hands of a developer, for instance, to build homes that would be considered low-cost homes, and which would also have a designation for the mildly mentally retarded, to have them incorporated into our society and into our communities and fulfil a useful life, rather than be housed in that jail that is called Pine Ridge?

Hon. Mr. Henderson: Mr. Chairman, this is under another ministry. For our ministry to take such action under present policy a ministry must declare the land surplus be-

fore we become involved, and at that time we circulate it to all other ministries to see if they are interested in it before we take any action. At this moment, the ministry concerned has not declared it as surplus.

Mr. Stong: Does your ministry not have control over the acreage and is your ministry not responsible for the upkeep and the buildings at Pine Ridge? I don't understand the policy as between these two ministries. They seem to be operating in a vacuum and there is no communication between the two. Perhaps that's one of the faults of the government.

Hon. Mr. Henderson: Our ministry takes care of the general maintenance. The management of the building, of the space within it and of the use of the grounds, is up to the occupying ministry.

Mr. Stong: Does your ministry have any say in the use of that vacant land since you are responsible for the upkeep of it? Do you have no say at all in the use of the vacant land and the usage to which it could be put?

Hon. Mr. Henderson: No, we do not have any involvement until it's declared a surplus by the occupying ministry.

Mr. Charlton: I would like to raise with the minister some questions under contract tendering. My colleague from Cambridge mentioned in his opening remarks the Embassy Management situation that I raised last year in the estimates. I don't want to go through that whole story of Embassy again, but there were a number of things in terms of policy that emanate from that kind of a case, things which I raised last fall as questions of policy. I am just wondering if in some of these areas the ministry has done anything to try to deal with some of these situations.

One of the first questions I raised was the question of the advisability, the necessity and the cost involved of awarding contracts under the tendering process on small projects of less than \$50,000 to companies that essentially were management firms, that did none of the construction work themselves and subcontracted all of the work, in many cases to one single subcontractor. I am just wondering if the ministry has had a look at this situation at all since I raised it last fall.

The second thing I would like to raise is the whole question of how the ministry deals with complaints from subcontractors when they don't consider they are being fairly dealt with by the contractor or the management firm, or whatever, that is operating under a contract from this ministry.

I am just wondering if the minister and the ministry have considered any actions or any procedures by which they can control this kind of problem.

I will give you one example. There was a case with the federal government with the same company we talked about last fall, Embassy, where the federal ministry responsible for the contract in question got the same kinds of complaints that have come into this ministry about that kind of a situation of the subcontractors not being paid. The federal government's approach to the problem was to demand of the management firm, Embassy, a statement on whom they had subcontracted to, how much work they had done and how much Embassy felt they owed those subcontractors.

The subcontractors did not totally agree with the statement which Embassy submitted to the federal government, but the federal government took the position of paying Embassy for the amount of work done to date, based on their statement, in cheques that were made out to Embassy and the subcontractor, instead of solely to Embassy, in order to ensure that at least some moneys were going to the subcontractors. I am just wondering again if the ministry has had a look at that problem and at some method of dealing with those kinds of complaints now and in the future.

[5:15]

Hon. Mr. Henderson: In response to the hon. member's question, for tenders of under \$100,000 we don't require that they put up the necessary bond. We believe it is important to let the small contractor in on our work; we think it is very important to give anyone an opportunity.

Regarding Embassy or similar companies being as you suggest, really management companies which sublet the work, there are many companies going this route. Many tenders come in where we know full well that it will be done that way. We don't get involved with the subcontractor, except that there is a lien placed against the building. As the contract progresses, we pay the contractor the amounts of the award less 15 per cent. Before the final payments are made, we get an itemized statement from the contractor as to whom he is paying and what he is paid, and the assurance that everybody is paid up—except the time limit has gone by. So we do follow a plan similar to that of the federal government—maybe it is slightly different, but overall I would suggest it has the same end result.

Mr. Charlton: That is essentially the same procedure the ministry had when I raised the questions last year, and it is the same procedure which allowed a situation where subcontractors were having to go to court. I don't like to make a judgement on those court cases as to who was right and who was wrong, but it left open the situation where all of these outstanding legal actions were necessary in order for these subcontractors to get what they felt was their due. That says to me that your procedure wasn't ensuring that people were being paid for their work, and that the ministry should be having a look at some way of safeguarding against that kind of mishap.

Hon. Mr. Henderson: I think the hon. member put out his own suggestions and his own answer. He suggests that he would not want to make that decision, that he would not want to take the place of the court and decide who should be paid and who shouldn't. Does he suggest that the ministry should?

Mr. Charlton: I am not suggesting that the ministry should decide. What I am suggesting is that the ministry may consider setting up some procedures which would discourage this kind of practice in the first place. I am not suggesting that once it has happened you as a ministry should be deciding who is right and who is wrong. What you should be doing is setting up a procedure in your payments structure, and so on, that will discourage this kind of practice happening in the first place, so that you don't have to make the decision.

The suggestion I made, for example, was where the federal government demanded a statement, earlier on in the game than the last and final payment, of whom the contractor owed what, and issued the cheques jointly in the names of the contractor and the subcontractor. That's not necessarily the only procedure that could be used, but I am suggesting that some procedure be followed to discourage this kind of thing from going on. Perhaps even just the threat of no more government contracts would be sufficient.

Hon. Mr. Henderson: If the general contractor and the subcontractor make an arrangement of this nature, we would not kick about it. If that would be the wish of the general contractor and the sub-contractor to come in with a signed agreement that the cheques be issued jointly to the two, we would not object. We would accept that arrangement. Otherwise, it's a free-enterprise world we're living in and they're free to negotiate between the general and the subcontractor. I would hope that it always remained that way.

Mr. B. Newman: I want to raise the issue of the county courthouse in the city of Windsor, which is having an addition put onto it, directly across from the provincial public building. Is it your plan, Mr. Minister, to complete it this year or in November 1979? In case you don't complete it for another year and a half, will you have the work proceed in such a fashion so that at least parts of that building could be put to use as quickly as possible after they are completed?

Hon. Mr. Henderson: Present plans are for partial use, June 1978; completion, August 1978.

Mr. B. Newman: What you're saying, Mr. Minister, is that as you complete part of that building, it is going to be occupied, and then you'll continue construction up until the time the whole project is completed and then the whole building is put to use?

Hon. Mr. Henderson: What I am saying is that we expect the building to be far enough advanced by June this year, with completion in August. But I also understand that the citizens are living better in the Windsor area, and that we don't need these buildings.

Mr. Haggerty: Well, it's because of the representation they have at Queen's Park.

Hon. Mr. Henderson: It's the representation they have here which is causing that.

Mr. B. Newman: I was going to ask if you are planning to purchase the building at the corner, behind the provincial public building. It was formerly a grocery store, and purchasing that would finish off the block very nicely so that the parking could be at the rear end of the provincial public building in the Windsor Avenue area all parking could be taken out and a mini-park might be established there.

Hon. Mr. Henderson: I would have to report—that is not part of our plan at this moment.

Mr. B. Newman: Would you look into it for some future date then, because I think you need the parking in the area? You would also be accommodating the city because, you know, the city market is almost directly across from the provincial public building and on certain days of the week there just isn't enough parking in the area. I know you may say it's not your responsibility, but I think you also have a responsibility when you finish the building to make it really presentable to the public.

Hon. Mr. Henderson: Maybe I have not got the total picture. Are you talking of the little fruit market or the building?

Mr. B. Newman: It's the Berkowitz property that is directly to the east of the provincial public building. It had been used as the supermarket for years and years and now it's been abandoned for approximately a year—maybe a year and a half. It's up for sale.

Hon. Mr. Henderson: My original answer then was correct.

Mr. Davidson: Mr. Minister, in your booklet, Design and Construction Program, 1978-79, you have listed an adult training centre for the city of Cambridge. Am I correct in assuming that that adult training centre was the one that was on the board to be built on the remaining structures that exist at Grandview School and that it is no longer to be put into effect?

Hon. Mr. Henderson: There was no previous location established for it. It is a brand new location.

Mr. Davidson: So you are telling me, in effect, that when the Ministry of Correctional Services deemed that Churchill House would become a jail and remaining facilities would become an adult training centre, we are now talking about a different location under the C listing in the 1978-79 program?

Hon. Mr. Henderson: Yes.

Mr. Davidson: So there are still plans on the drawing board to build an adult training centre in Cambridge?

Hon. Mr. Henderson: Yes.

Mr. Davidson: If I may, I would like to follow up a little more on the Grandview School. I believe I understood the minister correctly to say, when he was answering one of my questions, that the Grandview property is in the hands of the Ministry of Government Services, including the buildings.

Hon. Mr. Henderson: It is not in the hands of the Ministry of Government Services. It is still with the Ministry of Correctional Services.

Mr. Davidson: The entire property?

Hon. Mr. Henderson: Yes.

Mr. Davidson: Thank you.

Mr. Haggerty: Mr. Chairman, I want to direct my questions to the minister concerning recent meetings involving the minister, the mayor of Fort Erie, Mayor Girve Fretz, and a couple of the private developers in the area, where they were discussing the new tourist centre at Fort Erie. In the ministry's Design and Construction Program, 1978-79, I do not see that listed as a project that is going to get off the ground this year; and yet, as I recall our meetings with the

minister, I understood that proposals would be made this year.

Mr. Ruston: It has been approved for design.

Mr. Haggerty: I see now on page 33 that it has been approved for design; it's the Fort Erie travel information centre, and it relates to the Ministry of Industry and Tourism. Could the minister tell me when he expects construction to start on this particular building?

Hon. Mr. Henderson: We have taken the necessary steps to acquire the property from the Ministry of Transportation and Communications. I would have to tell the hon. member that this is one of the C list projects. As regards the actual date of starting, the C list means the starting date has not been established.

Mr. Haggerty: Perhaps I could bring to the minister's attention the fact that this proposal for a tourist information centre has been on the government drawing boards for some 15 years—maybe longer than that. Fort Erie is perhaps the largest port of entry in Canada, and at present the tourist information centre is accommodated in a small trailer at the entrance of the Peace Bridge. I am a little bit shocked that we won't have the foundation being laid at least this year and perhaps construction later, in the fall. I had high hopes of sending an invitation to the minister to come down for the sod-turning this spring.

Hon. Mr. Henderson: Mr. Chairman, I certainly look forward to the opportunity of being there for the sod-turning. But before we can make such arrangements the hon. member will remember that I requested of that delegation, including the mayor of that great area, that they give us any proposals as to what we should incorporate in that particular project. To the best of my knowledge, we don't have any proposals in addition to what was proposed on the day of the meeting. So we are really waiting for proposals from the town.

Mr. Haggerty: What the minister is telling me is that we are not just going to be building the tourist centre, which would cover perhaps one floor; that the proposals, put forward by the developers, might add three or four floors to this building, perhaps to house some federal government agencies around the Peace Bridge. It could involve part of the Customs and Immigration offices, or a number of private businessmen in the area who might want to locate in this particular building. I don't know. The letter I have here from them says the minister has suggested this to them; but that was when a private developer

wanted to purchase the land and to have a lease with the Ministry of Industry and Tourism to rent perhaps one section of the building.

[5:30]

Hon. Mr. Henderson: My recollection of that meeting—and I don't have my letter here—was that the mayor was to present us with proposals of those he felt would be good tenants for this particular spot. It might well be the government of Canada as tenants. I believe you proposed that maybe we should consider the OPP. We are ready for those proposals and we really haven't received them as yet. Until we either receive the proposals or get a clearance from them that they don't have proposals, we are sitting in limbo.

Mr. Haggerty: The only thing I can report on that is that I have a copy of a letter sent to the Hon. John Rhodes from Mr. Herbert C. Clayton. He says the proposed complex is to house the tourist information centre in the town of Fort Erie. They were not too happy with the recent government changes through the different ministries suggesting they are no longer interested in the private sector building the centre there. They have a letter from the Ministry of Industry and Tourism that is addressed to Mayor Girve Fretz. I perhaps should read it into the record. It says: "In a letter to the former mayor of Fort Erie, Mr. John M. Teal, of October 21, 1976, I proposed that our ministry would rent"—and the Minister of Industry and Tourism is writing this letter—"space in the building to be erected by your municipality or agent. This was under the provision that the architecture, site location, layout of this accommodation, parking facilities and rental costs were agreeable to us.

"From the plans, the leasing proposals you have provided to our ministry, we are pleased to advise you of our approval to proceed with the details of the leasing agreement. We will look forward to seeing the completion of this new modern building in the town of Fort Erie.

"Sincerely, Claude Bennett."

Apparently, it is the policy of the Ministry of Government Services to have the private sector build it, lease the land from the ministry and turn around and give it back to the province or to the ministry, say, in 25 years. I don't think this is acceptable to the developers in the area. They have an agreement with the minister, a letter from him stating he approves of the tourist centre, and would like to proceed on that.

In fact, they have written a further letter to the present Minister of Industry and Tourism (Mr. Rhodes) and I will tell you they are not too happy with the government's handling of this. They have included a bill for \$9,000. The letter goes on to refer to the preparation of three design concepts of the office complex, the Ministry of Industry and Tourism approval, consultation with the town of Fort Erie and council and staff, negotiations with the Ministry of Industry and Tourism personnel, both from the St. Catharines and the Toronto office. There are about six or seven different items there and the total disbursement is \$9,000. They feel that they have been led down the garden pathway by the Ministry of Industry and Tourism.

Mr. Ruston: Oh, terrible.

Mr. Haggerty: They were going to proceed with the construction of this building in Fort Erie. I ask the minister to reconsider his position on this particular site and let the private sector buy the land or let the municipality buy the land and lease it to the private sector and let them construct the building.

Hon. Mr. Henderson: I believe we had quite a bit of dialogue respecting this proposal and I pointed quite clearly at that time that it was the responsibility of our ministry to provide any office space for the Ministry of Industry and Tourism. I suggested that if a wrongdoing had taken place that a second wrongdoing would not correct the situation. Maybe some of those present disagree, but outwardly they agreed that two wrongdoings don't correct one.

Under proposals our department carries out—which I suggested to those people that morning they may be interested in—we, the province of Ontario, have the land, we appoint an architect and come in with the necessary drawings to accommodate the area that needs covering. At that time we advertise for tenders for a builder who will come in and build the building and will lease it back to us for a 25-year period, on more or less an option whereby at the end of 25 years we're the sole owner of the building. I am convinced that this is good for the people of Ontario and it does give the private citizens of that area the opportunity to build on it.

If this group of individuals who were putting the proposals to Industry and Tourism can come together with other tenants who are ready to perform a public service, we will certainly look at it. But the commitments that were proposed in the letters you

have referred to are not acceptable to our ministry.

Mr. Haggerty: But can you assure me and perhaps the town of Fort Erie that if this proposal between the private sector and your ministry isn't agreeable you will get on with the construction of the tourist centre in Fort Erie? Can we expect some real initiative this year?

Hon. Mr. Henderson: As I suggested earlier, before I take another step as to their proposals of what should be included in this building, I am waiting for a response from the town and from those individuals.

Mr. Haggerty: In other words, you have no funds allocated for this type of construction in Fort Erie? That's what you're telling me. Not this year, is that it? Do you have, say, \$200,000 set in a nice little nest egg?

Hon. Mr. Henderson: I don't remember making any statements either way. I was waiting until we got the proposal to see what might be needed.

Item 2 agreed to.

On item 3, leasing:

Mr. Davidson: Under the leasing program, I notice that there is a reduction of probably \$2 million. One of the answers I was given when I raised the reduction in capital construction was that they've gone partially to the leasing program and partially—I understood it this way—and partially to the lease-purchase program. Are we in fact not leasing as much property as we have been in the past in direct leasing?

Hon. Mr. Henderson: The reduction in this amount is recoveries from other ministries.

Mr. Davidson: Can the minister or his staff advise us as to how much waste space, I guess it would be, we are leasing? In other words, how much empty space do we have available in properties leased by the government?

Hon. Mr. Henderson: In response to the hon. member, the present figure is that 2.97 per cent of office space is vacant. We don't think this is too bad a figure. If we can stay in that area, with movements from one office to the other, and with changes—new buildings, new offices, coming on stream—we think that the figure of under three per cent is very close.

Mr. Davidson: Do we have that in square feet, Mr. Minister?

Hon. Mr. Henderson: In Metropolitan Toronto, there is 99,949 square feet. Else-

where in the province of Ontario, 78,642 square feet.

Mr. Ruston: Mr. Chairman, would this vote here also come under leasing? And then buying back ownership of it at a later date, is that included in that estimate?

Hon. Mr. Henderson: That would come under item 6.

Item 3 agreed to.

On item 4, real property acquisition:

Mr. Ruston: In real property acquisition, could the minister tell me whether his people are involved in the acquisition of property at any stage when Ontario Hydro is acquiring any property?

Hon. Mr. Henderson: The only property we have purchased for Ontario Hydro is in the parkway belt around Metro. Elsewhere, no.

Mr. Ruston: The old Hydro building is still in the ownership of Ontario Hydro?

Hon. Mr. Henderson: Yes.

Mr. Davidson: Mr. Minister, correct me if I am wrong but would your ministry acquire property on behalf of other ministries—for example, the Ministry of Housing?

Hon. Mr. Henderson: Yes.

Mr. Reed: I would like to ask the minister some questions about the acquisition procedures that are used in the parkway belt. I think it is one of the great misnomers of the 1970s, calling that utility easement a parkway belt. But some of the basic method that is being used to acquire property is open to some question, I think.

I would put the scenario to you like this, Mr. Minister: The parkway belt is, in effect, not legislation at this time but rather a second statement of draft plans. The first draft plan was originally conceived, I believe, in 1973, and the second one—with certain territorial exemptions—came out last year. The value base that is being used by your ministry for establishing the price to be paid for expropriated land goes back to the time of the original statement of the parkway belt—that is back to 1973.

What this means, is that farmers and landowners in that area of the parkway belt who are presently faced with acquisition by expropriation are being offered prices and evaluations based on a bureaucratic creation which has been imposed upon them. They are there by an accident of geography. The property to the east of them is selling as raw land for much greater amounts. To the west of them much of the property was acquired by the government for future urban development. It was said to be one of

the great wise moves of the early 70s—or I suppose it seemed like a good idea at the time.

[5:45]

I would ask you seriously, is it not fundamentally wrong in principle that a bureaucrat imposes a particular set of impositions on the expectations to be derived from a piece of property and then to have the government come in and expropriate that property on the basis of that bureaucratic imposition?

We designate property all the time. We do it in towns with bylaws; we classify certain areas as being commercial and certain areas as residential; and it does affect the value of that property. However, I would submit to you, Mr. Minister, that in those cases the people making those bylaws are elected people. They're elected by the people in the town and their decision is either accepted or rejected by those electors when they go to the polls.

This is not the case with the parkway belt; nor is it, if you like, with the Niagara Escarpment draft plan; nor is it with the conservation authorities' draft plan. But in those cases, up until now I know of no expropriation taking place in those areas. There are some acquisitions or purchases, but I really don't know if they have proceeded to the point of expropriation or whether they yet deem themselves to have the power to expropriate.

In this case we have a draft plan and that's all it is. And it's subject to change without notice, as you know. It could change in another six months. As a matter of fact, it is presented as a draft plan for purposes of input and making changes as the months go by before the final entity comes forth. Yet your ministry now evaluates that property on the basis of that non-existent imposition in terms of legislation.

I submit to you that the parkway belt is simply a bureaucrat's dream and that's as far as it goes. How, in the name of conscience—and you may be able to tell me in a few minutes that you're legally right in doing it—can you tell me that government is morally right in using this kind of method for acquiring property?

Hon. Mr. Henderson: The price paid for property in the parkway belt is the higher of either the price of this property June 3, 1973, or the current market value, according to other property selling in the area.

Mr. Reid: Just as a point of clarification, are you saying that it is the higher of the 1973 value compared to other properties in the parkway belt, or other property? Because if you're saying other property—if you go one

concession, one road width east of the ninth line, south of Derry Road—you will find that raw land is trading, in the Erin Mills development, for many times more than the price being offered by your ministry for a railway access to a hydro switching station or connecting station, or whatever it happens to be.

Hon. Mr. Henderson: Mr. Chairman, I said within the designated or the defined area.

Mr. Reid: That being the case, then the proposition I put to this House is that if not illegal, there is in principle something fundamentally wrong in making this kind of designation and saying: "Okay, Charlie, here's your property. We're going to declare it to be so and so," and then come in a couple of years later and say: Now, we're going to expropriate." It's wrong.

Hon. Mr. Henderson: The only property we've expropriated was for Ontario Hydro and not for the parkway belt as such.

Mr. Reid: I understand that, and I understand that the expropriation was made for Ontario Hydro, but it was made, Mr. Minister, with the parkway belt's imposition as part of the evaluation process.

Hon. Mr. Henderson: That's correct, Mr. Chairman.

Mr. Davidson: Mr. Minister, under real property acquisition, there are in Cambridge, north of Highway 401, some 3,000 to 4,000 acres that were purchased for development by the Ontario Housing Corporation. Could I ask you if that land has been in fact declared surplus and has been turned back to the Ministry of Government Services, or is it still in the hands of Ontario Housing?

Hon. Mr. Henderson: The Ministry of Government Services is responsible for managing it and I am sure the hon. member knows that it's in production as farm land.

Mr. Davidson: You are still in control of it? My understanding is that the Ontario Housing people are not going to use it for the purpose for which it was purchased. Say the people farming that land wanted to repurchase the property; who would they deal through? Would they deal through your ministry or would they have to deal through the Ministry of Housing?

Hon. Mr. Henderson: We are the ministry which has the land, but to my knowledge, Housing has never said that it is surplus to them. We are managing the land and it may have been said out there that Housing don't want it, but officially I am not aware of that.

Mr. Davidson: If I may I would advise you that when the member for Sault Ste. Marie (Mr. Rhodes) was Minister of Housing he

made it quite emphatic in the K-W Record that the Housing people no longer required that land—the ministry would not be using it. I just wanted to find out for the people living in that area that if there was an opportunity to buy back, would they do it through your ministry or the Ministry of Housing?

Hon. Mr. Henderson: They would do it through our ministry, but I just don't want to leave the impression that it is for sale because as far as we are concerned the Ministry of Housing does want it.

Mr. Stong: Mr. Chairman, I would like to go back to the parkway belt situation that the member for Halton-Burlington brought up and that is with respect to the purchase and acquisition of property within that belt. Are you indicating to this House that those sales, particularly in the Langstaff area, were willing sales and that the people who sold had the opportunity to sell as if they were selling on the marketplace?

Hon. Mr. Henderson: If there was an expropriation, it would be for Hydro. We have not expropriated as far as the parkway goes.

You know I don't live in the immediate area. Where is Langstaff? It would help me if I knew that.

Mr. Stong: Langstaff is in that part of the parkway belt in the town of Markham on

the south side of Highway 7; it runs between Yonge Street and Bayview Avenue. There was a move by the Treasurer to have a hydro line put through that area. When the people objected and the hearing officer heard their objections, recommendations were made to remove the hydro line.

However, there have been sales of that property there that have not reflected the true market value—as if they had been sold on an open market with willing sale. I am wondering if your ministry, when these facts and figures can be substantiated, is prepared to make up the difference to those people who have already sold under a situation that was not a willing sale.

Hon. Mr. Henderson: Mr. Chairman, I am not in a position to give any such guarantee. The only statement I can give you is that any land that has been expropriated—I am just restating what I said—was expropriated because of Ontario Hydro. In that particular area there is a hydro line going through; it is being planned.

On motion by Hon. Mr. Henderson, the committee rose and reported progress.

On motion by Hon. Mr. Henderson, the House adjourned at 5:55 p.m.

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No. 28

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Second Session, 31st Parliament

Tuesday, April 4, 1978

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 4, 1978

The House met at 2 p.m.

Prayers.

PROCEEDINGS AGAINST MEMBER

Mr. Riddell: Mr. Speaker, I rise on a point of personal privilege.

On March 16, 1978, while this assembly was in session, Messrs. MacLean and Chercover, barristers and solicitors, 85 Richmond Street West, Toronto, caused to be served upon me, through my secretary, without my knowledge or permission, at my office, Room 121, North Wing, Main Parliament Buildings, a notice of action pursuant to the Libel and Slander Act.

The solicitors were apparently acting on the directions of the following persons and organizations who were shown in the notice as plaintiffs: Robert White, L. Seymour, Lorna J. Moses and Frances Piercey, on their own behalf; as officers and members of the International Union of United Automobile, Aerospace and Agricultural Implement Workers of America and Local 1620 thereof, and on behalf of all members of the International Union of the UAW in Canada and its Local 1620 in Ontario.

After receipt of such notice, I forthwith instructed my solicitor who, on my behalf, on March 20, 1978, replied to such notice. I am advised by my solicitor that in such notice he rendered his opinion to Messrs. MacLean and Chercover that the notice of intended action contravened section 38 of the Legislative Assembly Act.

In addition, on March 20, 1978, I received by mail at my assembly office from the registrar of the Ontario Labour Relations Board a notice of application for consent to institute prosecution by the UAW against myself and others. I instructed my solicitor in connection with such notice and he advises me that he has replied to such notice as required by the Labour Relations Act.

My solicitor informs me that he has advised the Labour Relations Board that the filing of such application in his opinion is probably a contravention of section 38 of the Legislative Assembly Act. My solicitor further informs me that the validity or otherwise of the commencement of those proceedings against me

is not a matter for decision by the Legislative Assembly of Ontario.

Notwithstanding the reply of my solicitor to the notice of intended action, the solicitors for the intended plaintiffs whom I have named, on March 30, 1978, directed an additional communication at my assembly office pursuant to the notice of action originally served upon me.

Mr. Speaker, I am quite prepared to defend these actions on the basis of the merits and the facts. As I have mentioned, I have instructed counsel so to do and such is being done. However, the continued direction of litigious material to me is, in my opinion, a molestation of my parliamentary function, rights, duties and privileges. I believe there is a clear breach of my privilege, and I would ask you, sir, to consider this matter and to take whatever action you deem appropriate and necessary in the circumstances.

Mr. Speaker: I will consider the point of privilege raised by the hon. member and report to him at a later date.

STATEMENT BY THE MINISTRY

HARTT INQUIRY

Hon. Mr. Davis: Mr. Speaker, just over eight months ago, the government established the royal commission on the northern environment with broad terms of reference concerning the economic, social and cultural future of northern Ontario, north of the 50th parallel. Since then, Commissioner Mr. Justice Patrick Hartt has travelled the vast areas of the north of the province and, largely through public meetings, the concerns and opinions of the people have been presented to the commission.

I am tabling today a copy of an interim report and covering letter from the commission and wish to add some general remarks in response.

First, I think it is fair to say that the report and the recommendations it contains serve to re-emphasize the vast distances, relatively small population and climatic conditions that contribute to and underscore the issues that face the people of the north. Evidence of the differing opinions among the population as to appropriate actions is also more than apparent.

If a single direction or purpose can be taken from this preliminary review, however, it is the call for continuing co-operative and consultative processes among all the parties involved, namely governments at all levels and the people, both native and non-native, of northern Ontario.

The government welcomes this general approach and I would only reaffirm here that it is a direction to which we are fully committed. The government views this report as a constructive outline for future consultation. It will be given detailed consideration by the appropriate ministers. I fully intend to talk at greater length with Mr. Justice Hartt to obtain from him more sharply defined terms of reference for the specific structures proposed, so that we may avoid unnecessary overlapping, duplication or misunderstanding.

As well, it is my intention to discuss with Mr. Justice Hartt his particular role in these future developments and I am delighted that he has indicated his dedication to continue to serve in the interest of assisting all of us in dealing with the many problems of the north.

In this vein also, I wish to inform the House that I have received from the Association of Treaty No. 9 Chiefs the concerns of their grand council with regard to the future role of the royal commission itself. And I would just interject here, Mr. Speaker, that the chief of Treaty No. 9, Mr. Andrew Rickard, is in your gallery. This and other responses will be referred to Mr. Justice Hartt for consideration and future discussions.

Now, Mr. Speaker, if I may turn briefly to the specific recommendations of the commission's interim report arising from matters viewed by the commission as needing urgent attention at this time:

Perhaps the most significant proposal is for the establishment of a permanent tripartite committee, representative of the federal and Ontario governments at the ministerial level, and of the Indian people. The report states: "The committee would attempt to resolve, through negotiation, issues raised by its members, and in particular would address questions of devolution of authority to govern local affairs and access to resources for the Indian people. A small secretariat, acceptable to all parties, should be established to support the committee."

In addition, it is proposed that the problems related to the Whitedog and Grassy Narrows Indian communities be the first priority item to be addressed by the committee.

Mr. Martel: Further delay.

Hon. Mr. Davis: The government of Ontario endorses the idea of such a tripartite

committee. This principle is already an initiative of the government, in that proposals for such a committee have been discussed both with the federal government and with the chiefs of Ontario. This formal structure is seen as a necessary base for future decision-making on various issues of mutual concern. It is also planned that operational support will be provided by a joint tripartite steering committee at the staff level.

We would also endorse the notion that the circumstances affecting the communities at Whitedog and Grassy Narrows should be a first item of business for such a committee, although we are cognizant of the fact that similar types of social problems affect other Indian communities as well. Further, there may be reason to question whether a time limit of 90 days is sufficient to deal with a matter of this complexity.

It is our intention, as I have noted, to pursue these recommendations further with Mr. Justice Hartt by seeking from him detailed proposals on the creation, structure and function of this committee. All our work to date will be made available to him.

A task force of northern residents as a liaison between government and the people is also recommended. As I have mentioned before, increased public participation has been one of the major objectives of the government in establishing the commission.

At the same time, I need hardly remind the House that it has been but a year since the government created a Ministry of Northern Affairs to meet the type of need described in this recommendation. In addition, and indeed more important, there are some 15 members of this Legislature, from all parties, who represent the interests of northern communities and their citizens.

We should, therefore, perhaps look at the various roles that already exist before committing ourselves to the notion of the task force recommended in the report.

The government supports the recommendation concerning a review by the commission of the West Patricia planning process and sees this as fully within the authority and sanction granted to the commission. I might add that the recommendation is in keeping with the approach suggested by the Ministry of Natural Resources to ensure necessary public participation in the West Patricia land-use plan as the focal point for overall government planning in the area. The involvement of the commission would be most beneficial.

As to the question of the Onakawana lignite development project, the government has long since stated that the procedure will

be followed under the Environmental Assessment Act. Public consultations between the Ministry of Natural Resources and local residents have been proceeding for some time. In fact, prior to any decision to issue a mining lease to Onakawana Development Limited, a series of open sessions was held with local residents.

In the supporting text of the report, the suggestion is made that the commission play an "observing and counselling role" in these proceedings. The government feels that the proposal should put the commission in a position to make constructive recommendations on the adequacy of the environmental assessment process as it might be applied to various types of future potential development in the north. In addition, it will enable the commission to provide skills in resolving possible difficulties which may arise.

The commission's last recommendation proposes that no government licences for wild rice harvesting be issued to non-natives for a period of five years.

It should be noted that policy proposals for promoting a viable wild rice industry among the native people are included in the mandate of the proposed new tripartite committee. The government has encouraged the growth of this industry among the native people and it is important to ensure an opportunity for the natives to develop this industry on a competitive basis. The Minister of Natural Resources (Mr. F. S. Miller) will pursue this matter with Mr. Hartt to ensure in the development of this important resource a future course of action that is consistent with the objectives of involving the native peoples.

Finally, the focus on economic development in the north must not be overlooked. I would cite here the commissioner's explicit statement of the benefits to be derived from planned resource development and his recognition of the fact that: "A general moratorium on development, even for a two- or three-year period, could needlessly cause hardship, increase unemployment and delay benefits to people which can flow from well-planned ventures."

In summary then, the government feels that this interim report lays the ground for a thorough and systematic review over the next two years or so, which will, at the same time, enable and indeed ensure that legitimate development is not thwarted or frustrated in the process.

ORAL QUESTIONS

OMA-OHIP FEE SCHEDULES

Mr. S. Smith: I have a question for the Minister of Health. In view of the minister's various statements that Anti-Inflation Board controls apply to the OHIP schedule of benefit payments to be made this calendar year to most doctors and other practitioners, may we take it that the government will limit any increase in its proposed schedule of benefit payments to what is permissible under the Anti-Inflation Board policy? If so, what does the minister understand the Anti-Inflation Board policy to be, both with respect to those doctors who receive only the schedule of benefit payments from OHIP and those doctors who bill on their own?

Hon. Mr. Timbrell: The AIB limits are on the physicians, which, therefore, dictate the amount by which the schedule will increase. I don't recall the figures off-hand and I wouldn't want to try to recall them from memory, lest I get them wrong. Let's put it this way: Our negotiations are very much constrained by the realities of the anti-inflation program for the balance of 1978.

Mr. S. Smith: By way of supplementary, can the minister tell us what he understands the Anti-Inflation Board restraints to be, particularly with respect to the fee schedule as opposed to the \$2,400 limit on individual doctors, and has he told the Ontario Medical Association that any increase in that schedule will have to conform with AIB policy this year?

Hon. Mr. Timbrell: It is acknowledged by both sides in the negotiations that we are constrained by the anti-inflation program and the limits which are placed on individual practitioners.

[2:15]

Mr. Cassidy: Would the minister be prepared to explain—and I don't think this question has been asked of him up until now—why it is that when it comes to these negotiations he talks about being constrained by the anti-inflation program, but when it came to imposing premiums on the people of the province of Ontario he imposed an increase of 37½ per cent and completely disregarded that program which he had endorsed?

Mr. Warner: He uses the guidelines when he feels like it.

Hon. Mr. Timbrell: As the hon. member knows, in preparing the anti-inflation program, when it came to questions of price

increases or fee increases it was written right into the program that, in fact, increases would be relative to cost increases, and as he very well knows the costs of providing health care have gone up by as much or more—in fact it is much more—in the last few years than the increases in the premium revenue.

Mr. S. Smith: That is not a fact.

Mr. Conway: In the preparation and tabling of his estimates for the year 1978-79, has the minister taken into consideration and allowed for the maximum increase permissible under AIB as he understands AIB to be?

Hon. Mr. Timbrell: Maybe this question would be more appropriate at estimates I suppose, but yes, we have calculated both the effect of the AIB on the increases in income as well as factoring in anticipated increases in utilization.

Mr. Cassidy: Given the fact that the incomes of individual premium payers have been held down by the AIB over the course of the past year and in future, can the minister comment on the possibility that significant numbers of Ontario residents will allow their OHIP coverage to actually lapse because of the very heavy premium increase in relation to their increase in incomes?

Hon. Mr. Timbrell: That has not been the experience in the past and I certainly don't anticipate it to be the experience at the present.

Mr. Cassidy: Does the minister have any evidence for that last reply, given the fact that the only material we have had put forward up until now, when reviewed by the Provincial Auditor, indicated that there were 12 million people in this province covered by OHIP and that, therefore, those statistics are quite meaningless?

Hon. Mr. Timbrell: If the hon. member would read, if there is one, a Hansard of the public accounts committee, or at least talk to members who sit there, the problem which resulted in that anomaly is totally different from that which was the substance of his earlier question, but I am sure that when we get into the standing committee on social development some of the members of his party may want to pursue that and I will be sure that we have the officials available to give the specific figures at that time.

Mr. Martel: Our figures aren't reliable.

Mr. Cassidy: Final supplementary—

Mr. Kerrio: You just had it.

Mr. S. Smith: He had it, as I recall. Mind you, he does us a lot of good with these

supplementaries. You might want to give him a few more, Mr. Speaker.

USE OF SEWAGE SLUDGE

Mr. S. Smith: I have a question for the Minister of the Environment. His predecessor in that office (Mr. Kerr) was able to answer almost a year ago, on April 22, 1977, regarding my question about the use of sewage sludge on agricultural land, I quote: "In the meantime, the guidelines are being applied in the province to those areas where there is sludge removal. The guidelines are being used now," and then, in response to my question, and I quote: "Is the minister saying all sewage sludge in Ontario now being applied to agricultural land falls within the guidelines of that report?" his answer is: "That is what we are implementing right now, yes." That is a direct quote.

Can the minister explain to me how his predecessor could have said those things in the House and yet a year later we still read that an internal report indicates that only 40 per cent of the sludge being utilized in Ontario meets the guidelines?

Mr. Warner: Inconsistency.

Hon. Mr. McCague: No, I really can't explain the hon. Leader of the Opposition's question.

Mr. S. Smith: I can appreciate the minister's answer, inasmuch as I had a little trouble understanding all the incorrect answers I had from that particular minister when he was in that position. I would ask the minister, by way of supplementary—and I look forward to his response afterwards—can the Minister of the Environment explain to me why it has taken over a year to implement a report which even a year ago had been in the hands of the ministry for some considerable time, when in point of fact a possible serious health hazard is involved in the usage of sludge with heavy metals, possibly even PCBs, on agricultural land which grows crops for human consumption? Why the delay?

Mr. McClellan: He can't cope.

Hon. Mr. McCague: Mr. Speaker, I can't give an explanation to the hon. member. All I can tell him is that the matter is proceeding. We intend to have final drafts in about a week's time and to meet at that time with senior management in Agriculture and Food. I think we will be in a position to have them for him shortly.

Mr. Mancini: Who is in charge over there?

Mr. Speaker: Does the hon. member for Welland-Thorold have a supplementary?

Mr. Swart: Yes, I do, Mr. Speaker. I would like to ask the Minister of the Environment if it's not true that only 14 per cent of the sludge which has been applied on farm land has been safe for application? Secondly, is it not true also that the only regulations which they've had up to this time have been regulations relative to the handling of the sludge and the sites, and not with regard to the quality of the sludge whatsoever?

Hon. W. Newman: Oh, it's all fine quality.

Hon. Mr. Kerr: It helps grow things down there.

Mr. Martel: A farm boy would know that, Bill. In other words, it's manure.

Hon. Mr. McCague: I don't have a figure for that here. I think probably what the member is missing is that we're also talking about treated sludge.

Mr. Kerrio: As a supplementary question to my leader's question of April 22, 1977, I asked the then Minister of the Environment if he was aware that in jurisdictions where sludge is used on agricultural land, mainly in the state of Wisconsin, there were significant signs of polychlorinated biphenyls in the milk from dairy herds grazing on that land. The answer at that time was: "I know that PCBs have been a part of the problem as far as sludge disposal is concerned and that's one of the reasons we're applying the guidelines."

I would ask the present minister, in view of the kind of experiments that have been carried out and the studies in other jurisdictions, when he will put to this Legislature the safeguard of the users of agricultural products in this province?

Hon. Mr. McCague: I think I did say in answer to the opposition leader's question, "shortly."

Mr. Kerrio: The minister said that a year ago.

Hon. Mr. McCague: I didn't say that a year ago.

Mr. Conway: Don't be so loquacious.

Mr. Swart: May I ask the minister if it's true that the sludge which has been used may not only be injurious to health but it may permanently damage the land?

Hon. Mr. McCague: Mr. Speaker, I believe that is a possibility and we're looking into that.

Mr. McClellan: Tell the Minister of Agriculture and Food that.

Hon. W. Newman: Why doesn't the hon. member ask me the question? It will make his moustache grow bigger.

HARTT INQUIRY

Mr. Cassidy: Mr. Speaker, I have a question of the Premier in relation to his statement about the interim report of the Hartt commission. There are two or three inter-related questions. I want to express some concern on our part at the diffusion that may result from this report because of the splitting up of the responsibilities of the Hartt commission into two, three or even more separate areas.

Perhaps I could begin by asking the Premier this question: Can he explain why, in response to the only single, concrete recommendation for action now in this interim report—namely, that no new licences for wild rice harvesting be issued to non-natives over a period of five years—that the government has surrounded that recommendation with cotton wool and has not come out with a firm, clear answer that would enable Indians to develop a strong economic position in the wild rice industry?

Hon. Mr. Davis: Mr. Speaker, I regret that the leader of the New Democratic Party doesn't treat, in a constructive way, the interim report of Mr. Justice Hartt. I should point out the report has, I think, resulted from discussions with the native people and I think it has their support. I'm disappointed that he himself doesn't sense the complexity of this and the validity of the recommendations.

Mr. McClellan: Answer the question.

Hon. Mr. Davis: Listen, the member prefaced his question with an observation that he didn't like the report.

Hon. Mr. Bernier: The member doesn't know what it is all about.

Hon. Mr. Davis: I think it's quite proper for me to express my regret that the leader of the New Democratic Party doesn't have the wisdom to see the positive aspects of this report. I think that's quite appropriate.

Mr. McClellan: We've already had enough cotton wool.

Hon. Mr. Davis: If the member wants to ask me a question I'll give an answer. If he wants to make a speech I feel provoked to reply.

Mr. Martel: You are prepared to make a speech too.

Hon. Mr. Davis: The answer to the question about wild rice is very simple. This government has been committed and is committed to a policy to see that the native people are assisted in developing a viable wild rice industry in that part of the province of Ontario.

Mr. Laughren: Tell the Minister of Northern Affairs that. Are you listening, Leo?

Mr. Cassidy: If I can ask a general question, can the Premier say what role Mr. Justice Hartt will be asked to play in the future series of related inquiries which will go on? In particular, is the government prepared to ensure that there is one central focus for the issues that were originally grouped under the Hartt inquiry; that is, that Mr. Justice Hartt will continue to look at the overall questions about how northerners can be involved effectively in the development of government policy and the questions related to the native peoples which are now being split into three areas?

Hon. Mr. Davis: Mr. Justice Hartt has made his personal views known to me as to where he thinks his contribution would be the most appropriate. As I said in my statement, it is my intention to discuss this with Mr. Justice Hartt because, in order to avoid the possibility of duplication, I think there should be more definitive terms of reference for the two or three structures that are suggested in the report.

I think it is fair to say that Mr. Justice Hartt has made it known to me, and perhaps it is referred to in general terms in his letter, that he indicates that, if asked, he will pursue an involvement in this matter. I am very encouraged by that. It is my intention, after a discussion with him, to encourage him to accept a further responsibility. I think it would be wise for all members of the House to have this further definition as to the actual function of the structures that have been suggested, and that would be a more appropriate time to get into this sort of question and answer or even perhaps a period for some discussion here in the House.

Mr. S. Smith: This is supplementary to the aspect of the other leader's first question on wild rice: Could the Premier please clarify a word on page nine of his statement where he appears to have rejected the recommendation of Mr. Justice Hartt? Mr. Justice Hartt's recommendation has been to have no non-native licences issued in the wild rice matter for five years—

Mr. Foulds: That was the question that was asked.

Mr. Cassidy: Where were you a minute ago?

Mr. S. Smith:—and the Premier has said "it is important to ensure an opportunity to develop the industry on a competitive basis." Competitive with whom? Surely what the Premier means there is with non-native licensees.

Hon. Mr. Davis: That is not the intention. It is not non-native licensees. It is with wild rice from other sources.

Mr. S. Smith: Thank you.

Hon. Mr. Davis: We don't have a monopoly on wild rice.

Mr. Foulds: Supplementary: I wonder if the Premier could give the House any information about the time he expects to have a definition for the House in terms of Mr. Hartt's role and in terms of definition of the structure that Mr. Hartt has set out.

Hon. Mr. Davis: Because of the priority the government has given this and because of the support in a general sense by most members in this House, I would hope to have this available within a couple of weeks. I don't want to be pinned down to an exact date but it will not be a prolonged period of time.

Mr. Foulds: Make it 10 days.

Mr. Cassidy: Final supplementary: I appreciate that the Premier will do this quickly rather than at length, but can he give some indication to the House now how the conflicts between the different bodies that are being established or proposed for the north will be resolved?

Hon. Mr. Bernier: You don't even know where the north is. Tell me where it starts.

Mr. Cassidy: I have in mind that the tripartite group negotiating with the native peoples will have as an early priority the question of Onakawana, which will also be the subject of an environmental assessment. I have in mind that some of the findings of the West Patricia study, being carried out by the son of the commission, will also affect native peoples and the question of access by northerners to government decision-making. I have in mind the fact that the area of access by northerners to government decision-making is apparently being left completely, rather than being referred back to the main commission, by what the Premier said.

How will all that be co-ordinated and brought together? Can the Premier give us a statement?

Hon. Mr. Davis: I have a feeling that some members of the hon. member's caucus would object if I gave a statement. I will try to reply to the observation and statement that the hon. member made.

Mr. Cassidy: Is that a reply?

Mr. Martel: Why don't you just give us a straight answer then?

Hon. Mr. Davis: It wasn't a straight question. I have come to the conclusion that the

hon. member's leader has a lot on his mind. There are some days when we would debate how much he has on his mind; but obviously this afternoon he has a lot on his mind.

[2:30]

It is for the very reasons that the leader of the New Democratic Party has pointed out some of the areas of possible duplication that I said earlier that I would be discussing with Mr. Justice Hartt a clear definition. What we have in this report, really, is in some respects conceptual in terms of how he sees us operating, and I think it needs further definition. When I have that for the members of this House, with a proposal in terms of membership, et cetera, I shall be delighted to share it with the leader of the New Democratic Party and be quite prepared to discuss it at that time.

DECLINING ENROLMENT

Mr. Cassidy: A question for the Minister of Education: Can the minister tell us when he intends to release the interim report of the commission on declining enrolment, which was first expected at the end of February this year, then at the end of March, and which, as I understand it now, is either at the printers or in fact is somewhere on the minister's desk?

Hon. Mr. Wells: My friend is correct; it is at the printers. I inquired today and was told it would be two weeks before the printing is completed. As soon as it is finished being printed, he will have a copy as quickly as that.

Mr. Cassidy: Supplementary, Mr. Speaker: Since the report will therefore be two months behind the original deadline, can the minister say what plans the government has to assist boards—especially low-assessment boards with scattered school populations, such as Timiskaming and other boards in northern Ontario—to overcome the financial pressures resulting from declining enrolment? We were in Timiskaming a week ago and found that that problem is particularly acute there because of the low assessment base and the very sharp decline in enrolment. Is the government prepared to come up with plans for this fall so that those boards do not have to wait a further year until action is taken?

Hon. Mr. Kerr: Is that the royal "we" or the plural?

Hon. Mr. Wells: I believe there was no intention that there would be any particular plans introduced before the next fiscal year. The grant regulations for this year have been

printed and have been distributed and presented. There has been no indication that there would be any changes. Anything that is done of a nature that would assist the Timiskaming board in a major way would be in the 1979 grant regulations, when we will have the full benefit of commissioner Jackson's report and any suggestions that he might make, plus any others. I would just suggest to my friend that if the Timiskaming board has any problems, we would be most happy to discuss them with it.

Mr. Cassidy: Supplementary, Mr. Speaker: Since the Timiskaming board or some of its people brought its problems to us, in view of the difficulties it has been having with the ministry—

Some hon. members: Oh, come on.

Mr. Speaker: Question.

Mr. Cassidy: —may I just ask the minister, surely the minister is aware that fixed costs do not decline at anywhere near the rate at which enrolment is dropping in some boards like Timiskaming, and that those boards have got particularly acute problems because their mill rate, their assessment base, is so low they cannot easily go back to the taxpayers for costs they cannot get fairly and squarely shared from Queen's Park?

Hon. Mr. Wells: Yes, the minister is very much aware of all those things, as are, I am sure, the boards and the commission. I might point out to my friend that there are no particular recommendations to alleviate the problems that my friend is suggesting in the interim report of the committee on declining enrolment. The interim report is more a series of background papers and studies that will be useful as we work up to the final recommendations which will come in the summer.

POLICE BRUTALITY

Mr. Stong: I have a question for the Solicitor General. Would the Solicitor General advise the House at this time what conclusions his ministry has drawn and what course of action he intends to pursue as a result of the investigation into two separate and distinct incidents of alleged assaults by police officers? One involved the York Regional Police on January 15, 1978, wherein it is reported that a man arrested for impaired driving was handcuffed, placed in the back seat of a cruiser and then beaten, all in front of witnesses in his neighbourhood. The other involves members of the Durham Regional Police and the Metropolitan Toronto Police on July 21, 1976, wherein one Robert McCee

is reported to have been beaten on the back with axe handles and had battery acid poured over his penis.

Hon. Mr. Kerr: I am not aware of the information the hon. member has given me regarding the incident he is talking about of last January. I am not aware of that, and of course I will look into it.

As far as the second incident is concerned, involving one Robert McGee, we are aware of the allegations by McGee. He wrote to the criminal compensation board last December regarding an incident that took place at the time of his arrest in July, 1976. This involves both the Durham force and the Metro force. We are waiting for a report. I have one report from the Durham force. I'm not satisfied with it, so I would assume that the commission will be looking into this.

Mr. Stong: Supplementary: Has the minister been assisted by the findings of the trial judge at McGee's trial wherein he disallowed a statement of the accused, based on the allegations and evidence pertaining to the activities of the police department? I understand, as well, with respect to the York Regional Police that representations were made to the ministry on that issue in January, over a month ago.

Hon. Mr. Kerr: That's right, Mr. Speaker. The hon. member is referring to the voir dire. It is part of our investigation.

HARTT INQUIRY

Ms. Bryden: I have a further question to the Premier with regard to his statement on Mr. Justice Patrick Hartt's interim report. With regard to Mr. Hartt's recommendation about Onakawana Development Limited to the effect that the Minister of the Environment should discuss with the local communities and affected groups how they can participate more effectively in the environmental assessment for this project, would the government be prepared to provide public funding to these groups to enable them to participate on a more equal footing with the company in these hearings?

Hon. Mr. Davis: The recommendations in the report, as I mentioned in my statement, are being assessed by the ministry. I would point out to the hon. member that in terms of the presentations made to the interim report by Mr. Justice Hartt certain government funding was made available. It is not possible for me to give a commitment in advance of whatever structures are proposed or hearings held. I would just point out that we did, in terms of this interim report, provide funding to those groups who wished to

make representation before Mr. Hartt's commission.

Ms. Bryden: Supplementary: Does the Premier not think that a precedent has now been established and that if we don't want a David and Goliath situation in the hearings on the Onakawana project that we should continue this precedent and make funds available to the interested groups?

Hon. Mr. Davis: Actually, the precedent had been established prior to this, but I won't go back into history. I can only say that we are as anxious that there be a proper hearing, that there be proper public participation. It's always one of those matters that as a government we're prepared to look at, but we don't make commitments in advance, not until we are sure of just what is involved.

NOISE LEVELS

Hon. B. Stephenson: I would like to respond to a question posed by the hon. member for Hamilton East (Mr. Mackenzie) on March 7 regarding noise levels at A. G. Simpson Company Limited plant in Scarborough. At that time the hon. member alleged that the company had failed to provide casual employees with adequate hearing protection as required by section 111 of the regulations of the Industrial Safety Act, 1971.

I'm advised by the company that it instituted a hearing protection program on June 29, 1973, which consists of the following: 1. The identification of areas in which noise levels exceed 90 decibels; 2. The posting of signs indicating that protective equipment should be worn in high noise areas. 3. The provision of ear muffs and ear plugs; and 4. The audiometric testing of workers in high noise areas.

Turning to the hon. member's specific question, an official of the ministry's industrial health and safety branch visited that plant on March 9, 1978, and found that all employees, both full-time and casual, had in fact been provided with protective equipment and had been instructed in the proper fitting and use thereof. Despite the company's hearing protection program, the ministry official found at that time that only 50 per cent of the workers were actually wearing the hearing protection which had been provided. Therefore, the officer held a meeting with company management, representatives of the employees' association and the company nurse to discuss ways to increase the using of hearing protection. Following that meeting, management of the company agreed strictly to enforce the wearing of protective equipment.

An officer of the industrial health and safety branch will revisit the plant very soon to ensure that all workers, both full-time and casual, are wearing hearing protective equipment.

Mr. Mackenzie: Supplementary: Did the inspector when checking on the plant identify the 50 per cent who were not wearing the equipment, that is, which ones were permanent employees and which were casual employees?

Hon. B. Stephenson: The numbers included both permanent employees and casual employees.

WORKMEN'S COMPENSATION

Mr. O'Neil: I have a question of the Minister of Labour. Is the minister aware of the decision made by the Workmen's Compensation Board to advance to May 20 the date that all employer payments for the year 1978 are due, when payments in previous years may not have been due until July and August? Does she not feel that this decision, made without prior notice, places an unexpected cash flow burden on employers, particularly those assessed at higher rates and on smaller employers in general?

Hon. B. Stephenson: It was my understanding that in addition to advancing the date there had been a modification to the payment program in which it could be paid in instalments rather than all at once. If that is a mistake, I shall be very pleased to correct that statement in the House but that was my understanding.

Mr. O'Neil: Supplementary: In spite of the considerable increase in rate schedules this year, was this decision made because the WCB is short of funds and needs additional cash flow at the present time?

Hon. B. Stephenson: No. It was my understanding that it was done in order to facilitate payments on an instalment basis, if you like, rather than asking for the entire payment at one specific date.

Mr. O'Neil: I have a further supplementary. Has there not been a review of the WCB under way for some considerable time with respect to both financing methods and benefit levels? Has the minister not had at least an interim report on financing, undertaken by the Wyatt Company, in her hand since November or December 1976, and did she not promise my colleague from Erie (Mr. Haggerty) during the recent estimates on the WCB that the entire report would be available to the members of this House by the end of March?

Hon. B. Stephenson: Yes, yes, yes and yes. Unfortunately, I have at this time only a preliminary report of the final report. I anticipate that by April 15, hopefully, we shall have the entire report for perusal.

The interim report was a report of the financial position, the investment program and some other actuarial studies related to the Workmen's Compensation Board. The comprehensive report includes a number of other issues which were requested at one point by one of the members of the official opposition during our discussions of the Workmen's Compensation Board in committee. That study had been already directed by the ministry, but we were pleased to have the hon. member for Erie support the concept that we needed to look at the funding, the financial structure of the board and the relationship of the benefits of the Workmen's Compensation Board to other income protection and income supplement programs within this country.

Mr. McClellan: Supplementary: Since the Wyatt report was the excuse for failure to raise the rates, may I ask the minister now how much longer she is going to stall around, and when does she intend to raise the rates?

Hon. B. Stephenson: There has never been any excuse for rates or anything else.

Mr. Laughren: You are absolutely right.

Mr. Warner: Where is it?

Hon. B. Stephenson: The Wyatt report is a study of factual information which we believe is necessary in order to make responsible decisions.

Mr. Warner: Jelly beans roll uphill faster than that.

Hon. B. Stephenson: As soon as that report is available to me and I have had a chance to peruse it, we shall be making recommendations to the House.

ROBARTS REPORT

Mr. Warner: My question is to the Treasurer. Since the Treasurer realizes that many months of advance planning are needed when basic changes are made to the municipal government structure of Metro Toronto, is he trying to avoid electoral reform, or is there some other reason for the undue delay in introducing legislation related to the Robarts report?

Mr. Conway: He is working on Chatham.

Hon. Mr. McKeough: I expect to be bringing those matters before the House in the fullness of time.

Mr. Conway: He is too busy with Chatham.

They are getting regional government in Chatham.

Mr. Warner: In the fullness of time, what a gem! Is the Treasurer now informing this House that this year's municipal elections in Metro Toronto will be on the basis of a two-year term, the retention of the board of control and no direct election to Metro?

[2:45]

Hon. Mr. McKeough: Mr. Speaker, I think it would be very unwise for the member to come to those conclusions.

NATIVE STUDIES

Mr. Van Horne: Mr. Speaker, a question of the Minister of Education. Does the requirement of HS1 and the Intermediate History Guideline 1977 that "contemporary, Canadian and world concerns" must be given, preclude a board from offering a native studies course for students of native ancestry?

Hon. Mr. Wells: Mr. Speaker, I think my friend is referring to a request from the London Board of Education which they have written us about and which we are looking into, and about which we are attempting to work out some agreeable solution with them that would allow them to offer this course. I am not sure we have worked out the answer yet on that.

Mr. Van Horne: Supplementary, Mr. Speaker: Surely the minister is not suggesting that this possibility come to the board as an integrated part of a program rather than as a separate entity; that is, a separate native studies course.

Hon. Mr. Wells: No. All I'm suggesting is that the London board has put before us a proposition and asked for an answer. We will give it an answer and we will work out with it how this can be used.

Mrs. Campbell: In the fullness of time.

Hon. Mr. Wells: As a matter of fact, I believe I sent it a letter two or three weeks ago on that matter, of which I will be glad to send a copy to my friend.

Mr. Van Horne: Further supplementary, Mr. Speaker: My understanding is that the suggestion was that they be integrated and I am suggesting to the minister that that isn't satisfactory to the board nor for that matter to the native citizens of our province of Ontario.

Mr. Peterson: Would you not agree?

Mr. Van Horne: Do you not agree?

Hon. Mr. Wells: I will take that under advisement.

ENVIRONMENTAL REPORTS

Mr. Foulds: Mr. Speaker, I have a question of the Minister of the Environment about the Environment Ontario reports with regard to the Red Rock mill and the other studies that have been recently done and released. I wonder if the minister could indicate why during the course of the testing—and if the Minister of Industry and Tourism (Mr. Rhodes) would oblige; can the Minister of the Environment hear all right?—why insufficient samples were taken during the course of the testing last summer with regard to suspended particulate matter, with regard to the dust. Secondly, could the minister indicate whether recommendation 2-1 that two monitoring stations be put into place for continuous monitoring of hydrogen sulphide and total suspended particulate matter would be established at the Village Inn and at the Bell telephone company switching locations?

Mr. Speaker: Will hon. members please keep their conversations down, please?

Hon. Mr. McCague: Mr. Speaker, I cannot answer the first part of the question as to why more samples were not taken, but I will get that answer for the member. As far as the monitors are concerned, we have recommended them and I understand that they will be in place.

Mr. Foulds: Supplementary question, Mr. Speaker: Could the minister give us an indication at this time when the report on Marathon, Terrace Bay and Thunder Bay would be available? There are three more reports—the reports on Marathon, Terrace Bay and Thunder Bay. I wonder if he could give us an indication when they might be available?

Mr. Wildman: Are you ever sure of anything?

Hon. Mr. Davis: Of his seat.

PRODUCT LABELLING

Mr. Bradley: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. If he does not feel it is specifically within his jurisdiction he might redirect it to the Minister of Agriculture and Food.

Hon. Mr. Grossman: It's his.

Mr. Bradley: You're sure it's his? The question deals with generic labelling. My understanding is that at present on food products sold in the major food chains and other stores, the weight, the name of the packager or retailer, the ingredients and the grading must be listed but there is no requirement to list the country of origin of the product inside—for instance, the can of tomatoes or

the can of apple juice. Is that correct; and if so, is the minister prepared to take action which would require them to indicate the country of origin?

Hon. Mr. Grossman: Can I refer it to the Minister of Agriculture and Food?

Mrs. Campbell: Both of you answer it.

Mr. Peterson: Let Frank Drea answer.

Hon. W. Newman: Just relax. Mr. Speaker, this is a great concern that we have because when the housewife does go shopping it is confusing.

Mr. S. Smith: Some men shop too, you know.

Mr. Breough: You sexist.

Mr. Conway: Some have no choice.

Hon. W. Newman: In my busy political life I don't have much time, I gather you do; that's all right.

Mr. Makarchuk: Get out there and look at the prices, and you might be more responsive.

Hon. W. Newman: In all seriousness, it is a concern of ours because when people go shopping—let me put it that way—when people go shopping—

Mr. Makarchuk: They buy something, don't they?

Hon. W. Newman: —it is very hard for them to differentiate, sometimes, between Canadian produce or Ontario produce, whatever the case may be, and imported produce. It's different for different labels. For fresh fruit in cans it can be different than it can for fresh vegetables in plastic bags, or tomatoes or whatever it may be.

Mr. Breough: Why is that, Bill?

Hon. W. Newman: What we are trying to do—and the Leader of the Opposition might be very helpful on this—we would like to have goods produced in Canada clearly and distinctly marked on the cans or the labels. Any imported products that are coming into Canada or into Ontario would be clearly marked so the people in this province and in this country will know what they're buying.

Mr. S. Smith: What stops you?

Mr. Breithaupt: Are you going to do it?

Mr. Bradley: As a supplementary, is this action that is contemplated by the Ministry of Agriculture and Food; and is the minister looking for the support of the opposition in that regard?

Hon. W. Newman: We're looking for the support of all parties to talk to Ottawa to

clinch this situation. That should have been done long ago.

Mr. Makarchuk: Are you saying the Liberals don't believe in it?

Mr. Ruston: No, Joe objected to that.

Hon. W. Newman: We're asking Ottawa.

Interjections.

Mr. Swart: In view of the fact that many of the Ontario farm products, perhaps the majority, do not have the logo displayed on them or above them, would it not be reasonable to have the canning companies and the other packaging companies display the logo right on the package or the can itself?

Hon. W. Newman: Quite obviously the member doesn't understand that it does take time to change. Their labels are printed long in advance. We've just been into this program for about seven months. We are having discussions now with the processors and many are talking about putting the logos on their cans for sale in this province and elsewhere.

Mr. Breough: What about putting a logo on your can?

An hon. member: It would have to be a big one.

Hon. W. Newman: We are working towards that. It's not that easy.

Mr. Makarchuk: Friend Bill.

Hon. W. Newman: If products are processed here and in the other provinces, it may give them some problem. But we are having ongoing discussions with them on this matter right now.

Mr. Peterson: What are you doing for Ontario oranges?

Mr. Eakins: When are you going to support Ontario wine, Bill?

E. C. ROW EXPRESSWAY

Mr. Cooke: Mr. Speaker, I have a question of the Minister of Transportation and Communications: Is the minister aware of the latest problem that has developed in the construction of the E. C. Row Expressway in Windsor whereby the path of the expressway goes directly through native burial grounds? If the minister is aware of the problem, what action does he plan to take to make sure that the rights of the native people are protected?

Hon. Mr. Snow: Mr. Speaker, I am aware of the situation that has arisen there. It's quite a long and detailed matter. It was first brought to the ministry's attention, I believe sometime in 1975, that there was a possibility of a burial ground in that area. It has been investigated. We have had archeologists from the Ministry of Culture and Recrea-

tion—and I believe a professor from the University of Windsor—working with the other ministries and being very careful in dealing with this situation. As the hon. member knows, the ministry is in partnership with the city of Windsor in the construction of the E. C. Row and, of course, we're working with our municipal partners as well. I think that's about all the information I have at this moment.

[2:45]

A few months ago—I believe it was in the fall—a Bell Canada telephone line was installed and no traces were found that would indicate that the burial ground was there, and when this work was going on we had representatives of the ministry and the professor from the university actually on the site to observe. We are trying to handle it in the best way possible until we find out really whether there is a burial ground there or not.

Mr. Cooke: Supplementary: Given the fact that there were 16 skeletons found in this area 40 years ago and another found in 1967, why did the people planning this expressway—and, in particular, people from the ministry—not discuss this problem with native leaders in the area before? Now it is only one month before the construction of that part of the expressway is supposed to start. Why did we wait till the last minute?

Hon. Mr. Snow: I won't argue with the information the hon. member has stated. It is news to me; to my knowledge according to my files, the first indication that the ministry had that there may have been a burial ground there was in 1975.

Mr. Bounsall: As there now appears to be a delay in the further development of that site—and it may be quite an extensive delay, should further findings turn up the fact that it is, as suspected, a burial ground that dates from the years 900 to 1100, and therefore is fairly significant—would the minister use the intervening time that he is likely to have in ensuring that his officials shift the location of that highway, also consider in the placement of the highway, which may now be a problem, that it be consolidated to a design with a safety division down the middle of four lanes rather than the wide median strip as at present? This would also cut down the cost of construction on that particular portion of it.

Hon. Mr. Snow: I think it would be premature to say that at this moment we would redesign that highway. The statement that the hon. member makes with regard to costs, comparing a median barrier with a median strip, is not necessarily so in most cases; it

may be in some, but this matter has just come to my attention over the weekend. The contract for the actual road—the E. C. Row—is not imminent. There is an imminent contract for some of the service road work in preparation for the main contract, but the main E. C. Rowe contract under way at the present time is not in this location.

INCREASE IN OHIP PREMIUMS

Mr. Conway: My question is of the Minister of Health. In this House on March 10, in an exchange with my colleague the member for Quinte (Mr. O'Neill), in the matter of the Treasurer's OHIP increase in the budget of March 7, 1978, the minister indicated that in contemplation of the shift away from premiums to perhaps an alternate scheme this kind of adjustment would be difficult. To use his words, it is because: "We would have to dismiss 625 staff from OHIP."

Could the minister explain, and perhaps amplify on that statement, with specific reference to the 625 staff in OHIP that he identified?

Hon. Mr. Timbrell: I think the hon. member is both getting into estimates and into what will be before the standing committee, but suffice it to say that I would have to say now that figure is perhaps a little over-estimated, although there is a very large number of staff employed by OHIP whose positions will become redundant if there were not a premium system.

Mr. Conway: Supplementary: In that same exchange the minister indicated, and I quote: "We have been working in my ministry for nine months, looking at various alternatives to a premium system, which we will be more than happy to share with the social development committee." In a letter dated March 31, to the chairman of the social development committee, the minister appends not any internal documentation to support that intra-ministerial discussion which he alleged he would be very happy to share, but a rather pointless bibliography of known published material. Is the minister saying that he will not share with the social development committee any of the intra-ministerial reports and studies that relate to his very intensive discussion and analysis of alternatives to the premium system?

[3:00]

Hon. Mr. Timbrell: As I understand the intention of the hon. member and his colleagues in referring the annual report to the standing committee and on looking at the press release which he issued at that time, it is their intention to present alternatives and,

quoting from their press release, "to look for a cheaper alternative to the premium system." We will be glad to respond to their recommendations at the committee level and share with them the problems that we see.

Mr. Conway: May I have a supplementary, Mr. Speaker?

Mr. Speaker: Does the hon. member for Grey-Bruce have a supplementary?

Mr. Sargent: No, I have a new question.

Mr. Conway: Do I understand, then, that as far as the social development committee is concerned, all we can expect from the Ministry of Health is this well-worn, well-known bibliography of published materials and that we are not going to get, as was indicated in his exchange on March 10, any of the alleged voluminous materials by way of studies and analyses of alternatives to the premium system?

Mr. S. Smith: They don't exist. There are no such studies.

Hon. Mr. Timbrell: Again, it is the party opposite which has been saying it has the alternatives. We'll be glad to answer any questions and we'll be glad to share any figures to respond to the proposals which are going to be put forward by that party.

Mr. Sweeney: You've had nine months of study.

USE OF SEWAGE SLUDGE

Mr. Swart: My question is of the Minister of Agriculture and Food. Pursuant to the questions this morning to the Minister of the Environment (Mr. McCague) on the use of sewage sludge on farm land, and the report in this morning's paper by Messrs. Seto and De Angelis that a large volume of sewage sludge is being spread on agricultural land, which does not meet the safe metal and chemical levels, I wonder if the minister could tell the House what regulations his ministry has instituted to protect the farmer and the consumers of Ontario food? Has he stopped even once the use of sewage sludge on agricultural land because it did not meet the safe level criteria?

Hon. W. Newman: I think most of those questions have been answered by the Minister of the Environment. But answering the member's last question first, I can't tell him whether one load has been dumped in the wrong spot or not. I'm not exactly sure. I would point out to him that properly-treated sewage sludge is an excellent source of nitrogen for growing plants.

Mr. S. Smith: We know that.

Hon. W. Newman: I'm glad you know that. There is monitoring constantly going on, both by the federal Minister of the Environment and the provincial Ministry of the Environment. The pesticide lab at Guelph is working on a regular basis to make sure that the products which are being grown on these lands where the sewage sludge is going on are safe for human consumption. I have quite a lengthy report here, which I will be glad to show the member, which I picked up this morning. It points out that they are constantly monitoring to make sure they are safe for human consumption.

Mr. Swart: Supplementary: Would the minister not agree, after the report which was submitted by Messrs. Seto and De Angelis, that the monitoring and the regulations have not been adequate when far more sewage is being used than is safe? Will the ministry now run tests on the soil, and on all sludge, and discontinue the use of any sludge which does not meet the safe level?

Hon. W. Newman: As I said, properly treated sludge is quite satisfactory on the land.

Mr. Makarchuk: The minister doesn't answer the question.

Hon. W. Newman: Does the member know what his problem is? He wants to save it but he doesn't want to grow things on it. In the Niagara Peninsula he wants to save all the land, but he doesn't want to grow anything on it. He wants to stop all of that. I can assure him that we are going to continue using sludge as a good source of growing Ontario food, and don't forget it.

Mr. Swart: But grow it safely.

Mr. Kerrio: All you do is shovel it.

Interjections.

Mr. Kerrio: Supplementary: Is the minister aware of the fact that in this article it suggests that research showed that unless vegetables were scrubbed and washed carefully there was some danger to the people who ingest them? Is he satisfied that those crops grown on this land are safe, and should he be giving notice that care should be taken by people who are going to eat the vegetables from those lands?

Hon. W. Newman: I think that question could be directed to the Minister of the Environment, but I would point out to the hon. member that monitoring is going on—

Mr. Kerrio: I get pages and pages of that stuff from the ministry.

Hon. W. Newman:—at this time by the various levels of government and the various departments of government.

Mr. Kerrio: Is the minister going to tell us about it or not? He spreads it around.

Hon. W. Newman: The member can spread it too. Let me tell him we are constantly monitoring to make sure there are no human health problems.

NIAGARA ESCARPMENT

Mr. Sargent: Mr. Speaker, I have a question of the Premier. I haven't had a chance to frame it properly, but I want to ask if he is aware of what is going on in all the Escarpment areas where we are having 1,000 people crowding into halls, 500 people standing in the cold for hours, and 99 per cent of them are opposed to the NEC? In view of the fact that the whole Niagara Escarpment area in the Grey-Bruce area is in complete limbo and we cannot develop—our economy is the worst in the province of Ontario—would he please either come to a meeting to find out what's going on or call off and cancel the whole Escarpment, abolish the whole thing and give us a chance to run our affairs and get back in the ball game in our part of Ontario?

Hon. Mr. Davis: Mr. Speaker, I can only assume that the hon. member is speaking for his party when he suggests that we abandon the Niagara Escarpment plan, including the Peninsula, including the town of Caledon, and including those many historic areas of the province of Ontario which the Escarpment planning area is attempting to preserve in the interests of the general public, and I am delighted to know that it is now Liberal policy—

An hon. member: In the interests of self-preservation of all the committees.

Hon. Mr. Davis:—that we will have no preservation of this kind, no planning of this kind and the Niagara Escarpment—

An hon. member: What about the sunset law?

Hon. Mr. Davis:—will be abandoned to development, pits, quarries and all of those things. Is that the policy? In answer to the hon. member's question, I understand there is a problem, yes.

Mr. Breithaupt: That doesn't answer the question.

Mr. S. Smith: We certainly want to save the Escarpment.

Mr. Sargent: Supplementary: The facts are that 75 per cent of the Escarpment area, \$1.3 billion of land involved, is in the Grey-Bruce area and we are hurting very badly. We cannot do anything. We can't

expand. We can't even make a subdivision or anything. There are areas where we haven't had a subdivision since 1963 and we have to have some action. Please abolish this commission.

Hon. Mr. Davis: Mr. Speaker, I will not minimize the problems the member senses exist. I understand them.

An hon. member: What are you going to do about them?

An hon. member: We have them in Caledon too.

Mr. Cunningham: Supplementary: Has the Premier come to any conclusions with regard to the cost of acquiring the lands that are presently under the control orders in the Niagara Escarpment Commission, and at what price and what level the private land owners will be compensated?

An hon. member: Now they want to nationalize the land.

Hon. Mr. Davis: Mr. Speaker, I am not really sure that there has been any determination made on that particular matter. I understand it is perhaps Liberal Party policy to buy everything in sight.

Mr. Kerrio: Oh, come on.

Hon. Mr. Davis: Our commitment is to acquire those areas that will be in the public interest and, of course, any time government acquires lands in the public interest, government pays the market value.

An hon. member: Get Alan Eagleson to buy some and he will free it up.

Interjections.

Mr. Speaker: Would the hon. member for St. George permit the hon. member for Grey to ask a question?

Mr. McKessock: Supplementary: Will the Premier take a close look at the fact that the Niagara Escarpment Commission stepped outside the intent of the Act when it developed the planning area in the Niagara Escarpment area, and take a close look at turning some of this planning area back to the municipalities involved?

Hon. Mr. Davis: Mr. Speaker, having formerly represented a part of the Niagara Escarpment Commission area I know of the problem being mentioned by the hon. members. I question whether the commission has extended beyond its legislative authority. If the hon. member is suggesting it has, certainly I would be prepared to take a look at that.

As for the possibility of returning some of the land that is within the planning area to the local municipalities, I can't give any

commitment on that. I guess if one could assume that the local municipalities would in turn zone those lands consistent with the Niagara Escarpment Commission plan, that might be a possibility, but I question whether the hon. member would be in a position to give that commitment on behalf of those municipalities.

MacLAREN HOUSE NURSING HOME

Ms. Gigantes: A question of the Minister of Health: In answer to questions I asked him in July 1977 concerning MacLaren House Nursing Home, the Minister of Health wrote to me in late August and assured me that "a condition of the sale of MacLaren House to Mr. Bordo was that Mr. Bordo would take steps to ensure that the physical plan of MacLaren House Nursing Home was in total compliance with the Nursing Home Act, 1972, within 12 months of the date of the purchase"—

Mr. Yakabuski: Question.

Ms. Gigantes: He went on to describe how Mr. Bordo was then planning to fulfill his commitment. I wonder if the minister is now prepared, one year after the purchase, to provide a full account of what firm proposals Mr. Bordo has filed with the nursing home branch; and has Mr. Bordo received ministry approval for these proposals?

Hon. Mr. Timbrell: Obviously I don't carry all those figures and facts with me. I'll take that question as notice and give the member a complete answer.

Mr. Warner: Why not? You should.

Hon. Mr. Rhodes: You're going to get another award, Warner. Just keep it up.

"THE THREE FACES OF JESUS"

Mr. Breithaupt: A question of the Minister of Consumer and Commercial Relations: Following the comments made in the House of Commons with respect to a film, apparently entitled "The Three Faces of Jesus," I was wondering if the minister has requested a report on that film from his theatres branch and when he receives that report will he be able to advise the House as to whether it is the intention to have this film shown publicly in Ontario?

Hon. Mr. Grossman: The answers are not yet, and yes.

Mr. Haggerty: Did you get your award, Larry?

DESERTING FATHERS

Mr. Blundy: I have a question of the Minister of Community and Social Services. In

view of the fact that it was reported in the press last week that the Minister of Community and Social Services was disturbed at the cost to his ministry of the increasing numbers of deserting fathers, what plans does the minister have to seek out and find these people and to recoup these funds?

Hon. Mr. Norton: My remarks on that occasion went beyond purely the economic costs; I was also commenting upon the social costs to our communities and societies across this province of the apparent breakdown of the family unit in our society. But certainly, with respect to the part to which the hon. member has directed his attention, it is my intention to have discussions with my colleague the Attorney General (Mr. McMurtry) to see if we might take steps to improve even further the enforcement of orders, where orders do exist.

I would be hopeful, of course, with the new family law reform provisions, that perhaps there would be more voluntary agreements and involvement on the part of spouses to provide for the care of the children prior to the disintegration of the family unit where that should occur, and that there would be fewer situations—that may be unduly optimistic—but I would hope there would be fewer situations in which the families of deserting spouses would be dependent upon the other citizens of the province.

PETITION

INCREASE IN OHIP PREMIUMS

Mr. Foulds: Mr. Speaker, I have a petition with 2,194 signatures. The petition is as follows:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario: We, the undersigned, beg leave to petition the Parliament of Ontario as follows:

"That the recent proposed increase in OHIP premiums is unconscionable and should not proceed, and a less regressive method of paying for Ontario's health services be instituted."

That was signed by 2,194 people in the Thunder Bay and northwestern Ontario area.

MINISTRY INFORMATION

Mr. Conway: On a point of privilege, Mr. Speaker: I would like to beg your indulgence, sir, in respect of material that I consider to be very important for the deliberations of the social development committee, which begins hearings tomorrow.

[3:15]

At my request, the chairman of the committee wrote to the Minister of Health some days ago asking for material which we believed to be important in the discussion of what the ministry and the government had considered as alternatives to the premium mechanism in so far as the financing of Ontario's health care system is concerned. In this House on March 10, the minister clearly indicated they had been working for nine months and one got the distinct impression that there were at least a number of studies that had been commissioned, either by the Ministry of Health or by the Treasury, or perhaps by both ministries in conjunction.

Today we have before us, supplied from the office of the chairman of that committee, a response from the Ministry of Health which is clearly indicative that there will be no such ministerial material coming forward for members of that committee who begin very important deliberations, I think, tomorrow. I wonder, can we accept this letter dated March 31 to the chairman of that committee from the Minister of Health as an admission that in fact the nine months of studies and analyses, and whatever, produced nothing more than this bibliography of known publications, and that because we have nothing more than this bibliography there is in fact nothing more within the government—either in his ministry or that of the Treasurer—to supply to the members of that committee for those deliberations?

The point of privilege is simply this: We were led to believe by the Minister of Health that there had been a very serious nine-month discussion and analysis period within the government in looking at alternatives. I expected to be in receipt today, or at the latest tonight, of those ministerial or inter-governmental reports, analyses or whatever. Twenty-four hours or 22 hours before the committee meets, I have, courtesy of the chairman of that committee, nothing more than a bibliography which I dare say even I could have put together.

Mr. Speaker, I want to know, through you, if there will be no further material coming in addition to that bibliography; and if not, does that indicate that in fact the government, through the Minister of Health and/or the Treasurer, is not willing to share with members of that committee any other material? Is this an admission that while there may have been a nine-month discussion period within the ministry, there is nothing concrete, there are no studies and there are no analyses of the alternatives which the government, through the Minister of Health, can provide members of the social development commit-

tee for their very important deliberations beginning tomorrow?

Mr. Martel: You should do better than that, fellas.

Hon. Mr. Timbrell: Mr. Speaker, in considering the point of privilege raised by the hon. member, I ask you to consider several things. First of all, in the letter dated March 16, 1978, from the chairman of the committee to me, the way I interpreted it, I believe the letter of March 31, 1978, was in fact answering that which had been requested by the hon. member for Huron-Bruce (Mr. Gaunt).

Second, Mr. Speaker, I ask you to consider the petition of the members of the official opposition and the press release which accompanied—or at least announced that petition to the public. It was clear from that, and the pronouncements of the members of that party since, that they intend to put forward certain alternatives and to argue for them.

Mr. S. Smith: You don't have any studies, admit it.

Hon. Mr. Timbrell: Third, Mr. Speaker, I ask you to consider that during question period today I did make it clear that we would be glad to answer any questions and to provide any numbers or any facts with respect to any of those alternatives which the official opposition are going to advance. They will have our complete co-operation.

Mr. Conway: To that point, Mr. Speaker, if I might, I can well appreciate the points which the Minister of Health on behalf of the government adds to your deliberation of this point before us now. I just want to have you also consider the remarks made by the Minister of Health, remarks which we, or I at least, considered—rightly or wrongly—when he said on March 10 that “we have been working in my ministry for nine months looking at various alternatives to a premium system and we will be more than happy to share these with the social development committee.”

Mr. McClellan: This is out of order. Let's get on with the debate.

Mr. Conway: Mr. Speaker, I beg you to consider when you are making this ruling, or giving the advice that is being sought, to indicate whether or not—

Mr. McClellan: Abuse of privilege.

Mr. Conway: —this very minor bibliography is in fact a substantial enough response to what we were led to believe by the ministry was a substantial amount of material—

Ms. Gigantes: What is going on? Sit down.

Mr. Conway: —in so far as alternatives and their discussion were concerned.

Mr. Cassidy: Boy, you are really floundering.

Hon. Mr. Timbrell: On the point of privilege—

Mr. Speaker: Order, order. The hon. member for Renfrew North arose on a point of privilege and I gave the hon. minister an opportunity to respond. I was in error in allowing the hon. member for Renfrew North to speak again to his same point of privilege, and of course I'm not going to perpetuate the felony by allowing a dialogue across the House.

All members of the House know that if you have what you consider to be a point of privilege inasmuch as something is not going to be provided in a committee of this House, it is the responsibility of that committee to take whatever action it deems necessary, and if they can't settle it to bring it back to the House for some action by the House as a result of a concerted effort by that committee; and that is where it rests at the present time.

INTRODUCTION OF BILLS

PREDATOR CONTROL ACT

Mr. Riddell moved first reading of Bill 54, an Act respecting Predator Control in Ontario.

Motion agreed to.

Mr. Riddell: Mr. Speaker, the purpose of the bill is to authorize the establishment of local predator control committees throughout Ontario to develop methods and procedures to protect livestock and poultry from destruction by predators. A committee is established for each predator control area designated by the minister, and the committee within one year of its establishment must prepare a predator control plan for approval by the minister. The bill requires every predator control committee to regularly review the predator control plan, and to report to the minister on an annual basis concerning whether the plan has been effective in reducing the level of predator activity.

EDUCATION AMENDMENT ACT

Mr. Dukszta moved first reading of Bill 55, an Act to amend the Education Act, 1974.

Motion agreed to.

Mr. Dukszta: The purpose of the bill is to provide for heritage language instruction in Ontario. The bill sets forth the procedure for the establishment of heritage language programs in order that the heritage language may be taught as a subject of instruction or

as a language of instruction. When a school board decides to institute a heritage language program the bill requires that a local heritage language advisory committee be established to provide continuing advice to the boards concerning the nature and content of the heritage language program. In the case of a dispute between the board and the advisory committee, the bill provides that the matter in dispute may be referred to the minister for determination.

HARTT INQUIRY

Mr. Foulds: Mr. Speaker, a point of order—just a point of clarification: The Premier in his statement on the Hartt royal commission indicated he was tabling the report. I did not notice during reports that it was tabled. Could you inform me if he tabled it during the course of making the statement?

Mr. Speaker: I am advised that under the new provisional orders they are just sent to the table.

ORDERS OF THE DAY

INCREASE IN OHIP PREMIUMS

Mr. Cassidy moved resolution 5:

That this House condemns the government's outrageous decision to raise Ontario Health Insurance Plan premiums to the highest level in Canada; deplors the regressive impact of this arbitrary tax increase on wage earners in general, on farmers and small business, and in particular, on people of modest income; and condemns the government's affront to the fundamental parliamentary principle of no taxation without legislation. For all these reasons this House no longer has confidence in the government.

Mr. Cassidy: I will not be speaking on this until later in the debate.

Mr. Laughren: Mr. Speaker, the New Democratic Party has placed this motion of no-confidence in the government because of the Treasurer's (Mr. McKeough) budget proposals to increase OHIP fees as a means of increasing government revenues.

We are opposed to this kind of fiscal gerrymandering because it violates a number of specific principles which we believe to be crucial in an equitable society.

The imposition of medicare premiums is in itself fundamentally wrong. The imposition of premiums of this level, \$528 a year, is simply grotesque and cannot be justified. This party stands firm in its opposition to this increase. We had hoped—and still do as a matter of fact—that the Liberal Party would support us in this motion. If, in the first in-

stance, the Liberals had indicated their support for our motion there is little doubt but that the government would have withdrawn the OHIP increase.

The regressive reality of OHIP premiums is not something that can be eliminated with premium assistance any more than property tax credits can make property taxes progressive or any more than sales tax credits can make the sales tax a progressive form of taxation.

The examination of just a few statistics is sufficient to demonstrate why we simply cannot accept this increase in premiums and why the government should withdraw the increase. We are not rejecting this increase, nor have we moved no-confidence in this government, simply because we are in opposition. We have done so because it is possible to generate revenues more equitably if the Treasurer is determined to raise an additional \$271 million. If the Treasurer were to insist on increasing that amount of money he could do it through personal provincial income taxes and corporation taxes in the same proportion as the present tax system, 75 per cent personal and 25 per cent corporate taxes. We can show that most families will be better off if this were the system, and it would be less regressive than it is at the present time.

We know that to raise this amount of income would require a 2.78 per cent increase in personal income tax rates. The provincial rate now rests at 44 per cent of the federal tax payable, and the increase would raise it to 46.78 per cent.

This would represent a 7.4 per cent increase in the level of provincial income tax paid by Ontario residents. If this was done, sufficient revenues would be generated to negate the necessity of this \$271 million tax increase that is suggested by the Treasurer.

Corporation taxes would need to rise less than one point to raise their share of about \$68 million. If this was done, all families with incomes below \$28,000 would be better off than they are at the present time, or would be with this increase. Individuals with incomes below \$16,000 a year would be better off than with the projected increases as suggested by the Treasurer along with the OHIP premiums.

As a matter of fact, all OHIP premiums could be eliminated with an 11.5 per cent increase in the tax rate from 44 to 55.5 per cent. Even with that substantial increase in the personal income tax rate at the provincial level, families with incomes below \$26,000 would be better off, and in fact would pay less taxes than they do now with the combination of personal taxes and OHIP

premiums. Individuals with incomes below \$15,000 would pay less as well under that system.

We find it strange indeed that the Treasurer boasts of Ontario's personal income tax level of 44 per cent as being the second lowest in all of Canada while at the same time he increases a more regressive tax to a level more than twice as high as any other province in this country. As a matter of fact, Ontario's OHIP premiums, combined with its income tax rate, gives Ontario residents by far the highest level of personal taxes in all of Canada.

[3:30]

There is a danger that in the heat of this battle over OHIP premiums we may overlook what is just as important as the regressive nature of the tax increase. We may lose sight of the original goals of a universal health care system for our people. We must fight very hard to ensure that these goals are not forgotten.

The founding convention of this party back in 1933 adopted a policy of a socialized health delivery system. As a matter of fact, at that convention the policy drew a parallel between health care and education, which I think is appropriate. Surely we in this chamber would agree that just as for 13 years of elementary and secondary school education there is no premium, or deterrent or tuition fee at all, the same principle should apply to health care as is applicable in our educational system.

There is no question in our minds that the premium of \$528 a year will cause some families simply not to pay the premium, for economic reasons they'll take their chances on remaining healthy. I suspect this will be particularly so with young people, who are by nature healthy anyway, and they will quite successfully refrain from paying premiums and from contributing to the plan. That's a problem because we know that, as in any insurance program, it requires that the people who will never draw from it contribute so that those people who will draw from it most heavily will be able to receive the benefits to which they're entitled.

The provision of health care to people is a noble undertaking. It provides both economic and social benefits to our province and its people. The federal royal commission on health services back in 1964 put it most eloquently, and I'd like to quote from that report:

"We have spoken of the opportunity society, where good health is the key to the benefits available in our increasingly

wealthy country. These opportunities depend on the acquisition of education and skills as well as health, but if these are available to the individual Canadian, whether or not he has the income to purchase them, then he can make his contribution to the growth of output and income, which will benefit not only himself, but through his taxes, others in the community. Canadians with sufficiently high incomes have pointed the way by spending an increasing share of their income on health services. Low incomes and poor health have been too closely associated for us to ignore the adverse effects on income distribution of chronic illness and disability. Expenditures on good health may well be as efficient a device for equalizing the distribution of income as any subsidy can possibly be."

That's a comment that the Treasurer should read sometime. In this province we now have a Treasurer and a Minister of Health (Mr. Timbrell) who are willing to undermine the principles of universal coverage and accessibility. The Treasurer does it by punitive premiums and our Minister of Health by carrying on negotiations with Ontario's medical profession and illegitimate concessions he has already telegraphed to the Ontario Medical Association.

Of course, the principle of no taxation without legislation is yet another principle that the Treasurer has violated. My colleague from Scarborough-Ellesmere has documented eloquently and exhaustively the precedent for regarding these premiums as taxation. From the Magna Carta to the BNA Act, for 700 years, people have fought against arbitrary assessments such as this, and yet this government has acquiesced while the Treasurer, as a result of the fiscal myopia with which he is afflicted, pursues his single-minded goal of a balanced budget by 1981.

We in this party are proud of the role we have played in the development of universal health care coverage in Canada and in Ontario. The former Premier of Saskatchewan and federal leader, T. C. Douglas, pioneered in providing medicare. In Ontario, our party in 1969 voted against the medicare bill, and our first two reasons in that amendment were, and I quote:

"1. It fails to guarantee an immediate reduction of premiums, thereby continuing a regressive form of payment at unnecessarily high levels without meaningful regard for the patient's ability to pay;

"2. It fails to prohibit extra billing by participating doctors, thereby supporting a deterrent to use which runs contrary to the

principle of equal access to medical care services for everyone in Ontario."

Here we are nine years later, standing as we did then against those who talk of equity but practise regressivity. They failed to raise revenues through the most equitable form of taxation available to them—progressive income and corporation taxes. How can we as legislators justify a system of medicare that increases premiums by 37.5 per cent and then, if the OMA gets its way, will allow doctors to increase their schedule of fees, with OHIP paying a smaller percentage of the OMA fee schedule?

While this debate is centred on the OHIP increases, our motion of no-confidence takes on an even greater significance with the current negotiations between the Ministry of Health and the province's doctors. I am appalled and disheartened that we have not been joined by the Liberal Party in this fight. Together we could have had the increase in premiums withdrawn. Sending this matter to a standing committee may result in a compromise but it most certainly will not cause the increase to be rescinded, and that is our goal.

Hon. Mr. Timbrell: Mr. Speaker, the Ontario health care system is the only universal service provided by the province to all of its citizens throughout their lives. This is a responsibility of extraordinary proportions. Of course, no individual or group, or even one government, can claim total credit for the health care system now in place. It is the result of the dedicated work of many people over a long period of time. I caution the hon. members in opposition that today they can do this service, and the people who rely on it, irreparable harm.

If I may, I would like to put a human dimension on the health care system as we have it today in this province. In just one generation we have seen the transition of health care from that of a solely individual responsibility, with the accompanying spectre of financial disaster or inadequate treatment, to that of a wider social responsibility accepted by the government.

High-quality health care services have come to be considered a fundamental right of all citizens—a right predicated on medical necessity regardless of personal financial circumstances.

Ms. Gigantes: You have to pay your premiums, though, don't you?

Hon. Mr. Timbrell: We, in this government, wholeheartedly support that right and have worked with all the resources at our disposal to develop and refine the health care system.

We sometimes forget, or take for granted, the developments in health care that have taken place in the past 20 years. Let me briefly refresh the members' memories, for the government's record in this area is one of consistent progress.

In 1959, insured benefits covered only full in-patient hospital services, emergency out-patient services within 24 hours of an accident and some out-of-province benefits. But through the years this government has steadily increased the number of insured services.

By 1964, emergency out-patient services had been expanded to include treatment such as radio-therapy and occupational and speech therapy.

In 1966, health insurance was expanded from a hospital-based service to include all physician services; and in 1969, universal medicare, through the OHSIP plan, was introduced.

In 1972, both plans were fully integrated into a single plan, the Ontario Health Insurance Plan. At that time the premiums were reduced from what they had been under the two separate plans.

At this time, benefits were extended under the extended care programs to include patient residents in nursing homes and homes for the aged who were in need of at least one and a half hours of nursing or personal care per day. And in 1974 the drug benefit program was introduced to provide quality prescription drugs to eligible Ontario residents.

These are simply some of the highlights of the health care system as we know it today. As I look back on these accomplishments, I believe none of the members opposite can question the accessibility or the quality of health care in this province. I believe the hon. members must acknowledge that the Ontario health care system is indeed among the finest systems of its kind in North America.

But today we face new challenges in health care. We are engaged in the process of reshaping the system to ensure that it continues to meet the needs of the people of Ontario. We are placing increasing emphasis on developments which will ensure that even better ways of delivering care are available to all citizens; that the system remains responsive to all citizens; that it continues to foster scientific and technological progress; and, finally, that it is managed and operated in the most effective manner so the cost of health care can be contained.

In reviewing the motion of the NDP, it must become apparent that their concern is with the short-term financing of health care. We, as the government, have a broader

responsibility than that and cannot afford the luxury of a short-term partisan outlook.

Mr. Martel: Look at the 1969 debate. We said the same thing then.

Hon. Mr. Timbrell: The NDP has conveniently ignored the greater ongoing challenge of how the people of this province—and I do mean all the people—are to be served with accessible, efficient and high-quality health care within the responsible economic and financial parameters to which this government is committed.

This is not a problem faced by Ontario alone. The cost of health care has been rising dramatically throughout the western world. In the past two decades, both in terms of total annual health expenditures and per capita annual health costs, the rate of increase has exceeded the rate of growth of the gross national product—no matter how fast the GNP itself has risen.

In fact, a recent international comparison has shown that in most similar jurisdictions, no matter how fast the economy has grown, health care costs have increased even faster.

In Ontario, as might be expected, we have had our share of cost increases. Overall, the Ministry of Health budget between 1968-69 and 1978-79 has grown by over 345 per cent, despite some transfer of certain services out of our ministry to other ministries. Much of this increase, however, is accounted for by additional services provided, such as medical and other practitioner services of the OHIP program, the extended care program and the drug benefit program, which I've already mentioned.

Today, out of every dollar which the government spends in the province, 28 cents is committed to the provision of health services. We see throughout the western world, the pattern of rising expectations and rising costs of health care, a pattern that often exceeds the growth of the economy. Yet our performance in this regard in Ontario can be a matter of pride.

Between 1970 and 1975, the growth in health-care costs exceeded the growth in the gross provincial product by 11 percentage points, but between 1975 and 1977, the GNP has increased by 29 per cent while health-care costs have increased by only 27 per cent. This is a positive result of the full acceptance of our financial responsibility for the development, the direction and the administration of these services.

I would like to remind this House that it is in the context that the NDP has introduced its motion—a motion, as I have pointed out, that is concerned only with the short-

term and which ignores the realities under which we must live today.

There are those who will ask the question as to whether health care has assumed unwarranted proportions as a priority for provincial spending, considering the other demands on the provincial budget. To them, I would reply "No." I believe that the vast majority of the people of Ontario would agree with me. There is no question in my mind that health care is one of the most, if not the most, valued of all provincial services.

We must recognize that to maintain the health care system which the people of Ontario expect and deserve, we must deal rationally with the question of costs. Even in the area of simply stabilizing costs, there are those who hold the view that this will inevitably lead to the lowering of health care standards. In this respect, the Ontario Economic Council, in its report *Issues and Alternatives* published in 1976, cautions that this is an area that must be carefully studied because no easy assumptions can be made. Our experience leads us to agree with this proposition.

When we consider the necessary services the system requires, and the people's demand for high quality for health care, we find it undesirable to cut back arbitrarily on either the health care services or their quality. We are, however, committed to the containment of costs without jeopardizing the system, and this commitment has engaged much of my time since I became Minister of Health.

Our philosophy in this regard is to seek a balanced system of health care and our focus is on those institutions in which efficiencies and dollar savings can be realized while still having due regard with human and humane factors of the health care system. We are using many methods, including making more efficient use of our resources, amalgamating services, changing staffing patterns and introducing other cost-saving measures such as increased emphasis on day surgery.

If I may, I will elaborate on only a few of these.

We are continuing to work with hospitals to find acceptable ways of reducing the average length of stay of their patients. In fact, the average length of stay in an active-treatment bed has fallen from 10.3 days in 1969 to 8.1 days in 1976. The significance of this becomes apparent when we realize that the average cost of a standard ward hospital bed in 1976 was \$129 per day, while the per diem cost for nursing-home accommodation

was \$21 and the per diem cost for home care was only \$11. These figures serve to illustrate the importance of the thrust in the health care system towards de-institutionalization.

This approach has been particularly successful in the psychiatric hospital area where, in the past 10 years, the number of hospital patients has been reduced from about 10,000 in 1967 to 4,300 in 1977, as care has been shifted to the community level. This has been achieved through such initiatives as the homes for special care program and increased emphasis on the community mental health program. These programs have provided benefits, not only in terms of the economy, but also in terms of the patient's well-being.

I believe it is also appropriate to point out in this context of financial restraint, that while the cost of health services has more than doubled in the past five years, the ministry has accomplished its tasks with a staff reduction of 1,600 in the past four years. As well, administrative costs of the OHIP program are now about five per cent against a claim factor of almost \$1 billion. This is significantly lower than the American average of 6.75 per cent. A further comparison is with the administrative costs of the Blue Cross program in New York State, which has a claim factor roughly equivalent to that of our province. Their costs average 7.5 per cent. [3:45]

It may be worthwhile, however, to refresh the hon. members' memories as to just how large this OHIP operation really is. Virtually all of the 8.4 million Ontario residents are insured under OHIP. Last year 53 million claims were processed, which represents an increase of 60 per cent over five years ago. This represents 250,000 claims every working day, an average of over six claims per person per year as compared to four per person per year in 1972.

Under these circumstances, we believe we are doing a remarkably good job of holding our administrative costs under control—the result, I suggest, of effective management practices based on sound business principles, principles and practices which I have no doubt are foreign to certain opposition members.

I would like to turn for a few minutes to the premium structure for OHIP. With the introduction of the Ontario Health Services Insurance Plan in 1969, it was the established philosophy of this government that premiums would cover a certain percentage of the cost of this service and that this ratio of premiums to cost would be maintained. The general expectation was that this percentage would be about 33 per cent.

Some hon. members will remember that at about the same time the federal government indicated that it would reimburse the provinces for an average of 50 per cent of the program costs. It was stipulated that the provincial plan must meet five main requirements, namely, that coverage must be universal; it must provide accessibility of services; it must be portable between the provinces, it must be administered by a public authority; and it must insure all medically required services rendered by a physician.

Even though the Ontario plan met all of these criteria, under the federal equalization formula of calculating provincial payments to a national average, this province was never to receive the full 50 per cent reimbursement. There has always been a shortfall in that area.

Throughout this period, this government has kept premiums down. By 1977-78, premium revenue represented only 22 per cent of the total cost of health services.

Mr. Cassidy: They rose by 45 per cent two years ago.

Hon. Mr. Timbrell: In the budget for fiscal 1978-79, the increase in premiums brought the revenue figure up to 28.4 per cent of the total cost of health services, still below the originally expected 33 per cent. I might digress here to explain that the figures I am using, 28.4 per cent, refer to the premium revenue in relation to the total budget of the Ministry of Health. A figure of 34 per cent has been set out in the new budget statement, but it excludes several significant health care costs, such as those for psychiatric hospitals, the drug benefit program and public health.

Despite the motion of the NDP, the point is that whatever perspective one puts on the matter, premiums still cover only 28.4 per cent of the total ministry budget. It is imperative that these costs be financed responsibly. The government has studied the alternatives through a number of advisory committees that have reported their conclusions on the increasing costs of health care. These include the special program review report, better known as the Henderson report, and that of the joint advisory committee, the Taylor report, released earlier this year.

Mr. Laughren: We know. Self-serving documents.

Mr. Cassidy: It is the gospel for the Tories.

Hon. Mr. Timbrell: The consensus was that to finance the growing cost of health care, a premium increase was the most sensible and responsible way. The joint committee's first recommendation was this: "The amount of

revenue generated by premiums has declined from 32 per cent of total health care expenditures in 1971-72 to 22 per cent in 1977-78, with the last premium increase in 1976. The committee felt that since premium increases generate considerable additional revenue while not increasing administrative costs, coupled with the awareness of the cost of health care that is generated by this kind of personal system involvement, that this is a useful way of containing public health care expenditures."

To carry on with a further quote: "Although most provinces have waived the premiums entirely, the committee felt that in line with its commitment through some direct fiscal involvement by the user in health care costs, premiums should not only be retained but should reflect overall health care costs. The committee also noted that although 75 per cent of total premium revenue is paid by employers, the employer contribution is negotiated with the employee and is an expense for taxation purposes, while the employee pays income tax on this taxable benefit."

Mr. Laughren: It is a taxation and the minister knows it. It is plain and simple Tory taxation.

Hon. Mr. Timbrell: The exact recommendation of the joint committee is as follows: "That OHIP premium amounts be reviewed on an annual basis in order to maintain the revenue accruing from total premiums that would approximate 33 per cent of total insured health services costs."

The Henderson report commented as follows: "Few users of Ontario health services realize that if all costs were paid directly out of pocket, the annual rate premium required from current contributors to finance the province's expenditures in 1975-76 would be \$1,300 per family and \$660 per single person." I point out that under similar circumstances, the premiums required for 1978-79 would be \$1,834 per family and \$917 per single person.

In addition to these reports, we have studied other methods of curtailment costs—some very drastic—including specific service reductions; deferring expansion of chronic care programs; elimination of some research components; the elimination of elective out-of-Canada benefits; and, as members are well aware, the closing of some hospitals or whole wings of hospitals.

Mr. Cassidy: So people are paying more money for less health.

Hon. Mr. Timbrell: I emphasize considered—I did not say accepted. As well there were

other considerations, such as a deterrent fee related to OHIP and the introduction of a co-payment within the drug benefit program, to mention just a few.

All of these alternatives were rejected as inappropriate at this time.

Even though we have undertaken a very responsible approach to financing the OHIP program, we do not find satisfaction in making changes to the basic premium. However, it should be restated, for it obviously is lost on some, that when all is said and done there is no such thing as free health services, just as there is no free ride for anything else undertaken by the public sector.

Mr. Laughren: What a silly statement to make. Put up a straw man and then knock him down. A really good debating point, Dennis.

Hon. Mr. Timbrell: If we were to live in a world of fantasy, I suppose we could dream about never increasing premiums despite ever-increasing costs; but as a responsible government, we do not have an opportunity to live in such an Alice-in-Wonderland atmosphere. The real world offers no such escape.

Mr. Cassidy: Somewhere back with Adam Smith. There is an escape for your gang, and it is at the ballot box.

Hon. Mr. Timbrell: While there has been an increase in premiums we should also keep in mind that provision has been made to increase the income ceilings for those whose income makes them eligible for full or partial premium assistance.

Mr. Laughren: Any more straw men, Dennis?

Hon. Mr. Timbrell: This seems to have been overlooked—or ignored—in the general debate over the basic increase. As an example, under the enriched premium subsidy program free coverage will now be available to single people with a taxable income of \$2,500 or less—an upward change of 49 per cent. For families, the upward change is 50 per cent, to \$3,000 or less. Subsidies of 50 per cent will be available for single people with taxable incomes between \$2,500 and \$3,000; and families with taxable incomes between \$3,000 and \$4,000. The subsidies currently apply to single people with taxable incomes between \$1,680 and \$2,000 and to families between \$2,000 and \$3,000.

Therefore, while we have made an adjustment in premiums, we have also tempered the effect of this adjustment on a large proportion of the population. All told, about 1.9 million people, or almost one out of every four Ontarians, including those 65 years of

age and over and those receiving social assistance, now receive full or partial subsidization.

I ask whether these 1.9 million Ontario citizens believe, and I quote from the motion before this House, "that this government's action is an outrageous decision that should be condemned." I think the answer to that is obviously "No."

Another question which I believe the opposition parties, especially the NDP, will have to answer is this: Instead of the premium increase health costs being funded out of general revenue, how do they propose raising the additional \$271 million required? By enlarging the provincial debt? By borrowing more and further mortgaging the future, or what? The public will want to know this, and they deserve to be told.

In fact, we are still waiting to be told how the opposition parties would pay for some of the recent proposals they have made regarding the provision of expanded services. If these proposals to expand OHIP to include dental coverage, to include the provision of prosthetic and orthodontic devices, and to expand chronic home care immediately throughout the province were implemented, our estimate is that they would cost at least an additional \$390 million per year.

It appears abundantly obvious that it is very easy to make proposals without having to accept the responsibility of making them work.

Mr. Cassidy: Who writes these speeches for you? Tell him to retire.

Hon. Mr. Timbrell: We have one of the most comprehensive health care systems on this continent at a direct cost to about three-quarters of the population of an individual annual rate of \$264 and a family rate of \$528.

Mr. Cassidy: It is the highest in Canada.

Mr. Makarchuk: The most expensive in Canada.

Hon. Mr. Timbrell: In only a few short years, we have initiated dramatic changes in the duties of government in the health care area to its citizens. These changes have developed an increased and still-increasing expectation of a very highly sophisticated health service.

Mr. Laughren: You're the oldest Tory over there.

Mr. Cassidy: The youngest reactionary.

Hon. Mr. Timbrell: We are taking new initiatives in the areas of operating efficiencies, cost control and manpower control. We are implementing our commitment to de-institutionalization and to community involve-

ment in both health care and decision-making. We are dealing with the problem of over-utilization of the system. At the same time, we are evaluating the need for new and expanded programs. There is much to be done because we direct and operate a health care system in a state of constant transition. Change and improvement are not only possible but necessary.

In two respects alone—those of lower infant mortality and increasing life expectancy—we may expect increasing demands on the health care system. This, coupled with the fact that we face a declining birth rate and an aging population, will change the emphasis of our health care needs in the future. Our response to these and other changes, such as the inevitable ones in technology, must be planned and in place.

The second factor under which we must operate is the changed economic climate, as well as the program of restraint on all expenditures in the public sector. We will have to continue to watch our expenditure patterns even if the economy should move out of its present difficulties—

Mr. Laughren: You've ruined the economy, now clobber the public sector. You're pretty good at setting up straw men.

Mr. Cassidy: How many people have you put out of work this week?

Hon. Mr. Timbrell: —because costs are unlikely to decrease and demands on services are likely to increase. In this respect, one of our initiatives is to persuade the public to accept more responsibility for the maintenance of their own health, and for controlling their use and their demands on the health care system.

Earlier I spoke of the increased emphasis on ambulatory and community-based health care.

Mr. Laughren: Why did you let the Treasurer do this to you? Why do you let the Treasurer run roughshod over you?

Hon. Mr. Timbrell: In the future I see this process continuing not only as an important area in which to control costs—

Mr. Laughren: It's the truth, isn't it Darcy?

Hon. Mr. Timbrell: —but as a practical and desirable way of bringing health care even closer to the people.

Mr. Laughren: Why does the Treasurer always get his way?

Mr. Makarchuk: That was the laying on of hands, no doubt.

Mr. Deputy Speaker: Order.

Hon. Mr. Timbrell: We may anticipate that

the process of transition will continue, but none of this can be accomplished by an instant clean-sweep approach or simply by ad hoc change. We deal, in this process of transition, with the human element, both in suppliers and users of the system, and the impact of ill-considered or ill-timed change can have far-reaching consequences.

Mr. Cassidy: That's right—like premium increases. Your premium increases are ill-timed. That was ill-considered.

Hon. Mr. Timbrell: Changes in this context will require a great deal of sensitivity and, perhaps most of all, of common sense—a commodity which we have traditionally found sadly lacking among so many members opposite.

Speaking of common sense, I would like to suggest that the hon. members set aside the extravagant rhetoric of the NDP motion before the House and consider soberly the brief review which I have given of the services and responsibilities and value to the people of Ontario—

Mr. Laughren: You're the one who's dogmatic and doctrinaire.

Mr. Warner: Next time you stick your head in the sand you should open your mouth.

Hon. Mr. Timbrell: —of the health care system as it exists and as it functions today. We, as a responsible government, have considered many alternatives, both in operation and funding. We are dedicated to ensuring that all participants of the system—patients, taxpayers, and health practitioners—are contributing and receiving fairly. We will continue to give the people of this province the best possible health care program that available resources permit, a system that will provide both quality and accessibility to all citizens of Ontario.

Mr. Speaker, I say with the utmost of conviction that it would be both prudent and sensible for this Legislature to reject the motion before it. I add only that I am looking forward to the upcoming meetings of the standing committee on social development. It is high time that the people of this province received an opportunity to scrutinize fully the bombastic propositions of the opposition. It is high time that people received an opportunity to analyze the sound and the fury which has been emanating from the members opposite. It is time to see if there is substance behind their rhetoric or if it is, as I suspect—

Mr. Warner: We should have had time to debate the tax.

Hon. Mr. Timbrell: —mere posturing, void of any practical policy suggestion.

Mr. Warner: Nonsense.

An hon. member: You'll see, you pompous jerk.

Mr. Deputy Speaker: The hon. member for Renfrew North.

Mr. Warner: Here comes the apology.

Mr. Conway: I am pleased to participate in the debate this afternoon, having had somewhat of an opportunity last Thursday night to join with my colleague from Scarborough-Ellesmere in a related debate. I took time this afternoon to read very carefully what it was we were here to debate and I want to say at the outset that the hon. member for Ottawa Centre has before us a resolution which has a certain measure of appeal.

Mr. Cassidy: But.

Mr. Laughren: Here comes the apology.

Mr. Warner: The government apology.

Mr. Conway: We'll leave the "buts" till a little later, because there are certain political problems I would invite the hon. member for Ottawa Centre to consider a little later on.

Mr. Lawlor: Like requiring the government to withdraw them.

Mr. Warner: This is Darcy's brother.

Mr. Conway: Although not wanting to be too mean and nasty, because in a sense what we're here to discuss is something that just might give us an election, I know the Treasurer will share with me—

Mr. Laughren: Withdraw the increase.

[4:00]

Mr. Conway: —a certain sardonic interest in a column that appeared today in the Toronto Sun, which in part relates to an item which gave us the last election, specifically the item of rent control, and how the columnist for the Toronto Sun came upon a certain internal memo that was in part authored by the member for Ottawa Centre indicating just how it was that that party might posture, if I could be allowed to use so bold a term, to perhaps produce an election.

Mr. Cassidy: Don't lecture us about posturing.

Mr. Conway: I have to say, in all fairness, that for all my political sins I don't think I have ever circularized my caucus with the kind of cynical posturing that is reported on behalf of the member for Ottawa Centre with respect to the item which gave us the last election.

Hon. Mr. Bernier: Go get 'em.

Mr. Conway: For those who would have the world believe that they are truly holier than the rest, coming from the Ottawa Valley, I have watched with great interest the performance of my friend from Ottawa Centre. I have to think that what is reported in the column this morning by Claire Hoy in the Toronto Sun, which among other things alleges—

Hon. Mr. Bernier: Let's hear it. Put it on the record.

Mr. Conway: —for the interest of the member for Kenora, in a debate that gave us the last election, which there is no mistaking is what we are talking about here today, in the matter of rent control that hon. member who today moves this motion of no confidence, just speaking about the politics of it all and nothing about the substantive issue, to which I will quickly get—

Mr. Laughren: You are being sanctimonious; don't be sanctimonious.

Mr. Conway: —he is alleged to have said in that memo about rent control: "If the Tories eventually agree, as is likely, we then still"—the NDP—"win credit. If the Tories don't agree, then we stand alone as the party which works for tenants. If we can make the Liberals make a clear anti-tenant vote along the way, so much the better."

Mr. Cassidy: That is where your instincts are. You are pulling the province out of rent review.

Mr. Conway: I didn't see the memo and happily I didn't author the memo. But I think in its own quiet little way it speaks to the posturing capacity, not only of the NDP but of its lately arrived leader. Maybe, just maybe, it is a footnote worth considering in so far as supporting this call for an election is concerned.

Mr. Warner: He doesn't know who the enemy is.

Mr. Conway: I may as well say now for the benefit of the hon. member for Ottawa Centre, let's suppose I was convinced by the power of his oratory and the force of his logic to join with him in this—

Mr. Laughren: They would withdraw the increase and the member knows it.

Mr. Conway: I don't profess to be a Senator Forsey but I want to speak for a moment, for the member for Nickel Belt's consideration, just to the politics of it. I don't profess to know much about the politics of it but I was wondering what the import of voting with the member for Ottawa

Centre and his happy band in this respect would give us.

Hon. Mr. McKeough: They are not very happy.

Mr. Cassidy: It is a very happy band.

Hon. Mr. McKeough: They are the sourest bunch you have ever seen.

Mr. Conway: That is a very well-made point because it leads to what I want to say.

Mr. Laughren: Who is the enemy?

Mr. Conway: I have no assurance that Her Honour would necessarily dissolve the 31st Parliament of Ontario without taking into consideration two constitutional precedents which I would have some knowledge of.

Mr. Laughren: They would withdraw the increase.

Mr. Conway: These might suggest that we in the opposition—no doubt the official opposition—might be called upon to form a ministry. But, as the Treasurer knows, that might be difficult without the accommodation of my friend from Ottawa Centre.

Hon. Mr. Bernier: Don't hold your breath.

Mr. Nixon: Maybe next week.

Mr. Conway: I must as a private member say that while I do agree with the hon. member for Ottawa Centre's assertions that while this policy of OHIP premium increases is an outrageous act by an outrageous ministry and is repugnant to me—

Mr. Warner: What are you going to do about it?

Mr. Conway: —there is on the horizon only one other thing that is for me more repugnant. It is the thought, however remote and however theoretical—

Mr. Cooke: Of your leader being the Premier.

Mr. Conway: —of being forced into some kind of short-term government with the hon. member for Ottawa Centre.

Mr. Laughren: It would be long-term.

Mr. Conway: I have to say that that is no more attractive and certainly much less attractive than the very serious matter which is before us here today.

Mr. Laughren: Who does the Liberal Party regard as the enemy in this place?

Mr. Conway: I realize that there is a certain hypothetical quality to that. Her Honour might very properly decide that there was an inherent impossibility about the union of the virtue of the Grits with the posturing insignificance of the socialists, thereby rendering impossible any such ministerial

accommodation, but I do not know what Her Honour might consider if, on this day in early April, 10 months into this Parliament or following upon the last election, she necessarily felt that way.

I must say at the outset that I simply cannot support at this time a consideration that would bring about the potential dissolution of this Parliament.

Mr. Nixon: The colour is returning to the cheeks of the Treasurer.

Mr. Warner: You won't vote against the OHIP premiums!

Mr. Conway: There is nothing which frustrates my ambition—and it's a very moderate ambition—for the general health and welfare of this Ontario community—

Mr. Warner: You haven't the strength of a jelly bean.

Mr. Conway: —more than the thought of being forced to sit for however brief a period of time on the Treasury benches with my colleague from Ottawa Centre, who is alleged in this morning's press to be capable of what I think to be the rankest of rank cynicism.

Now to the matter at hand in so far as the policy is concerned.

Mr. Warner: I knew you would get around to that sooner or later.

Mr. Breaugh: It's about time.

Mr. Conway: I am happy to see the Treasurer is here, particularly—

Hon. Mr. Bernier: Policy? Did you say policy?

Mr. Conway: The member for Kenora, who is the Minister of Northern Affairs, says—and I don't fault him at all, knowing his expertness in the political strategies afoot—

Mr. Nixon: He's got a Moosonee tan.

Mr. Conway: Yes, it certainly is that.

The member for Kenora says that he, like the Minister of Health and, no doubt, the Treasurer, is here to find out what the responsible opposition has to say and to offer. I will say, for the edification of the Minister of Northern Affairs and other members of the government who might have an interest in this, that we in the responsible opposition, facing the responsible challenge of this very serious matter of health care financing and health care policy, are not prepared to send this matter to the electorate for the third election in as many years without a full and responsible discussion of the matter.

Mr. Breaugh: I can understand that.

Mr. Conway: It is interesting to me, as a relatively new member in this august assembly—

Mr. Breaugh: Unfortunately.

Mr. Conway: —to note with considerable interest the fact that the government has carefully managed the affairs of this House and its various committees in such a way as to assiduously avoid any involvement in a real way in health care policy discussion. Of course, we have had the 20 hours of consideration of the Ministry of Health estimates, and all of us who worship at the shrine of the British parliamentary system know just how relevant that is to the politics of the matter.

We have had committees, extraordinary committees of a select nature, that have travelled this province, spending considerable of the taxpayers' dollars—

Mr. Breaugh: Some even went outside of the province.

Mr. Conway: Some even went outside of the province. Well—

Mr. Breaugh: Some even had their picture taken outside of the province.

Mr. Conway: That's right.

Mr. Nixon: Some even went out without being on a committee.

Mr. Conway: That's right. I am happy to see the NDP member for Oshawa recently arrived back from his sojourn to the mother of Parliaments—

Mr. Nixon: He has a golf-club tan.

Mr. Conway: —where, presumably, that reporter from the Globe and Mail was not lurking in the darkness of a corner.

Mr. Breaugh: They never lurk when I'm out there.

Mr. Conway: I'm sure they don't.

Mr. Nixon: They're not interested.

Mr. Conway: We all watched that convention in early February, and there was no lurking, I must say.

But this government has studied, in select committee format, for example, all the important issues of the day. We have, very properly, spent considerable time and revenues, as the member for Elgin (Mr. McNeil) knows better perhaps than any here. The hon. member for Elgin knows the importance of a select committee examination of tile drainage and what it means to the farmers of Chatham-Kent. And I think that is an important matter that should be looked at.

Mr. Nixon: And Brant.

Mr. Conway: Similarly, we have had select committees which have taken as their

task a full and purposeful examination of the important, burning issue of the after-hours use of school rooms. Even the Treasurer sits as he does in his high chair of judgement knowing that many years ago in his tender youth he was seconded to a select committee to discuss the importance of youth in this province. People such as myself profited immensely by that deliberation. I have looked across the horizon of parliamentary investigation and I have seen all these testaments to what this government considers important in so far as public policy is concerned.

But you look at all of these, and one area of increasing public expenditure, for some reason, does not appear anywhere on the horizon—and that's the matter of health. I believe the member for Don Mills—the poor, beleaguered, defeated Minister of Health—is the Treasurer's fall guy. You know, it has to be the most pitiful, the most unenviable, the most tragic of hopeless circumstances for any aspiring Tory over there. And I say this if for no other person's interest than that of my good friend from Armourdale (Mr. McCaffrey) who, I am sure, looks enviously upon the front benches. If I can warn him of one area where he would not wish to exercise his cabinet ambitions it would be in the area of Health.

He only has to look around to see whither they have gone. The poor present minister—I can't call him Dennis so I'll call him the hon. minister—only has to look across the political battlefield and ask, "Where have all those flowers gone?" Where is Matt Dymond? Where did Tom Wells end up? And what about Mr. Bert Lawrence and Dr. Potter and the hon. present member for Muskoka (F. S. Miller)? Not a particularly strong indication of the staying power of the Ministers of Health, particularly under the Davis-McKeough hegemony over there.

So I'm sure the member for Don Mills is very nervous when he is forced, kicking and squealing, to the order-in-council office upstairs, delivering the Treasurer's dictum about where it is the tax dollars and the increases are going to be extracted from. I want to say at the outset that my sympathies are with the fall guy, the Minister of Health. It's certainly, I think, a very sorrowful day when the very important area of health care planning is left to the vagaries and the vicissitudes of the Treasurer's 19th century economic viewpoint.

I suggested last year in estimates that the time had come for a full legislative inquiry into the matters pertaining to OHIP, since at that time we were beginning to assemble

the data from the substantial 45 per cent increase in premiums, as of the 1976 McKeough budget, and the Minister of Health dismissed at that time the requirements for any such matter, feeling secure, no doubt, to depend continually upon the advice of the Henderson special program review and the Premier's task force headed by what I notice one of the press reports indicate as "a London financier, Mr. Allyn Taylor." I guess that's just about where this government wants to take its advice in the matters of social import like health care planning. They are really not too interested in involving the Legislature. They would rather return to the bailiwick of their London financial base for long-term planning in the areas of health care.

Mr. Nixon: They couldn't get Marvin Shore.

Mr. Conway: Well, poor Marvin is like some of the Ministers of Health. Quo vadis is the question, I suppose.

The matter now before us is that of supporting the hon. leader of the New Democratic Party's resolution which would presumably bring about an end to this Legislature. I think that what the New Democratic Party, outside of its posturing potential, is trying to effect in this regard cannot be accepted by me, as one member of the responsible opposition on this side of the House, because we have taken an action which has brought about the hearings of this OHIP premium matter and the general health care financing system beginning tomorrow in the social development committee.

I would be the first to admit that that committee may not produce all of the answers. I know the member for Parkdale (Mr. Dukszta), as he sits quietly agreeing with me, will share that basic position, that we will not likely solve all the problems. I want to say at the outset that as one member who expects to be involved in the committee's deliberations—and so that I can allay any of the fantasies which the Treasurer and his fall guy the Minister of Health may be developing in as much as what they expect my party to do tomorrow or in the deliberations of the committee in the next two weeks.

[4:15]

I want it clearly understood—at least I hope it is understood by the Treasurer and the Minister of Health—that they will appear before that committee as witnesses. They are going to be called by members of that committee to explain their actions in as much as they continue to rely upon the premium mechanism for a substantial portion of the funding for our health care system. As I see

it, there will be a presentation made in explanation of an ongoing government commitment to the premium system by the Treasurer and the Minister of Health. They will be cross-examined for all of the studies which they have at their disposal indicating why they have continued in their wise way.

At the end of those deliberations, having perhaps invited others from the tax field, perhaps another individual from another jurisdiction since, as one of the socialists pointed out, we do seem to be elite in as much as we are now the only jurisdiction in the dominion of Canada which relies to such a considerable degree on the premium mechanism. Maybe, just maybe, some of the other jurisdictions are not so completely misguided in their mechanism for funding similar programs.

At the end of those deliberations, I fully expect to be able, as a member of that committee, to consider and to put forward responsible aspects of an interim and perhaps a final report. As the Speaker knows from his intimate knowledge of parliamentary procedures, I do not expect to engage in any kind of dialogue with the witnesses outside of the questions which the committee as a whole would be expected to put.

I must say, parenthetically, that it does little for the happiness of my heart to receive from my colleague, the member for Huron-Bruce (Mr. Gaunt), who is the chairman of the social development committee, a response from the Minister of Health which indicates some rather predictable things. The member for Huron-Bruce, in his capacity as chairman of that committee, wrote to the Minister of Health on March 16 requesting all such material as would be pertinent to a full and complete examination of the premium mechanism and on the alternatives which have been considered, as was indicated on a number of occasions by both the Treasurer and the Minister of Health.

The Minister of Health, in response to my colleague from Quinte, unequivocally said, on March 10: "We have been looking at this for nine months and let me tell you gentlemen and ladies in the opposition that we have looked at all the alternatives; and we, with our wealth of bureaucratic support—" and even the member for York North (Mr. Hodgson) appreciates the fact that the poor beleaguered opposition does not have such facilities in any way, shape or form, given the view the government has taken of what the opposition research capacity should be—but the government has through the full-blown support of the bureaucracy, as the Minister of Health indicated, a veritable panoply of alternatives to bring to the committee.

Certainly that was said on March 10. But what do we get today? We get a pitiful example of something significant, namely this government's attitude towards freedom of information. It simply reinforces what we all know to be the Treasurer's point of view, that as long as the Tories rule in this province there will be nothing but the most weak-kneed, lily-livered commitment to freedom of information. In fact, those requirements will be met by providing members of the committee not with any of the material which we had expected—

Mr. Mackenzie: I thought we were talking about OHIP.

Mr. Breaugh: Look who you are in bed with now.

Mr. Conway: I am getting to the point. I'm slow, I realize that, but I—

Mr. Nixon: He's doing very well.

Mr. Conway: I want to very ponderously go through what I think is very important. We, in a responsible opposition, want to see this matter responsibly deliberated in a committee framework first.

Mr. Mackenzie: You mean supportive opposition, don't you?

Mr. Conway: Because we have neither time nor inclination for this kind of specious posturing. We have no time for that kind of socialist Valhalla.

Mr. Warner: The Speaker is over there; speak to the Chair!

Mr. Conway: You know, Mr. Speaker, without wanting to involve you in any way in this kind of partisan discussion, I know how happy you must be to sit where you sit. No movement was ever more noticeably happier than that which took you from the uncomfortable irresponsibility of that diminishing band of insignificant Fabian Marxists, or whatever, to the respectable position which we all knew your moderate temperament entitled you to, well in advance of your appointment some months ago.

Mr. Warner: Keep this up and you'll be moved to the Senate.

Mr. Conway: Because we in the responsible opposition wanted to see this before a committee, so we could look at what it is the government has examined by way of alternatives, we are now forced to comment upon this particular want of confidence which, if we support it today, would bring about the dissolution—or at least would likely bring about the dissolution of this Parliament.

Mr. Laughren: Make up your mind.

Mr. Cassidy: If the Liberals had supported them yesterday, we could have rolled back

those premium increases. The government would have had to back down.

Mr. Conway: Mr. Speaker, they are asking me to support their resolution and dissolve this House, most likely, because—

Mr. Cassidy: You had three weeks to consider this.

Mr. Conway: —as I said earlier, one of the choices I am left with, if this does not bring about the dissolution of this Parliament, is the formation of a new ministry. As I also said earlier, and I repeat, the only thing more outrageous than this premium increase is the contemplation—

Mr. Cassidy: Of a Liberal government.

Mr. Conway: —of a ministry in which the hon. member for Ottawa Centre would have any involvement where I was concerned. That is totally repugnant to me.

Further to that, having taken the position that we want this matter to go before the social development committee—

Mr. Warner: You're taking another position.

Mr. Conway: I am not, because the hon. members to my left know for what consistency, for what purity in our consistency, we in this party stand.

Mr. Cassidy: For all the sanctimoniousness.

Mr. Conway: We're not so foolish as to refer this matter to a committee for responsible deliberation, only to preclude that by voting ourselves and our Parliament out of existence.

Mr. Warner: They're not going to listen to you, and you know it.

Mr. Conway: That is simply the kind of foolhardy logic that I have come to expect from those on my left and which I consider to be a suitable testament to their seriousness in this matter.

My leader will be speaking later this afternoon. He will speak to some of the matters which I—

Hon. Mr. McKeough: To some of the things you have missed.

Mr. Conway: To some of the things I've missed? I will admit to the Treasurer's comment, that I do not intend to make my remarks comprehensive, because that would be impossible and, I think, impolitic.

Mr. Breaugh: And beyond your capacity.

Mr. Conway: The Treasurer has joined us here this afternoon, and I think it fitting that he is here representing the government, which he is really now at one in terms of representation.

Mr. Warner: So are you.

Mr. Conway: It's happy that the Minister of Health has gone to readjust to the position in which the Treasurer has placed him, because what we have in this premium increase is, among other things, a predictable if punishing tribute to the modern-day Tory economic prejudice. I won't read it, because I indulged members to listen to me the other night as I read the very plaintiff letter that the Treasurer wrote to that esteemed government journal, so it is alleged, the *Globe and Mail*, of March 16. No doubt very much hurt by the affront of his fellow Chathamites, the distinguished editorial board of that journal, he explained why it was that the government was prepared to defend this indefensible premium increase. That letter to the editor is as feeble as this budget delivered by the Treasurer some weeks ago.

I want to speak to two or three points in that budget while the Treasurer is in his seat.

On page 15—and perhaps before I talk about page 15 I should say this while the Treasurer is here: In 1976 he announced a premium increase after a period of many years where there had been no premium increase. That says something about their planning so far as they want to continue with this premium mechanism. But in 1976 the Treasurer felt it was time for a premium increase, and at that time we had the premiums increased by roughly 45 per cent. Granted the basis for premium assistance was enriched and thereby broadened to include more people. At that time, the people of Ontario were properly invited to believe the Treasurer when he said and I quote from budget paper B of that budget: "Premiums will now generate approximately 28 per cent of the total financing of OHIP. This is a more appropriate level than the 23 per cent raise in 1975-76 and is a suitable long-run norm to maintain as 'Health care costs in future years.' Let me repeat that: 28 per cent of the total financing of OHIP from premium revenue would be a suitable long-term norm for the future."

Now, two years later, with the benefit of his latest thinking, we have the Treasurer come before us and say that is no longer acceptable, that 28 per cent as a long-term norm will now be adjusted to 34 per cent. We will, therefore, have our second increase in premiums in roughly two years, or three years depending on which way you wish to look at it.

I say to the Treasurer that the people of Ontario are being asked today to believe him when he says that premium revenues will now be expected to cover 34.1 per cent

of the overall cost of the insured services within our health care scheme, in OHIP. The question I simply have to ask the Treasurer—one to which I hope he gives his full and conscientious consideration—is why should the poor, beleaguered, directly-paying subscriber in Newmarket believe the Treasurer of Ontario in 1978, when that poor, directly-paying subscriber in downtown Newmarket is now being forced to pay, if he is a family man, \$528 worth of this incredibly regressive tax, when it is clear there was no cause to have believed the Treasurer in 1976?

Not since Lyndon Johnson has any political jurisdiction seen credibility-gap politics like that which the Treasurer is preparing to offer us in this health care debate. I just have to ask and invite the Treasurer to tell us why it is the person in Newmarket should believe him today when he says that 34 per cent is now a suitable long-term norm. Realizing that my time is very limited, I want to conclude by saying that the Treasurer in his budget offers, as he has in the past, a substantive reason and cause for continuing and maintaining the premium mechanism, which is nothing more than a fitting tribute to this government's continuing reliance upon a private Blue Cross mentality to run a public medicare scheme. They have not yet sorted out the contradictions that are inherent in that kind of situation.

Mr. McClellan: Socialist medicine.

Mr. Conway: Socialist medicine, absolutely.

The only reason we are given to believe for maintaining the premium mechanism by the illustrious Treasurer in this and other budgets of recent years is that, as he says, "Premiums retain a visible link with the cost of services." What I have to ask the Treasurer again is, taking into consideration no one more humble than myself: what is the visible link in this premium for me as a member of this assembly who has, as he points out later in that budget, the entirety of the premium increase covered as a fringe benefit? For the hon. member for Yorth North and myself this visible link is nothing more than a pay raise.

I admit there is an indirect aspect but it is very indirect, as the hon. Treasurer knows. There just is not any visibility to it. If nothing else, I want before these deliberations conclude to have the Treasurer in a quiet or less quiet way admit to the absolute bankruptcy of that argument. When he tells us that 75 per cent of the premium revenue in this province is a function of fringe benefits within various collective agreements, he is admitting without equivocation that there is

no visibility maintained today within the premium mechanism.

Hon. Mr. McKeough: Wait till you fill out your income tax.

[4:30]

Mr. Conway: If the Treasurer wants to maintain the premium mechanism as a good Tory like he would very possibly want to do, I invite the Treasurer to plan for tomorrow's or next week's consideration, an explanation as to just how visible that is for the vast majority of people who have their premiums paid without their ever seeing what it costs in terms or what we all acknowledge to be seriously expensive, but no doubt worthwhile, health care services.

The arguments which the Treasurer has put forward simply do not wash. The premium mechanism is not relevant as it is maintained today; it is clearly not a visible link: The Treasurer's own budget is a clear demonstration of that fact.

Furthermore, I want some assurance from the Treasurer as to why we should believe him today when he forces the poor Minister of Health to go cap in hand with his order in council saying that now 34 per cent of insured health services is a suitable long-term norm, when two years ago that kind of position was prepared and then completely abandoned within two budgets.

There is a clear credibility gap in the Treasurer's Tory and financial thought in this respect. That and other kinds of issues are what this responsible opposition party wants to invite a serious and responsible discussion about tomorrow and during the next few weeks in the social development committee. At that time I fully expect, as part of a responsible opposition, to frame alternatives that are going to meet with the approval of that vast majority of people in this province who understand, on the one hand—

Mr. Cassidy: You're stumbling now.

Mr. Conway: —that they have, by and large, a good health care system, but one which is becoming expensive and which must be paid for in a progressive, fair and equitable fashion.

Mr. Breaugh: I rise to support this motion. I am a little taken aback. I must say, by the vehemence that I saw during the question period today from the Liberal Party of Ontario in opposing this premium increase and yet within a two-hour period they manage to rise and somehow find it within themselves to support the government on the very same issue.

I think that tendency in that particular Liberal Party has been noted before. I believe it is now enshrined in Canadian parliamentary procedure as "flip-flopperism."

I think this is one of the most important debates we have had in this House for some time, because there are very few things that we will find affecting the people of Ontario in such a direct and serious way. As the Minister of Health pointed out, this particular service applies to almost everyone in the province. It has been a matter of considerable controversy over the last several years, and has taken what was once a very great promise of providing a universal health-care assistance to the people of Ontario that was the best in the world, into something of a crisis situation.

The increase which is the focal point of this particular debate is a substantive one. If you really look at what an average wage earner will take home, the premium they will now pay is about 8.4 per cent of the average industrial wage for a family of four. That is a substantial amount of money for a service that is there whether you use it or not. In effect, it is a very great source of taxation which, of course, is precisely the use to which this government has chosen to put it.

It is unusual again that in the province of Ontario the premiums we are paying for health care turn out to be twice as high as anywhere else in the country. It is unusual again that in the province of Ontario we are still struggling to get parity with Newfoundland. We are looking at a province that is supposedly among the poorest in the nation yet can provide a health care service with no premium, as opposed to the province of Ontario, supposedly the richest in the nation, that has the highest premium all across the country.

I think, too, it is interesting to note that the type of taxation and the effect this will have is rather serious. You know, we seem to have a Treasurer who is very fond of saying that if you didn't see the theft take place, it didn't happen. And we keep hearing again and again—and, of course, I listened to the Minister of Health say it again this afternoon—"Well, if they are on some kind of social assistance they won't pay, so they're not screaming. If they're over 65 they won't pay, so they're not screaming." In effect he said that if they are not paying the premium they won't notice the pinch. Well, that's true.

I listened to him make the argument, and I have listened to the Treasurer make the argument, that most of these things are employee benefits and therefore they won't

feel the pinch again. Not now; but you see it doesn't even recognize that employee benefit package is really a matter of one's salary as well. In addition to the kind of increase one sees in terms of premium, one negotiated that package. That's part and parcel of one's pay cheque and that cost will be passed on eventually. If we want to run down a short list, these health benefits are taxable for the employees. If his net income is higher, then his taxation rate is also higher. Many of these benefits are negotiated as a package. Additional benefits, if paid by the employer, will be at the expense of other items.

Thirdly, where municipal governments pay all health benefits, the additional burden can only be met through increased municipal taxation. It's another load on the taxpayer. Fourthly, these employee benefits are a tax deductible item for some employers. It seems strange in a period of high unemployment we would load onto our system one more thing that will cut down the number of jobs and will increase costs. That's a rather strange and unusual way to go about it.

I must say I find the tendencies of this government strange in a number of ways. I read with great interest the Taylor committee report. It strikes me that once again the victim is being accused of the crime. We're looking at people who are sick and using the health care system and saying they are the ones at fault. That strikes me as being a weird perspective indeed.

I think we may well see an opting out of this system. We may see it at several levels. We may see doctors opting out of a system that is falling into disrepute and we may well see patients opting out of a system simply because they can't afford the premiums. I think those phenomena are there.

Once again we see this government chasing the same target group again, namely, those people who work for a living. They're after them again and they're going to get them with another form of taxation. This time they're calling their taxation a health care premium. They're at them again.

We're negotiating a fee schedule. Even though the budget is up substantially again this year and the Treasurer is making his argument that the rate of taxation is roughly the same, we're chasing them again; and we still have not solved the problem of the fee schedule with the doctors. I wonder how close we are in this province to the phenomenon that we see in other parts of this hemisphere, that is one pays cash before he gets a delivery of health care services. I hope we do not see that. I hope we don't see all of these doctors opting out. I hope we don't see a

day when on presentation of one's body at the hospital door he has to come out with his Chargex card before he gets any service. That phenomenon exists in North America. I hope we don't see that phenomenon in the province of Ontario, but I must say we're under rather uncertain conditions.

I find it particularly strange that though we have heard a great deal of discussion about administrative costs—and the Minister of Health made a case again today that it's rather good—we're having some difficulty getting to that information. As members may recall, we had a small disruption in the affairs of this House about a year ago when we sought that information. The information that is there and the controls that are on the administration, all of which supposedly are in place, all of which we in supposedly good faith accept, really are not subject to a great deal of public scrutiny.

We heard again today that we will not be able to get a detailed, in-house ministerial investigation of alternatives that they had. So it is very difficult to criticize a health care system that is large and expensive—that's true—but doesn't give to us as opposition members a full accounting of how it goes about its business and specifically what amounts are met for each account.

I caution that in this House we may be seeing with this particular concept of an increase in health care premiums the end of that universal health care system. I think we may be seeing a system that is virtually without control. It is perhaps not controlled as meaningfully or as openly as we as members of this particular party would like to see.

There are some dangers in all of that. I think that a health care system which has some rather magnificent people making a contribution to it in terms of medical staff is falling into disrepute. We have a real danger here that more and more people, whether they are doctors or whether they are patients, will opt out of this system. I see a great difficulty coming before the House that must be dealt with.

I find it inconceivable, frankly, that the members of this House would do anything but support this particular amendment. I think it's so important to say to this government at this time that they have acted in an unacceptable manner to this House, that they have sought to tax the people of Ontario for a service that's in question, but which is certainly much needed.

I do wish that for once in their lives the Liberals would vote the same way at least twice in succession. I would hope that this

afternoon when we call the vote on this one we will see them vote in a manner that will be precisely the same as when they begin questioning the minister before that committee hearing tomorrow afternoon. Unfortunately, I am not sure that that is going to happen. We will see, but it strikes me that one either supports this premium increase or one doesn't, and if one doesn't support it one votes for this particular no-confidence motion. That is clearly and precisely what it is all about. I will be grossly disappointed if I hear them posturing on one hand that they don't like the OHIP premium increase—

Mr. Stong: You are shunning your responsibility.

Mr. Braugh:—and on the other hand not voting at all this afternoon.

Hon. Mr. McKeough: Mr. Speaker, I welcome this opportunity to take a few minutes to lay before the Legislature some of the facts that brought about the decision in the budget to increase the premium levels of OHIP beginning on May 1.

Much has been written in the past few weeks about the financial imbalance in the health care sector of Ontario. This imbalance occurs because expenditures under OHIP increased considerably faster than revenues earmarked for OHIP, namely premiums. As a result, there is constant pressure to finance this chronic revenue shortfall. The pressure was particularly strong this year because of our balanced budget objective. Everybody now realizes the importance of balancing the budget; the benefits to each citizen will be substantial.

Mr. Cassidy: Like seven per cent unemployed.

Hon. Mr. McKeough: But if we do not have the revenue to finance our day-to-day services we will have to cut back on those services. And no one wants this to happen, especially if those services are health related.

Mr. Wildman: How about balancing the economy?

Hon. Mr. McKeough: I think that even the members opposite will agree that new funds for health care are needed. Anyone who can add and subtract must reach that conclusion. The question then becomes one of where does the government find the new money.

Mr. Laughren: That's right.

Hon. Mr. McKeough: The financing of health care is now the total responsibility of each province, since we established the programs of financing a year ago. We cannot

go to Ottawa and ask for a better deal on a cost-sharing arrangement that no longer exists. We must therefore look to our own sources. I felt the responsible way to increase revenue was to raise premiums.

The leader of the New Democratic Party has called for hundreds of millions more in government spending, financed by a massive increase in corporation income tax.

Mr. Samis: Massive? How massive?

Mr. Wildman: Massive? Two per cent?

Hon. Mr. McKeough: So I would imagine that he would also suggest that the revenue raised by the OHIP premium increase could be found by increases also in corporation income taxes.

I will be frank. I considered increasing the corporation income tax, but I don't think it would be appropriate to load the entire \$271 million increase onto the corporate sector.

An hon. member: Why not?

Hon. Mr. McKeough: It would take three points of corporation income tax to raise that kind of revenue. Such an increase would give us the highest corporation income tax in Canada.

Mr. Wildman: Instead we have the highest premiums.

Hon. Mr. McKeough: That would cut profits, reduce incentives, and seriously undermine our competitive position. That, of course, is of little importance to New Democrats, because they have no use for corporate competitiveness or profitability.

Mr. Samis: Baloney.

Mr. Martel: That's nonsense.

Mr. Cassidy: That's nonsense.

Hon. Mr. McKeough: But let's face it, profits are the foundation on which our economy has grown and renewed business confidence is crucial to the economic resurgence in Ontario. Business expectations are extremely sensitive to changes in the corporation income tax. Any increase in the corporation income tax would be paid for by the more successful corporations—precisely those corporations to which I look for much of our new investment and new jobs.

Ms. Gigantes: Like Inco.

Hon. Mr. McKeough: At the same time, by increasing OHIP premiums, I did not let the corporate sector escape untouched. As I have often pointed out, the OHIP premium increase is shared between corporations and individuals. It is my opinion that an affordable increase on both employers and

employees is better than leaving either the corporation or the consumer to pay the full shot. As well, the OHIP increase is diffused over a large part of the corporate sector, because those firms who do not show taxable income contribute as well as those firms paying income tax.

In the formulation of any budget strategy, maintenance of our competitive position must be of crucial importance. As my budget demonstrated, the increase in OHIP premiums still leaves Ontario more than competitive in the field of payroll taxation—a direct cost of doing business.

Mr. Laughren: Talk about personal taxes.

Hon. Mr. McKeough: Considering that we also have one of the most competitive corporate tax structures in North America, I believe the OHIP increase will raise much-needed revenue in a way consistent with our policy of maintaining a competitive climate.

Mr. McClellan: It's consistent with your policy of regressive taxation.

[4:45]

Hon. Mr. McKeough: Of course I would expect the New Democratic Party would have fundamental objections to our way of doing things; ideology dictates that position.

Mr. Laughren: So does yours.

Ms. Gigantes: So does common sense.

Hon. Mr. McKeough: But I think I might have expected more from the official opposition. To me, the input of the Liberals and their leader has been distinctly second-rate.

Mr. Cassidy: They are supporting you. Why get so nasty?

Hon. Mr. McKeough: The member for Hamilton West has informed everyone that we should have prevented the OHIP increase by cutting back on expenditures. That is easy to say but he has yet to suggest how to do it.

The Leader of the Opposition is aware that public federal figures show that Ontario has by far the lowest increase in provincial local spending per capita on health for the five-year period ending March 31, 1977. With our spending control in 1977-78 and this year, we expect this performance has been maintained. The budget shows for 1978-79 expenditures by the Ministry of Health as \$3.945 billion. Payments to hospitals are tightly constrained by an average inflation allowance of only 4.5 per cent. Payments to doctors are targeted to grow in line with our constraint approach.

Where does the Leader of the Opposition suggest, then, that we find the \$271 million which premiums will yield? Would he freeze

the wages and salaries of hospital employees? Since the projected increase in wages and salaries in the hospital sector is only about one-third of the \$271 million target, would he reduce hospital staff by 10,000 or so positions to find the remainder? Or—I say to the member for Brant—would he cut back on payments to doctors? The budget shows only a \$37 million increase over last year. Perhaps he would suggest OHIP not cover out-of-province claims? The savings would not be substantial, but Ontario travellers would be subjected to the potentially disastrous situation of footing their own health costs abroad. Or just perhaps the member would remove government support for psychiatric services. If he dropped psychiatric services and the related homes for special care, he could save us the \$271 million. The good doctor should tell us—the member for Renfrew North did not—what his prescription is for reducing health costs. We should have his answer in writing so that we could all read it.

The Leader of the Opposition also stated that should cost reductions not be possible, then we would need increased revenue. He suggests that this revenue should be raised for example through the personal income tax. So now we differ only in means.

Increasing the personal income tax at this time is just as bad an idea as the suggestion of increasing corporation income tax. Economic performance is also very sensitive to personal income tax. A personal income tax increase could damage consumer confidence—

Mr. Wildman: So could an OHIP increase.

Hon. Mr. McKeough: —and the implications of this are unacceptable as are the implications of reduced corporate confidence.

Mr. Wildman: Oh come on.

Hon. Mr. McKeough: Even the member for London Centre (Mr. Peterson) thought better of his leader's idea to raise income tax, although he left us with the helpful suggestion that there must be "a better way." That has been the contribution of the financial critic of the Liberal Party to date. It is, I would point out, the opposition's prerogative to play cute rather than come up with good, workable ideas.

There is the obvious suggestion, of course, of raising the retail sales tax from seven per cent to eight per cent. The beauty of that scheme is that is roughly the amount of money which would be raised by one percentage point on the RST happens to be roughly equivalent to the amount being raised this year in OHIP premiums.

It has also been suggested that the answer is using lottery proceeds to finance part of

health expenditures. I believe the member for London Centre mused about that possibility. I agree, it is an alternative. But it is important to view this alternative in light of some hard facts. For 1978-79, there will be an estimated \$100 million in lottery proceeds. This is a considerable revenue, but it represents under 40 per cent of the OHIP premium increase. So a full year's lottery revenue would cover about \$2 of the \$6 per month OHIP increase for single persons and \$4 of the \$12 per month OHIP increase for families.

But we do not have a full year's revenue, since part of those proceeds from the lotteries are already committed. Proceeds from the Provincial for example are earmarked for health and environmental research, while Wintario proceeds are spent for cultural and recreational projects which improve the quality of life in Ontario. Such expenditures, I would suggest, are not to be dismissed lightly in the hope of finding a quick way to offset some of the OHIP increase. We can all think about the lottery approach, but it is important to keep it in the proper perspective.

It is our intention to continue to maintain quality health care services and I firmly believe that I have found the route to ensure this. Both corporations and individuals will pay more for our health care system, but in a way that does not have the negative implications for confidence associated with income taxation. This is what is accomplished by the OHIP premium increase. As well, an increase in OHIP premiums emphasizes the need to control usage of the system. For most Ontarians, OHIP premiums are a visible link with the costs of health care and, as such, an increase in premiums acts as a signal to continuing cost pressures.

Mr. Cassidy: That's a specious argument.

Mr. Wildman: You can't prove that and you know it.

Mr. Cassidy: There is no visible link there at all.

Hon. Mr. McKeough: I believe it is important to maintain this relationship between health revenue and health costs.

Mr. Laughren: Mainly because it's regressive.

Hon. Mr. McKeough: The OHIP increase will not be squandered. Constraints of the magnitude that we have applied squeeze any waste from the system. Our health care system is efficiently administered; administration costs are more than comparable with privately run plans. The premium increases will allow

us to continue to provide top-quality medical and institutional services, without infringing on the financial resources that we must have to meet our other important public responsibilities.

I would be the first to admit that the OHIP premium system is not without its drawbacks. I am specifically referring to the impact the new levels have on certain individuals and families. While we substantially broadened the taxable income ranges within which premium assistance is available, there will no doubt be some persons whose income just slightly exceed the criteria.

Mr. Laughren: You're not kidding.

Hon. Mr. McKeough: I want to assure the Legislature that I am currently reviewing ways to alleviate any sharp changes arising through the new premium levels.

Mr. Cassidy: Roll back the increase.

Hon. Mr. McKeough: I would hope, however, that all members read my letter to the editor of the Globe and Mail of March 16. This letter dispelled the notion—

Mr. Cassidy: It didn't dispel it—never to your satisfaction.

Mr. Samis: That's in your estimation and yours only.

Hon. Mr. McKeough: —that at the new premium rates, the tax structure in Ontario is not comparable with the rest of Canada. There had been some press coverage that indicated this was so, and I feel that was misleading. The record shows that we have a tax structure comparable with that of other provinces in Canada.

Ms. Gigantes: Where are your figures?

Mr. Cassidy: Where are your figures?

Hon. Mr. McKeough: The motion put forward by the New Democratic Party obviously should be rejected.

Mr. Laughren: You don't have to worry.

Hon. Mr. McKeough: I imagine that this debate will be rekindled again in the standing committee on social development. I look forward to that debate. I thought it appropriate that I explain to those committee members, and to the Legislature, some of the thinking that shaped my decision with respect to premium increases in this year's budget.

Mr. McClellan: It is not thinking; it is instinct.

Hon. Mr. McKeough: I would hope that it would assist the committee members in their review and I am looking forward, as I have said, to the deliberations, the discussion and, most of all, the suggestions which will be put

forward, I am sure, particularly by the official opposition, and we do wait, breathless, for their suggestions.

Mr. Sargent: You are looking for somebody to bail you out.

Hon. Mr. McKeough: Their leader approaches now. Perhaps we will hear something from him, because we sure didn't hear anything from their first speaker, the member for Renfrew North.

Mr. Duszta: Mr. Speaker, the present OHIP premium increases will make health care for Ontario workers the most expensive in Canada. Those increases, which will cost the average family \$528 per year, are symptomatic of deep-seated structural problems in Ontario's health care system.

What are we paying for and why are we paying so much? We are paying for an inequitable, unjust and expensive health care system. It is a system where control mechanisms are non-existent, where the product is often inferior and where profits or money to be made are more important than the concept of humane and essential service.

There are six essential problem areas which stand out in the existing health care system in Ontario.

1. That the focus of the system is on the cure of illness rather than on the elimination of those elements within our society which destroy health;

2. That those services which do exist are not equally accessible to all citizens as a result of economic and regional disparities;

3. That available health funds are badly misallocated.

4. That the quality of care is uneven and one's class origins determine how good is the care one gets and our "public" health system is significantly private and profit-oriented.

5. To pay for the health services even partially by the way of premium is a regressive form of taxation which penalizes the poorer segments of our society.

Ontario's health care system is publicly funded but its organization and logic is that of a private system. When public insurance system now called OHIP was introduced, no attempt was made to redesign the system itself. Consequently, physicians and health institutions behave much as they would in a private care system. Physicians, for example, behave as if they owned the system and believe that, in the name of helping the patient, the whole field of medicine is their private field and the rest of the health field professionals are their helpers.

Health care is hospital oriented. Hospitals are overwhelmingly oriented to capital-in-

tensive, technology preoccupied systems. The high technology, capital-intensive system is very expensive. Ironically, the use of public funds to pay for the system has not resulted in substantially increased access to services for poor and moderate income earners, but has turned the health care field into a high profit area for capital.

It is instructive to look at health care systems from a point of view of a capitalist investor. Parts of the health care system are extremely profitable for an enterprising capitalist, especially in Ontario. One can invest heavily and very profitably in laboratories, in nursing homes, and in industries providing drugs, equipment and high technology:

Mr. Cassidy: That's right.

Mr. Duszta: The high profit areas are left to the private interests which are largely controlled from outside Canada. Labour in the health field is tamed and prevented from striking by being legislated as an essential service and consequently underpaid in comparison to other industries. The managers of the system, the physicians, are so well paid for their labour and so independent of the patients, their shareholders, so to speak, that they behave as masters of the system.

But this type of industry has its problems. It is after all a service industry and service industries left to the vagaries of a free enterprise system are notoriously expensive and the market—this is the patients—can fail at times to pay for the system. The solution for that problem of profit irregularity is to have the whole system publicly funded. And, even better, to pass off the whole profit-oriented system as a public service. In the perfectly ordered capitalist Ontario, those who cannot afford to pay pay more, and those who can pay easily pay less. What is just in the Tory-governed world is that a family that earns \$8,000 per year and a family that earns \$80,000 per year both pay \$528 in annual OHIP payments.

The Conservative government continues to open the public Treasury to medical entrepreneurs, saying, "This money represents not tax money raised in the name of better health for all Ontarians but a marketplace. Treat it as such. Take what the market will bear."

The NDP does not agree that illness, pain and suffering should be a happy hunting ground for free enterprise. It believes that curative treatment is less efficient than a comprehensive system of preventive care. Therefore, a government which wishes to be truly effective in improving health must be willing to acknowledge the interaction of health, work and education and shift re-

sources and manpower away from the sham "curative" system into preventive health, primary care, and a broadly-based social services system.

Five principles underlie our own approach:

1. We must focus in positive health measures, not on illness treatment.

2. The person's biological, emotional and social needs are inseparable. Therefore, they must be dealt with together.

3. All members of society have a stake in the health system. As a result, people must participate in the making of those decisions which directly affect their own health.

4. Health is a right, not a privilege. Consequently, necessary quality health care must be equally accessible to all.

5. The right to health services is as basic in a democracy as the right to education or the right to vote. Experience has proved that the only way to provide these health services for all who need them is through a plan to which all contribute according to their means and upon which all can draw in time of need.

[5:00]

Consequently, a New Democratic government would progressively abolish health care premiums, financing the entire cost of health services by means of the graduated income tax and corporate tax. Health workers would be remunerated in accordance with a schedule determined in negotiation with the provincial government. In a health care system based on community clinics and the team approach, the fee-for-service method of payment would have become progressively an anachronism and would gradually disappear.

Since the establishment of the community centres would be on a pilot project basis and would take time to implement, the present system of family physicians paid on a fee-for-service basis would remain temporarily, although incentives would be provided, concurrently, for physicians to enter the community centres. Eventually, the balance would shift decisively, perhaps entirely, to the community health and social services centres. While regional health councils and local clinics would determine community health priorities, control of the amount of provincial resources allocated to the health system and the guidelines for the distribution of these resources within the system would still be the function of the province.

In summary, let me say that the NDP government would take steps to reduce the profit motive in the health care system and return the health care to the public sector. I ask everyone here, especially the Liberal Party, to vote against this unconscionable increase

in OHIP premiums which strikes directly at the particular segment of the working class of Ontario.

Mr. Warner: I certainly want to allow a little extra time for all the government members to resume their seats in the House. I know they're scurrying through the corridors to be here.

It's pretty obvious the health tax increase is wrong. It's absolutely wrong. The Treasurer is mistaken if he tries to suggest that not everyone in this province will suffer. In fact, almost everyone in this province will suffer from this regressive kind of taxation. It's painfully obvious to us and to anyone who has examined the situation that very few people can escape. That's a very large part of the argument. Very few can escape from the tax. Everyone understands that.

For the people who pay directly into the plan, the premium has suddenly gone up a great deal and they're going to have to pay that amount. But it's more than that. The large municipal governments, in fact any municipal government which hires civic employees, is now faced with paying a double tax. They're not only going to have to pay on behalf of their employees, but the taxpayers are going to have an extra burden on the property tax. The bill for Metro Toronto, for example, is \$2 million. An extra \$2 million is going to be added on to the property tax which the taxpayers in Metro have to pick up because of the Treasurer's move. We have a double tax.

It was outlined earlier by my colleague from Oshawa that the AIB will consider this to be part of a six per cent increase. It's allowable. It's exactly what they'll do. In addition to that, it will be considered to be taxable income. The \$528 paid out for family coverage is taxable income. It's included in the amount of money. We already have so many workers in this province who are falling far behind the rate of inflation. The rate of inflation is about nine per cent and they've been held to pay increases of six per cent or less. Now, in real dollar terms they will receive even less money because of the OHIP tax increase.

Small business, obviously, has to pay directly out of their pockets to cover employees. Almost everyone in this province aside from those extremely rich people and aside from the presidents of corporations, is faced with a burden which is both regressive and extremely oppressive. Why the health tax increase at all? It should be quite obvious to all of us here. It was the one major source of revenue that the Treasurer could impose without

legislation. It was his way of balancing the budget.

While previously in his terms it was quite all right to have the premiums account for 28 per cent of the cost, suddenly today it's not; it has to be higher, for reasons we don't know and for reasons which we are never given. While it was okay a couple of years ago for it to be 28 per cent, today it has to be 34 per cent.

That was never explained, but the reason is quite obvious. He did his accounting, he required \$271 million and so he decided to use the health tax as the way to raise it.

Mr. Wildman: And he didn't have to bring in legislation.

Mr. Warner: He could do it behind closed doors. And make no mistake about it—Mr. Speaker, I know that you can appreciate this—the health premiums are a tax. There's no question about that, and everyone in here should understand that. It is a tax. When I put forward my private member's bill last Thursday, I was involved in discussing the matter with a constitutional law professor and it was his considered opinion, as it was of others, that there's absolutely no argument: it is a tax.

Hon. Mr. Timbrell: The courts don't agree.

Mr. Warner: The courts, in fact have agreed in past circumstances. The stumbling block in constitutional terms, quite unfortunately, is that this Legislature in 1972 gave away its rights and powers with respect to taxing as applied to OHIP. The government granted unto itself the power to levy taxes by order in council. They did that in 1972. It was wrong but the deed has been done and we must now live under that unfortunate mistake.

The real concern, of course, is that we can see an erosion of the principle of no taxation without legislation. Should we ever—I shudder to think of the day—be faced with a majority Tory government, they could amend whatever Acts they wanted to—the Tobacco Tax Act, the Liquor Act, you name it—to allow them to set taxes behind closed doors. That's what they are doing with every major source of revenue as one goes through the list. OHIP is one, of course; the others include the student tuition fees and car licence plates. They continue to erode the power and the stature of this Legislature. It's clearly a tax.

The question for all of us here in this assembly, knowing that the tax is wrong, knowing that it's the most regressive form of health tax found anywhere in Canada—six provinces are without a premium and the

remaining three provinces, aside from Ontario, charge less than half the amount that's charged by Ontario—is, how do we oppose the government? That's a question which I am sure the Liberal Party must have discussed in their caucus meetings. We certainly did.

How do we oppose the government? The Liberals came up with a suggestion that they should oppose the government by way of a committee that would look at alternatives. That's a very reasonable suggestion. The stumbling block to it, which I think they realized later, was that the Treasurer had absolutely no intention of paying heed to that committee, and he still hasn't.

The fact of the matter is that the order in council was issued on the day following the budget, but it was not filed until after the Liberal Party had put forward its proposal for the committee. And it's on the day that the order in council is filed that it becomes law, and the government knows that. It was a defiant gesture to the Liberal Party, saying to them: "You can suggest whatever you want by way of committee, but we have no intention of doing anything else except to increase the health tax."

Mr. Martel: And the Liberals continue to delude themselves.

Mr. Warner: It is deliberate.

So we are left again. How do you oppose the regressive measure that has been brought forward? Because there is no legislation, as would have been in keeping with our parliamentary democratic principles, and because the committee is meaningless to the government, what is left? There is only one possible opposition, and that is a vote of no-confidence. We have no confidence in a government which would impose such regressive and oppressive health taxes upon the people of this province. I certainly have no confidence in that government. Maybe the Liberals do; but I don't.

That's why I am very proud today to stand and oppose the government in a very direct and honest way. I certainly feel sorry for those members of the Liberal Party who cannot do likewise; who can just allow the tax to be instituted without raising their voices in opposition and without doing the only practical thing which can be done; that is to oppose a government which does not understand how to deliver a health care system in Ontario, it cares only about balancing the budget by 1981.

Mr. Samis: I don't believe in that.

Mr. Warner: I support the no-confidence motion. I would hope that before the debate

is over, the Liberal Party can reassess its position and force this government to do the only honourable and proper thing. That is to come back with a brand-new budget, without a health tax increase and to recognize the errors of their ways. The Liberals still have time; the people of Ontario may not have time.

Mr. S. Smith: I feel that the position of the parties on these matters is already very well known. I think the fact is that one is going through a ritual at this moment. We are here in this assembly on the fourth day of April—

Mr. Cassidy: It is only a ritual because you made it one.

Mr. Laughren: You made it a ritual.

Mr. S. Smith: —to vote on a motion which would plunge the province into an immediate election, when on the fifth day of April we shall be gathered here to have before us the minister responsible for this increase in the OHIP premium—

Mr. Cassidy: To do nothing.

Mr. S. Smith: —with an opportunity for us to examine what flimsy reasoning they may have had on which to base this increase. We can force them to face the people and explain their actions in this regard, and finally put before the people of Ontario alternative methods to deal with the financial situation now being faced by the province.

This, as far as I am concerned, is an opportunity for the opposition parties to participate in a constructive way in the process of being in opposition and the process of making the minority government operate in the interests of the people of Ontario.

I want to be very clear about this. The government will have an opportunity to deal with a number of alternatives which will come forward after we have had a chance to see all the information on which the government has based its present policies. Once we have had a chance to consider the various studies the government has made to justify its present policies, then we will be able to put forward alternatives for the people to judge, then we will expect action from the government.

Our objection to the NDP motion is not the words in the motion, it is simply the time of it. One day before the committee will be sitting down to look at this matter and come up with alternatives, strikes me as a highly irrational time to bring the entire assembly down.

Mr. Cassidy: And you will have the committee still sitting when the increase takes effect.

Mr. S. Smith: We will still have time before the new increase on May 1 to put forward alternatives. The government will have an opportunity to accept them in whole or in part, and I hope that the government will take that responsibility very seriously.
[5:15]

I had the opportunity to listen to some of the remarks that were read in this assembly by the Treasurer in his effort to explain why it is he raised the OHIP premiums \$271 million. Some of his explanations really bear looking at.

In particular, what he seems to have said to the people of Ontario is that it's important for us to use the OHIP premiums to raise revenue, even though the money will have to come out of the pockets of ordinary citizens just as though it were coming out of income tax, and out of corporations just as though it were coming out of corporate tax, but he says the psychological effect will be less. He apparently has somehow or other divined that the corporations, when they pay the tax as a payroll tax, won't notice it as they might if it were part of the corporation tax.

He has somehow divined that when that 25 per cent of individuals who have to pay their own OHIP premiums are suddenly hit with the most regressive form of taxation available, which will hit a person earning \$10,000 much, much harder than a person earning \$100,000, he has divined that if you don't call it a tax on income, people won't realize that it's a tax on income and psychologically he will have preserved, somehow or other, a picture of Ontario, an imaginary picture which he is fond of painting throughout Canada, as a place with a marvelous tax structure.

Maybe in the circle in which the Treasurer happens to travel at the Albany Club they may like to hear about how wonderful his tax structure is. But the recent report which was put forward only two or three days ago in Ottawa indicates that because of these premiums those with incomes under \$20,000 a year are now being more heavily taxed in this province than anywhere else in Canada.

That is a record which I think is shameful for the people of Ontario. We still have a sense of fair play in this province. We're going to have to have sacrifice in the future in this province because of the mismanagement of the present government. We know that people will be asked to sacrifice for the benefit of future generations, but this is a heck of a way to start—to start the sacrifices

by burdening the people at the very bottom of the income ladder—and even worse than the people at the very bottom of the income ladder, we are burdening those who are still attempting to keep their head above water by actually working, in this day and age. when so many people find it easier to receive handouts from government.

Mr. Wildman: Who?

Mr. S. Smith: The people who are going to be hit hardest are the people who are trying to work, trying to keep their head above water, who are not getting their premiums paid for them by the government and they're being hit with the toughest stroke of all.

What does the Treasurer have to say for himself? First of all, two years ago he assured this province that the OHIP premiums had to be increased 45 per cent in order that the premiums pay for 28 per cent of insured health services. He said that was a suitable long-run norm.

Two years later he changed his mind, and what does he base it on in his statement today? The first thing he bases it on is the Henderson report. But he had the Henderson report in front of him when he brought forward his budget statement of 1976.

The other day he said he based it on the Ontario Council of Health report of 1973. Surely he must have already considered that report when he made his statement in 1976.

Now he says he bases it on the Taylor committee. Well, the Taylor committee based their statement entirely on the Treasurer's own statement of 1976, plus the Ontario Council of Health report of 1973, which pre-dated the Treasurer's statement by three years and which presumably had already been considered by the Treasurer.

He then adopts his usual tactic, which is the horror story tactic. Whenever we on this side—my predecessor as leader and since I have taken over as well—whenever we on this side say that the government is wasting money and over-spending and should cut a few hundred million from its budget, we hear from the Treasurer the horror story routine. You know what that routine is, Mr. Speaker? You say to the people of Ontario, "Smith wants to cut \$200 million. Well let's just see where he'd cut it. If we cut it from the schools, that means 45,000 students would be huddled together in freezing classrooms, shorn of their teachers, bereft of heat and light probably, because schools will be shut down, furnaces will be shut off.

"If he saves the whole \$271 million by laying off hospital staff, thousands and thou-

sands"—10,000 persons, says he today—"will be without work."

He tells us year after year how impossible it is to cut any funds from his spending. He says his budgets are cut to the bone. He has the audacity to stand here and tell us this year after year, as though anyone would believe him.

Last year, after telling us in his budget he has cut things to the bone, that he had the most stringent budget cuts of anybody, after one quarter he saved \$92 million in his expenditures without, as far as I can make out, anyone freezing in the schools or anyone being bereft of teaching possibilities. He saved \$92 million, and he saved it throughout the budget in various ministries.

Then, only a few months later, when he realized he hadn't paid the teachers' super-annuation fund and he needed another \$105 million, he saved \$84 million in one quarter from his budget. He was able to save \$16 million in Health, \$7 million in Colleges and Universities, \$9 million in Transportation and Communications and \$14 million in Housing—all in one quarter.

That is the kind of fat he builds into the budget of the province of Ontario, and then has the nerve to come before us to say that anybody that says we can cut expenditures, anybody who says that, must surely mean that we are going to close hospitals, must surely mean that we are going to lay off thousands of persons and so on and so forth.

Mr. Foulds: The \$14 million for housing was fat, was it?

Mr. S. Smith: The people of Ontario no longer believe that kind of utter rubbish which is all we have been getting from the Treasurer of Ontario.

Mr. Wildman: Both your arguments are fatuous.

Mr. S. Smith: He says an increase in OHIP premiums emphasizes the need to control usage of the system. I have never heard such drivel. The Treasurer, as a person who prides himself on facts, ought to be able to tell the truth to the people of Ontario.

Mr. Foulds: The Treasurer prides himself on drivel.

Mr. S. Smith: There are now two groups of people in Ontario; those who pay their own OHIP premiums and those for whom the government pays the OHIP premiums. According to the Treasurer, if one pays his premiums he is somehow going to be conscious of health costs and cut the usage. The facts indicate the opposite. Those who pay their own premiums actually have a higher utilization rate of

the system than those for whom the government pays the premium. The Treasurer knows perfectly well that his so-called argument that if one raises the OHIP premiums people will use the system less does not hold water. In fact, it is just as reasonable to presume that once one is paying through the nose for a system his neighbours are using he might figure to get his money's worth and start using it even more himself.

Nowhere have the Minister of Health or the Treasurer told us what they are going to do to get doctors to stop doing unnecessary surgery. Nowhere have they told us how they are going to get the private lab system to stop its incredible growth from \$4 million to \$90 million over the course of about four years, all the while having been warned within their own ministry that that is precisely what was going to happen, even though we are no healthier as a consequence of that growth. Nowhere do we see indications that those hospitals with utilization committees which cut down the length of stay are going to be rewarded in their budget rather than punished by having budget cuts that cut into the bone, whereas other slothful hospitals have their budget cuts merely trimmed of a little of the fat, if even that much.

Hon. Mr. Timbrell: Which one are those?

Mr. S. Smith: Nowhere do we see how the Minister of Health or the Treasurer of Ontario are going to trim expenditures incurred by keeping patients in hospital too long or by admitting people to hospital for unnecessary surgery that could be done as outpatients. Nowhere do we see how they are going to trim the cost in these areas. Instead we see a so-called psychological program which is going to fall very heavily on the poor.

Who else will pay this particular OHIP premium. The Treasurer is very proud that it is going to be paid by corporations, even those who do not make a profit to have income tax.

Listen to this on page 3 of his statement today. "The OHIP increase is diffused over a larger part of the corporate sector because those firms who do not show taxable income contribute as well as those firms paying income tax." He is actually proud of that fact that companies that are hardly making enough money to pay any tax in the province of Ontario are now going to have a payroll tax piled upon them, which will have only one possible outcome—

Mr. Wildman: Oh come on!

Mr. S. Smith: —and that is to encourage people to hire fewer people. That is a fine

policy by a Treasurer of a province with over 300,000 unemployed people at this time. The fact of the matter is that I do not know how the Treasurer has the ability to live with his own conscience when under his administration—

Mr. Laughren: How can you say that?

Mr. S. Smith: —the province of Ontario has now become the province that taxes the poor people the most heavily of any province in this country.

It is all very well for the Minister of Health to stand up and say that in British Columbia they may have to pay \$5 a day for a hospital bed. So what, compared to what is happening to the poor in Ontario; the working poor in Ontario now have the worst taxation situation in the entire Dominion of Canada. That is the sorry legacy we have from the present government of Ontario.

Mr. Foulds: Vote no-confidence.

Mr. Cassidy: Vote against the government.

Mr. S. Smith: The OHIP premiums, as far as we are concerned—this increase from 28 per cent of health costs to 34 per cent of health costs—

Mr. Warner: You are working yourself up to no-confidence.

Mr. S. Smith: —has no basis, no justification. It is merely an effort by the Treasurer to raise revenue, in the most regressive way possible, but in a way that he thinks he can get away with because 75 per cent of the people have their premiums paid for them by somebody else; so he figures it is the easiest way he can raise revenue and save his political bacon at the same time.

Mr. Conway: Darcy the dangerous.

Mr. Foulds: Vote no-confidence in the government.

Mr. S. Smith: The Treasurer comments on Wintario funds. He says they wouldn't pay the whole \$271 million. Well nobody ever imagined they would. But they could pay part of it. I haven't heard him give one intelligent reason why Wintario funds—that portion over and above the amount that one might want to keep for culture and recreation, let's say \$25 million or \$30 million could be kept for culture and recreation—why can the rest not be used for much more important purposes such as offsetting this most regressive and regrettable tax increase on the very poorest people in society?

The Treasurer has given no reason at all other than to say that it wouldn't cover the whole thing. We know that, but it would cover part of it; and other sources might

cover other parts and savings might cover other parts of it. That is what I trust will come out of the committee deliberation.

The Treasurer will go around the province saying that I never provided him with alternatives. Of course if he tells this story long enough those who do not read Hansard may be so foolish as to believe him. Those who know what the Treasurer's credibility is, those who heard his statements in 1976 about 28 per cent being a suitable long term norm, know that his credibility is not to be trusted whatsoever and will not take him seriously.

Mr. Conway: Manthorpe will write—

Mr. S. Smith: The simple fact is that this party, after making very clear to the people of Ontario that the government prices and taxes must increase only according to the Anti-Inflation Board, is hardly in a position to be able to accept a 37.5 per cent OHIP premium increase.

Mr. Wildman: So vote with us.

Mr. S. Smith: By throwing this in our teeth, the Treasurer is fundamentally abrogating his responsibility to make minority government work. Minority government is not going to work if we are the only party that is willing to try to make it work. There has to be some co-operation, some give and take on all three sides.

We are prepared, therefore, to engage in tomorrow's committee work and the work thereafter in a constructive sense to provide alternatives for the people of Ontario to consider. At that point it will be the responsibility of the Treasurer and the government of Ontario—

Mr. Conway: One and the same thing.

Mr. S. Smith: —to accept reasonable alternatives or face our own vote of no-confidence following the committee deliberation. I tell the Treasurer very clearly, once again, that he has a responsibility to make minority government work and that we on this side in the official and the only responsible opposition—

Mr. Warner: There is a distinction between official and real.

Mr. S. Smith: —are not going to take the entire burden of making minority government work on our own shoulders. We will be reasonable and co-operative and constructive, but you are going to have to withdraw the 37.5 per cent OHIP premium increase.

We, of course, will not support the frivolous and posturing motion of the NDP—

Mr. Bounsall: Those are the only words in your vocabulary, you know.

Interjections.

Mr. Deputy Speaker: Order.

Mr. S. Smith: —a motion brought in only minutes after they could determine that we were not going to support it.

Mr. Cassidy: That is untrue.

Mr. S. Smith: Once they knew that we were going to go to committee—

Mr. Cassidy: That is not true.

Mr. S. Smith: —and then have their no-confidence motion, then they decided to bring in their motion.

Mr. Foulds: Osric, methinks thou dost protest too much.

Interjections.

[5:30]

Mr. S. Smith: I would suggest to the NDP that they just wait a few weeks and put their alternatives before the people of Ontario; we'll put our alternatives before them.

Mr. Warner: You haven't got any. You never had any alternatives.

Mr. S. Smith: The Treasurer and the Minister of Health will answer the questions of the committee as to what they base their fallacious policy on. Then we will have our chance to have an election, my friends.

Mr. Warner: Fiddle-de-dee and fiddle-de-dum.

Mr. S. Smith: Then we will have our chance to put before the people of Ontario where we stand and how we would do things differently.

Mr. Warner: You'll never oppose it.

Mr. S. Smith: Then we will have a chance to have a genuine debate on a no-confidence matter. But this is the sheerest nonsense and hypocrisy that has come before this House in some time.

Mr. Foulds: Certainly your speech has been.

Interjections.

Mr. S. Smith: We will not support such a frivolous and ludicrous notion to bring down the House the very day before the committee is to sit to look at alternatives. What preposterous notions we hear coming from the NDP! But for a party that wants Michigan to freeze in the dark, that wants Saskatchewan not to be able to receive Ontario money —to set up a border between the provinces so that no money can cross the Ontario border headed for Saskatchewan—I expect almost anything from them.

Ms. Gigantes: What?

Mr. Foulds: That's a complete fabrication and you know it.

Mr. S. Smith: But bringing down the House the day before the committee is to look at the very alternatives that the people of Ontario are longing to hear and to understand is the height of irresponsibility and posturing and deserves no further comment from me.

Mr. Wildman: Has your party ever been able to show guts enough to vote against the government when you disagree?

Mr. Cassidy: Mr. Speaker, I want to contribute to this debate on behalf of the only real opposition in the Ontario Legislature.

Mr. Conway: Did you circulate your private memo on this one too, Mike?

Mr. Cassidy: The most outrageous feature of the budget that the Treasurer (Mr. McKeough) brought down a month ago was the increase of 37½ per cent in OHIP premiums. We in the New Democratic Party condemn as outrageous the government's decision to raise premiums which are already the highest in the country to a level which is now twice that charged in any other province.

We think it is wrong to impose this arbitrary and regressive tax increase on wage earners in general, on the farming community, on small business, and in particular on people of modest incomes.

Mr. Conway: How is Gordon Hill?

Mr. Cassidy: We further condemn the manner in which the government has proceeded to implement this increase quite as completely as we oppose the increase itself, because what the government is doing is violating the fundamental parliamentary principle of no taxation without legislation.

Mr. Laughren: Shameful.

Mr. Conway: Michael of Runnymede.

Mr. Cassidy: When the OHIP increase was announced, we vowed to fight it with every means at our disposal. That's why the New Democratic Party has brought this motion of no-confidence which we are debating today.

Mr. Conway: Have you got a memo privately circulated to that effect?

Mr. Cassidy: I want to begin my remarks this afternoon by explaining that we have come to a no-confidence motion in addition to our general amendment to the motion regarding the budget of the Treasurer—because this is the only way that this matter can be brought before the Legislature before the premium increases actually take effect.

Mr. Conway: You don't really want an election.

Mr. Cassidy: The budget motion will not be voted on until nearly the end of Decem-

ber of this year. There will be no bill implementing this particular tax increase, despite the fact that it is a tax increase, and the increases will actually take effect at the beginning of May.

If we are to stop this outrageous increase, the members of this House must act right now, not several months hence when it is a fait accompli and not, in fact, as the Leader of the Opposition pretends, after the committee has gone through a lengthy process of consideration and of deferral.

Mr. S. Smith: Two weeks.

Mr. Cassidy: As the new leader of the New Democratic Party—

Mr. Conway: Soon to be the old leader.

Mr. Cassidy: —I had neither expected nor intended this early in my leadership to move a motion which could bring us to an election.

Mr. S. Smith: Oh, sure! You even did it on Inco.

Mr. Cassidy: With a federal election pending, and with less than a year since the last election, when the voters of the province confirmed their repudiation of the Conservatives in 1975—

Mr. Mancini: And put you back in third place.

Mr. Cassidy: —there was a clear expectation across Ontario that the minority situation should be allowed to continue. We share that expectation—

Hon. B. Stephenson: Really?

Mr. Cassidy: —though we do not feel, and neither do the people of the province feel, that this minority government should ride roughshod over the opposition parties and act as they used to do in the arrogant years when they had a majority.

On the presumptuous, sanctimonious, dogmatic, incompetent, and uncaring record of the government in this session so far—

Hon. B. Stephenson: Are you describing yourself, Michael?

Mr. Cassidy: —we in the NDP would welcome the chance to take on the Tories in an election if that is the outcome of our motion today.

Mr. Conway: The member for Cornwall winses.

Mr. Cassidy: It is not necessarily true though that the price Ontario will pay to rescind the increase in OHIP premiums is necessarily an election. If the official opposition had, at any time over the three weeks since we filed our motion, indicated that they intended to support it, then the

ball would have been in the government's court. At that point it would have been entirely in keeping with the spirit and practice of minority government for the government then to have withdrawn the premium increases rather than provoke an election and would have made the debate we are having today unnecessary. And if that was so and it provoked the resignation of the Treasurer as well, Mr. Speaker, so much the better, in view of his inaction in the face of unprecedented unemployment and the economic problems we have in the province.

Mr. Breagh: That alone should turn you around, Sean.

Mr. Conway: That's a very poor civic lesson.

Mr. Cassidy: It amused me that the member for Renfrew North suggested with horror that there might be another outcome from a no-confidence motion that was voted upon today. He suggested the Lieutenant Governor might actually call his party to form a government and then he went on to say that the only thing worse than a Conservative government would have been a Liberal government and we agree.

Mr. Conway: I know it's hard but tell the truth.

Mr. S. Smith: That's what you are going to get at the next election.

Mr. Cassidy: Nevertheless, I want to call upon the Leader of the Opposition and his colleagues to join us now in voting in this House as they have spoken outside it to stop the OHIP increase.

The Liberal leader has postured before the public for the last month as an opponent of the higher premium.

Interjections.

Mr. O'Neil: You don't know what you're talking about.

Mr. Cassidy: In the last week he has discovered the things we were saying the moment that this budget came down—about the way in which this OHIP premium increase makes people earning less than \$20,000 a year the most highly taxed people in any province of the country.

Mr. Foulds: Shameful. Positively shameful.

Mr. Cassidy: But the strength of the Liberal commitment to resist this outrageous tax increase will be demonstrated, not in the rhetoric they put before the cameras or the committees, but at the outcome of today's debate in about 10 minutes.

Mr. O'Neil: You can put it before the committee.

Mr. S. Smith: You are getting more irresponsible every day, Mike.

Mr. Cassidy: For the last few weeks the Liberals have been floundering around trying to find some way to avoid straightforward opposition to this increase. They have been saying it is possible to find some alternative by sending the increase to a standing committee.

Mr. O'Neil: Warmonger.

Mr. Cassidy: That position is nothing but bunk. The government's agreement to have the discussion in committee was hailed by the Leader of the Opposition as—and I quote: "A major breakthrough."

Mr. O'Neil: It sure is. It is what we want.

Mr. Cassidy: But the government thought so much of the breakthrough that they went ahead and implemented the change anyway and they actually had the effrontery to file the order in council to authorize the higher premium after they had agreed to the examination of alternatives in committee. That's one hell of a breakthrough, Mr. Speaker.

Hon. W. Newman: Watch your language.

Mr. Cassidy: It just is not credible. In the NDP we have made our opposition to this increase clear from the day it was announced. We are prepared to act as we have spoken and we will resist this government's bid to collect more money from the individual citizens of Ontario in health insurance premiums by every means possible. We believe that is wrong that more should be raised in Ontario from health insurance premiums than from the entire business community in corporation tax.

I want to say that we are going to be absolutely straight about our position on this issue.

Hon. B. Stephenson: That will be a switch.

Mr. S. Smith: That will be interesting.

Hon. B. Stephenson: A change.

Mr. Cassidy: When we filed this motion we knew that it could lead to an election. I want to tell you, Mr. Speaker, that if this motion were to come back in four or five weeks' time because, as we expect, the committee had not come up with any workable alternative in the way the Liberals are looking for, if this motion comes back and is proposed by some other party we will support it.

Mr. Ruston: You're making a promise now.

Mr. Cassidy: We think it is shameful for the province of Ontario to be levying health insurance premiums at a level which is so

much higher than those that prevail in all other provinces. It is because of the government's gross mismanagement of the economy that the Treasurer is now trying to extract more than \$270 million from the citizens of the province by this particular measure.

In fact, it is as an excuse for their failure to ensure a high level of economic activity and therefore make the private sector prosperous that the Treasurer and his colleagues have renewed their attack on the public sector by means such as increasing the charges for social services, which they introduced during their own tenure in office.

We are particularly concerned because of the impact of the OHIP increases on hundreds of thousands of ordinary people in this particular province. Any flat rate change in OHIP premiums is bound to be regressive and is bound to bear most harshly on those who can least afford to pay. This increase hits particularly hard at people on low and modest incomes, at farmers and small businessmen and at people who are unemployed and don't have the benefit of employer-paid coverage. These people and other people who don't have employer-paid health insurance must meet the entire increase from their own small incomes. Not only that, but even people whose employers bear the cost of some or all of their health costs will pay for the increase, either by a reduction in the wage increases that they need to offset the impact of inflation on their real incomes or they will pay because of the ceilings to which they are subjected because of the continuation of the Anti-Inflation Board.

I want to read you a couple of letters, Mr. Speaker, that I have had to indicate how people across this province feel about the health premium increases.

Mr. Conway: Do you need a Kleenex?

Mr. Cassidy: One lady wrote and said: "I am very discouraged as my income amounts to about \$4,000 to \$5,000 yearly and such an increase would cause me great hardship."

Hon. B. Stephenson: She was eligible for premium assistance.

Mr. Cassidy: Another lady who works for a small non-profit organization and is paying OHIP direct said: "My taxable income was \$2,200 this past year, so I was ineligible for assistance. A raise has just put me over the new limit for assistance this year too."

Hon. B. Stephenson: She is wrong.

Hon. Mr. Henderson: She is wrong.

Mr. Cassidy: There are people in my riding, Mr. Speaker, who are living in assisted housing because they cannot afford private

housing and from whom almost every penny in their wage increase this year will be taken because of the premiums they have to pay and because of their rent, which is geared to income.

Interjections.

Mr. Cassidy: The lady I mentioned goes on to complain: "It is grossly unfair"—and we agree—"that a single low-wage earner should pay \$264 a year for coverage when a millionaire with six kids pays only \$528."

She concludes with the following words, which I have seen again and again: "People in my position feel the injustice of the payment system intensely. We are frustrated and have little power or influence. All we can do is express our frustrations and anger and cast our votes in the next election for a party that will introduce a more equitable system."

Mr. S. Smith: We will accept their votes.

Mr. Cassidy: Those calls have come in the hundreds. We've had enormous numbers of letters come in as well from people who are angry, upset and don't know what to do.

Interjections.

Mr. O'Neil: They are all going to vote Liberal next time.

Mr. Cassidy: They are offended—and they include former Conservatives—at the fact that this matter is not coming before the Legislature as it should properly do.

It is not, however, just the single human cases which have led us to table this motion of no-confidence. The premium increase is symptomatic of a budget which can only be described as the worst produced by a Conservative Treasurer within living memory.

The last thing that the private sector of the economy needs today is a tax increase of \$270 million, which will take that much purchasing power out of the pockets of Ontario consumers. The last thing that the 326,000 unemployed people in Ontario need today is a budget which, by continuing the machinery tax exemption—

Hon. Mr. Norton: How do you propose to pay for it?

Hon. B. Stephenson: He has no suggestions.

Mr. Cassidy: —will actually destroy 14,858 more jobs than it creates.

Hon. Mr. Norton: So you are suggesting we borrow another \$270 million?

Mr. Cassidy: I'm not impressed by the Treasurer talking about the need for a visible link, as he calls it, between the level of premiums and what people get in health care. If the Treasurer wants a visible link to exist,

then he and the Minister of Health should have come together a long time ago and issued to every citizen in the province an Ontario health insurance charge card on which everybody who had health services would see what they are being charged for the services and would have to sign before that hospital, that doctor, that pharmacist or whoever else was involved could actually bill OHIP for those particular health services. If the government wants responsible scrutiny of whether people are getting value for money, that's the way to do it and not through this particular premium increase.

Mr. Laughren: That's right.

Mr. S. Smith: We suggested that long ago.

Mr. Cassidy: Nor are we impressed by the Treasurer's arguments about the corporation tax, because the Treasurer who moans and groans about the competitive situation of industry in the province is quietly putting forward a \$121 million tax increase for corporations through the payroll tax that they will pay through their contributions in cases where employers are covered for health premiums.

[5:45]

We put forward a responsible proposal that would have taken concessions to industry from last year, and that particular amount the Treasurer felt as justified, and we would have imposed a two point increase in the corporation tax in Ontario. We felt that was responsible and that's in answer to the Minister of Consumer and Commercial Relations and to the Minister of Community and Social Services.

We put forward, as well, a responsible budget on behalf of the New Democratic Party that would have created 46,000 jobs this year as compared to 142 jobs—all that were coming forward from the government in their budget. This was at a time of seven per cent unemployment, and more than 300,000 people without work in this province.

In our budget we put forward a responsible long-term program in order to build the economy of this province rather than continue to destroy it in the way that the Conservatives have been doing these many years.

In our budget, and in my reply on behalf of the New Democratic Party, we put forward responsible suggestions for ways so we could ensure there would be jobs in the future in this province, and that we would not have the continuation of layoffs and the shutdowns which are plaguing our workers today and are undermining our economy. These suggestions are good suggestions. In

fact some of them are now coming back to us because the government has no ideas of its own but has reluctantly agreed to take good suggestions—

Interjections.

Mr. Cassidy: —from the New Democratic Party.

But I want to suggest as well that it is irresponsible for the government to continue, as it has been doing, to attack the public sector for the Tories' failure to keep the economy of this province strong, both in the public and private sector. We believe that what is essential is to build up both sectors of the economy and ensure that there is an adequate economic base so people can have jobs and the tax revenues will be available so that this kind of regressive measure is not a necessity or is not imposed in Ontario.

Finally, I want to underline again the outrageously arbitrary manner in which this government failed to bring in legislation to implement the increases as it has to do with all other tax measures announced in the budget.

A year or two ago this party opposed a proposal related to a tax on cans. That was also opposed by the other opposition party and the government withdrew it because tax legislation would have had to come forward. I want to suggest that it would have been responsible to bring the legislation forward and find out what the opposition parties were prepared to do with it.

Hon. Mr. Davies: Your party used to be in favour of banning cans.

Mr. Cassidy: If premium increases had been legislated by this Legislature, we would obviously have opposed it. I haven't a clue in the world what the Liberal Party would have done with that measure.

An hon. member: Neither do they.

Mr. Cassidy: In order to make that a reality, my colleague, the member for Scarborough-Ellesmere, presented a private member's bill to amend the Health Insurance Act and to require the government to seek the consent of this House for OHIP increases. That bill, which was debated last Thursday, could have been put into law in time that we could have had it before us before May 1. But the government saw to it that 20 Conservative members stood in their places last Thursday to block the member's bill and to repudiate the great parliamentary principle that taxation may only be imposed by legislation.

Hon. Mr. Norton: There already is legislation.

Mr. Cassidy: We believe that no taxation should be imposed without the consent of the people's representatives in parliament. That's why we brought the private member's bill last week and that is why we are using the only other device open to us, which is this no-confidence motion.

I want to read it, again, into the record. It is a good motion. I ask all members of the Legislature to support the motion and to roll back this particular premium increase.

"Resolved: That this House condemns the government's outrageous decision to raise Ontario health insurance premiums to the highest level in Canada; deplors the regressive impact of this arbitrary tax increase on wage earners in general, on farmers and small business, and in particular on people of modest income; and condemns the government's affront to the fundamental parliamentary principle of no taxation without legislation; and that for all these reasons this House no longer has confidence in the government."

Resign!

Mr. Ruston: It's a charade, that's all it is.
[6:00]

The House divided on Mr. Cassidy's motion, which was negated on the following vote:

AYES	NAYS
Bounsall	Auld
Breaugh	Belanger
Bryden	Bernier
Cassidy	Birch
Charlton	Blundy
Cooke	Bradley
Davidson	Breithaupt
Davison	Brunelle
Dukszta	Conway
Foulds	Cunningham
Germa	Cureatz
Gigantes	Davis
Grande	Drea
Laughren	Eakins
Lawlor	Eaton
Lewis	Elgie
Lupusella	Epp
Mackenzie	Gaunt
Makarchuk	Gregory
Martel	Grossman
McClellan	Haggerty
Renwick	Hall
Samis	Havrot

AYES
Swart
Warner
Wildman
Young
Ziemba—28.

NAYS
Henderson
Hennessy
Hodgson
Johnson
Jones
Kerr
Kerrio
Lane
Leluk
MacBeth
Maeck
Mancini
McCaffrey
McCague
McKeough
McNeil
Miller, G. I.
Newman, W.
Newman, B.
Nixon
Norton
O'Neil
Parrott
Peterson
Pope
Rhodes
Riddell
Rollins
Rowe
Ruston
Sargent
Scrivener
Smith, S.
Smith, G. E.
Snow
Stephenson
Sterling
Stong
Sweeney
Taylor, G.
Timbrell
Turner
Van Horne
Villeneuve
Walker
Welch
Wells
Wiseman
Worton
Yakabuski—73.

Ayes 28; nays 73.

The House recessed at 6:10 p.m.

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No. 29

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Tuesday, April 4, 1978

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 4, 1978

The House resumed at 8 p.m.

TENANT PROTECTION (concluded)

Resuming the adjourned debate on government notice of motion 11 with reference to sessional paper 13, the Ministry of Consumer and Commercial Relations' report on the policy options for continuing tenant protection, to the standing committee on general government.

Mr. Worton: Mr. Speaker, in the absence of a quorum, do you not believe we should ring the bells?

Clerk of the House: There is not a quorum present, Mr. Speaker.

Mr. Speaker called for the quorum bells.

On resumption:

Mr. Speaker: Before I recognize the hon. member for Scarborough-Ellesmere, I would like to remind hon. members that the member for Oshawa (Mr. Breaugh) raised a matter concerning the portion of the motion dealing with coverage by Hansard.

I undertook to consider the matter further but I have not changed my position which I stated on Friday. That is, there is no impediment to the House ordering in a specific motion the coverage of any meeting in any manner in which the collective House sees fit.

I now recognize the hon. member for Scarborough-Ellesmere.

Mr. Warner: Thank you, Mr. Speaker. It is obvious that earlier the members were not aware that I would be speaking at 8 o'clock, but that's been—

Interjections.

An hon. member: That's precisely why they weren't here.

Mr. Epp: Why would you misrepresent the House so quickly?

Mr. Warner: You will recall, Mr. Speaker, when we broke off last, the minister of corporate protection entered into a debate with myself—

Mr. Cureatz: We are trying to forget.

Mr. Warner: —over the original terms of reference, which really underlies the basic

reason why we should not be accepting this resolution that's put in front of us. I had made the point earlier that it is temporary legislation and that the government is engaged in withdrawing tenant protection and the minister made the point that we had talked about temporary legislation.

He is absolutely correct; we had both spoken about temporary legislation. But there is a difference. We spoke of temporary legislation in terms of the housing needs in the province of Ontario. We said tenants need rent protection so long as there is an inadequate supply of rental accommodation in the province. Such obviously continues to be the case.

The government on the other hand clearly identified in its introductory paragraph of its red/green paper, and I quote: "Ontario's current rent review program was conceived as a temporary program complementary to the federal government's anti-inflation program."

But it isn't just in their paper. If we refer back to the introduction of rent review on November 6, 1975, we will find that the statement in the rent review document given to us is entirely consistent with the statement made by the minister at that time, the member for Sault Ste. Marie (Mr. Rhodes): "It should also be viewed in the context of the federal government's anti-inflation measures, which it is designed to complement."

From the outset it was determined that the rent review program would be temporary and that it would be in connection with the anti-inflation program of the federal government, but really there was no commitment in here that rent review should be in terms of rental accommodation or the supply of adequate housing. There is no reference to that in the statement by the then minister.

In fact, what is interesting is that that minister went on and made a commitment on behalf of the government in that statement of November 1975. He said: "Hopefully we will be able to interest builders in our housing programs in the new federal housing initiative, so that notwithstanding the controls a better supply of accommodation of all types will become available in these communities." That, of course, has not happened.

I think that all members of the House, and certainly the opposition members, can at this time appreciate that there is a very great difference between the interests of the government with respect to the rent review program and the interests of at least this party.

That is that the government wished to have a program—and they did—of rent review designed to coincide with the anti-inflation program; we wanted a program of tenant protection, temporary, but in terms of the housing supply. We don't have that adequate supply of housing in Ontario. We don't have any better supply now than we did in 1975; in fact, it's worse.

So from the very outset, the terms of reference mean that the government and ourselves could not possibly agree on the purpose of the program. And that's unfortunate. It's unfortunate that the government never made a commitment that rent review was necessary for the protection of tenants and that it should be connected with an adequate supply of affordable housing. It's quite obvious for us here in this party that we must oppose the measures that have been put forward by the government. What the official opposition, as opposed to the real opposition, is prepared to do is entirely its choice, but it seems inappropriate to me that it could continue to support a government program, which outlines at the outset that the rent review program should be in connection with the anti-inflation program and not in connection with the supply of housing.

Further to that, there isn't a single suggestion in this document which could not already have been carried out by the appropriate ministries of the government. There isn't one suggestion in here that could not already be in place or for which we could not see the appropriate legislation. The document talks about added tenant protection. We've waited at least two years and longer for the Attorney General (Mr. McMurtry) to bring in legislation that would toughen up the Landlord and Tenant Act. It hasn't happened. He's had all of the information provided to him. He knows what has to be done but it hasn't been done.

In there it talks about a supply of housing. There is nothing to have precluded the government from having done that before now. The Ministry of Housing, if it wasn't so interested in simply disassembling itself, would have introduced some housing programs that would have met the very serious housing problem we have in the province. It hasn't been done. We don't need a red/green paper to tell us there are housing

problems. What is sadly lacking from the document, as a matter of fact, is any serious discussion of non-profit or co-operative housing. Yet, at this point, that is probably the most viable option for the government to have pursued. They have the ways and means to do it but they choose not to; they've always chosen not to.

There isn't anything in here that couldn't have been done and that shouldn't have been done. There's a very real reason why this document is in front of us. The government wants the three parties to do its work for it because it seems to have forgotten the very basic principle of our system, that is that governments introduce legislation and oppositions vote against legislation or support it depending on its merits. That's the way the system normally works. But the government has derogated from that system.

In my view, that's absolutely wrong. Give us some legislation. We'll debate it and we'll either vote for or against it, but don't let them start asking us to do their work for them, that's wrong.

If that's not the real reason then, since they normally do understand the principles of the parliamentary system and the way in which it should work, there must be some other reason. There is a reason, a very solid one; that is that the government wants to get out of the rent review system.

Hon. Mr. Rhodes: Right on.

Mr. Warner: Yes, we have an admission. Do you want to admit it? You said right.

Hon. Mr. Rhodes: I can't imagine the member knows how to say the word "right."

Mr. Warner: In fact, every time I look at you I know how to say the word "right," to the right.

Hon. Mr. Rhodes: You are so far left, for crying out loud, you don't know where to stand.

Mr. Warner: The government wants to get out of the rent review program and it's trying to find a way to do it; hopefully by co-opting the opposition, that's what it's all about. I wish someone over there would just have courage enough to stand in his place and say that's what this government's about. That would make it a lot more simpler; it would certainly make it a lot more honest approach to the tenants in the province.

Hon. Mr. Grossman: Resign.

Mr. Warner: In conclusion, I cannot do anything else except vote against this resolution because it is a part of a co-opting system.

Mr. Hodgson: That would be the alternative.

Mr. Warner: There is that choice, but the people in Scarborough-Ellesmere would be very disappointed.

Hon. Mr. Rhodes: Then stand up and give your speech.

[8:15]

Mr. Warner: I am standing up; and the minister embarrasses the Minister of Consumer and Commercial Relations when he says that.

Hon. Mr. Grossman: Not when I am standing next to you.

Mr. Warner: I sense from previous speakers that the Liberal Party is prepared to co-opt itself into this process.

Mr. Mancini: Oh don't be so silly. He's right off his rocker.

An hon. member: What else is new?

Mr. Warner: I certainly wouldn't apologize for having woken up that member.

Interjection.

Mr. Warner: Mr. Speaker, it's also evident that we do have a commitment to the tenants of this province, so I will be there in the committee to help defend the more than one million tenants who live in Metro Toronto and try to fight for some real protection for tenants.

Mr. Turner: Oh, get off it.

Hon. Mr. Rhodes: Sock it to him.

Mr. Warner: The minister knows I will, doesn't he?

Hon. Mr. Rhodes: But you won't hit him with that. You'll stab him.

Mr. Warner: It's unfortunate, as we will probably wind up the debate tonight, that the Liberal Party could not see fit to make a very clear stand on behalf of tenants and say that this document is wrong.

Mr. Mancini: You have been reading Michael Cassidy's memos.

Mr. Warner: What is needed instead is an extension of the rent review program with some needed improvements. The minister has talked about the improvements. He knows as well as I do that the rent review program isn't perfect, that it's loaded on the side of the landlord and that it needs some improvements—

Hon. Mr. Rhodes: You guys put the thing together.

Mr. Warner: Let the minister introduce the legislation; we will debate it and we can amend it. But he should stop trying to co-opt

people into a process whose ultimate design is to do away with the rent review protection that tenants in this province deserve.

Hon. Mr. Rhodes: Did your leader send you another memo on this one?

Mr. Mancini: David, how could you do that with a straight face?

Mr. G. I. Miller: Mr. Speaker, it gives me a great deal of pleasure to rise and speak on behalf of the Liberal caucus in support of the proposal of the government to review the rent program and the accommodation—

An hon. member: We're going to have some class now.

Hon. Mr. Rhodes: Fine lad.

Mr. Samis: You're in trouble now.

Mr. Warner: You should be more choosy about your friends.

Mr. G. I. Miller: I feel very strongly that we do have to protect and provide housing for our citizens, but it's a peculiar thing that only last June 9 the government went to the people of Ontario on the basis of a slight difference of opinion, using the excuse that the rent controls were the real election issue. But the people of Ontario turned against them and didn't support the government; they re-elected a minority government.

I want to say, as a member of this caucus, that we want to be constructive. I am certainly glad to see members of the government making statements that they want to cooperate, but when we discussed OHIP and health costs, they indicated they wanted to work together at one point in time and then, on the other hand, they don't want to provide the information, as was clearly pointed out today when we discussed OHIP and health costs. I just hope they will work along with all members of the House so we can come up with accommodation that is so necessary.

Because of these facts, Mr. Speaker, I just want to say briefly that we will support this proposal; we will work along with other members and try to be constructive to come up with some alternatives by which we can protect the average citizen.

Mr. Charlton: I won't be too long in my comments, Mr. Speaker, but I have a number of comments that I would like to make.

Mr. Mancini: You're a rare one.

Mr. Warner: Wisdom hurts the member for Essex South.

Mr. Charlton: One of the first points I would like to make is that it's unfortunate for all the members in this House that so many of the memories around here are so short. One of the things we all seem to forget, as the

government proclaims that its intention for rent review was to be complementary to the federal program of wage and price controls, is that this party at some point—I don't know exactly when they started talking about it, but during the election campaign of 1975—the Liberal party and the government of this province all talked about rent review. The government during the campaign, through the Premier (Mr. Davis), agreed that they would consider some form of rent review.

That was all before the guidelines were ever announced in Ottawa, before we had to consider restricted wages. The problem of increases in rent that did not suit the economic circumstances were already there. All three parties in this House talked about that problem before the guidelines were ever announced. It is unfortunate that memories are so short; it is unfortunate that we forget that the phenomenal increases that were going on were going on even without the guidelines.

The second thing I would like to talk about is the average increases that we have had under rent review since its inception. Landlords have asked for average increases of around 20 per cent. Rent review boards in the province have granted increases on the average of 13 per cent. I would like to point out to this House, and especially to the government members across the way and to our friends in the Liberal Party down here, that the 13 per cent, any way you look at it, is considerably above the guideline as set out in the rent review legislation.

What in effect has happened under rent review is that for the most part landlords who could justify increases above the guidelines based on increased costs have got that extra increase because they could justify it. It was not because it was frivolous, but because they could justify it. If they couldn't justify 20 per cent they were rolled back, but they got an increase that they could justify. Some of those increases that I have seen perhaps were even over what they could legitimately justify, because tenants were not there with sufficient expertise to oppose those rent increases in an effective way. But for the most part, landlords got all or the better portion of what they wanted over and above the guideline whenever they felt it was necessary.

The polls in Ontario are fairly clear in terms of what the people of this province feel, especially the tenants; that rent review is a necessary thing, and that rent review has to continue. It is obvious to us in this party that the objective of the green paper is to get the government out of the rent review

program with as much grace as possible and with as little political fuss as possible.

In the last year-and-a-half at my old job, working in the assessment division in the Ministry of Revenue, I spent a year working on apartments. I talked to literally hundreds of landlords. I think that some of the people on the opposite side of the House should take a look at a rather strange circumstance in Hamilton; because all of the discussion we have heard about rent review and the cost push in the rental sector has inhibited the production of or building of additional rental units.

The vacancy rate in the city of Hamilton right now is something over five per cent. It has actually increased from something in the middle three per cent range at the time of the inception of rent review. Over that year in Hamilton, in talking to both landlords who were experiencing the high vacancy rates and the landlords who were not—and it is significant to note the high vacancy rates for the most part occurred in two specific sections of the city, not right across the entire city—in talking to the landlords who were experiencing the high vacancy rate, it was significant to note that their complaint was very much the one that we are hearing here, that the cost situation was affecting their operation and the rent review was hurting it even more.

The comments from the landlords whose rents were lower than those landlords experiencing the high vacancy rates and the comments of those landlords who were not experiencing the high vacancy rates at all—in fact, in most cases their units were filled 100 per cent almost all of the time—were that the problem with those boys in the east-end is that they would rather push up their rents to cover vacancies than they would spend the time to keep their buildings filled at a lower rate of rent.

That is one of the reasons we got into the problem in the first place and the situation hasn't changed under rent review. The vacancy rate in the east end of Hamilton is still extremely high. It's still extremely high because even under rent review the landlords have been able to justify rent increases—

Mr. Mancini: How high?

Mr. Charlton: How high? Over five per cent. The landlords have still been able to justify rent increases. The thing that caused the vacancy rate in the east end has still not been caught up with. Those higher rents are still higher than in the rest of the city. For us to be sitting here in this Legislature and talking about going into a committee to find

a way to get out of rent review just does not make sense. We haven't dealt with the overall problem for the province of Ontario, which is the supply of rental accommodation.

With that I'll leave it. The problem hasn't been solved and for us to be trying to get out of what is a partial solution until the problem is solved is just ludicrous at this point.

Mr. Speaker: The hon. member for Essex South.

Hon. Mr. Grossman: An easy act to follow.

Mr. Mancini: I am pleased to rise and speak on the proposal of the government to refer this matter of rent control to an all-party committee of this Legislature. We all know why we have had rent control in this province since 1975. The fact of the matter is that at that particular point in time many tenants were being pushed to the limit with very high and very expensive rent increases, in the neighbourhood of anywhere from 20 to 30 to 40 per cent; and I'm sure in cases that I've not heard of possibly even higher.

To many of the people who are in this Legislature, and possibly to most of them on the other side of the House who say that we do not need rent control at all, I say we have it because the marketplace has shown us, and we've had experience now, that the matter of rent can get out of hand and this Legislature must be prepared and must be ready to take action to protect tenants when the matter calls for it to be done.

We know that this rent control program is going to end on December 31, 1978. I believe we are going to this all-party committee not to find a way to weasel out of protecting the tenants, as one of my colleagues from the far left has said, but so that we, as legislators, can put before ourselves what alternatives there are to rent control, what action we can take to protect tenants from high rent increases that they cannot afford to pay and what alternatives we can find to ensure that landlords get a fair return. And let us not forget that there are average people who are landlords. There are people who own small units, as the leader of the third party used to own one. We know that these people need a fair return on their investment.

[8:30]

So our job should be two-fold: First, to ensure that the landlord gets a fair return; and, second, to ensure that what happened in 1975 and prior to that never happens again.

Over the past two years rent control has been a volatile issue and surely the blame for this lies directly on the shoulders of the government. Rent control, Mr. Speaker, should have never been an issue in June 1977. It should never have been an issue at all. It was stated prior to then by the government that this program would be tied in to the Anti-Inflation Board until the expiration of the Anti-Inflation Board. That fact alone should have shown the government that it should never have been a campaign issue in 1977.

I think possibly—and I do not say this to be offensive—the government was looking for reason to call an election, no matter how poor the reason was—very, very poor.

Hon. Mr. Grossman: Where did you dream that up?

Mr. Mancini: And to tell the people of Ontario in principle alone that their wages but not their rent had to be held down to six per cent, is very poor judgement indeed. It is not only poor judgement, may I tell the Minister of Consumer and Commercial Relations, but also very unfair and very unjust.

Hon. Mr. Grossman: It's six per cent now.

Mr. Mancini: Yes, that's right, six per cent now, but we had to have a \$25 million election.

Mr. Hodgson: Who voted for an election?

Mrs. Campbell: You did.

Mr. Mancini: So I take it that this party, and I hope the party to the left—I hear now that they are coming; I wasn't sure if they were going to join us in the committee, but I hear now that they are coming.

Mr. Swart: We hate to leave everything to you guys.

Mr. Mancini: I hope we go into the committee with the idea that we are not going to abolish the protection of tenants. That is not the idea that I am going to go into committee with. We are going to go into committee because the government program is expiring this December and we must have something to put in its place that is fair and equitable.

Hon. W. Newman: That's the best speech you have made in a long time.

Mr. Mancini: That is because you are never here to listen.

Mr. Breaugh: I just want to briefly enter the debate because I think it speaks to some of the difficulties we are having in a minority government.

I would support the motion if I were assured that when we go to committee what

the committee says in fact becomes law; that the things that are discussed in the committee and the motions that are passed come back to the House intact and then become matters that this government is prepared to consider seriously.

I think one of the very serious problems we are having is the credibility of this particular House in a minority situation. We have seen again and again where opposition members attempt to provide a service to the Parliament in the committee stage; they attempt to debate, to provide amendments. Then, oddly enough, when it does come back to the House we see that it is subject to another review. It is subject to whether or not the government chooses to proceed with that particular amendment or that particular item under discussion in that form; and very often we have seen that the government does not want to do that.

So, in fact, what opposition members attempt to do in the committee stage, which is to perform a function of the House which is quite parliamentary, quite acceptable, doesn't really happen. That is the reason for my personal reluctance—it is, I think, the reason for the reluctance of this party—in accepting this particular proposal. We are not terribly convinced that the government is all of that sincere about proceeding in this way.

If we thought that this recommendation would go to committee, would come back and the feelings of the committee would hold forth, we would be quite happy with this arrangement. But it doesn't seem to be likely.

In terms of the item under discussion, we have seen that this government doesn't have very much ambition to make our own rent review program work. In fact the government went into a rent review program not very much of its own volition, but in the midst of a great deal of political pressure.

The paper the government has presented on the rent review process and subsequent ideas is really kind of an amalgam or a dog's breakfast of various concepts that have been expressed by a large group of people over rent review and tenants' rights, and the Landlord and Tenant Act, and various other concepts or problems that people who are tenants run into.

What I would like to see is some serious commitment on the part of the government to follow through with some of those things. My hope is frankly that in the committee stage, and when it comes back, that tenants in the province will see some of their rights reinforced in law. I wish I sincerely felt that

that would actually happen. I really don't. I feel that what will happen in the committee stage is that some concessions will be made; that's true, that almost invariably happens. But I don't sense a substantial change on the part of this government in reversing the roles of housing.

We as a party look at housing as a right. People have a basic right to have a decent roof over their head and some fairly decent houses to go with it. On the other hand, I get the distinct feeling that this government deals with housing from an entirely different perspective. They look at it as an investment, it is something upon which money can be made, it is a stimulus to the economy; it is a great many things but it isn't that basic right that we, as New Democrats, see people have to have in terms of housing.

I read with great interest the propositions that the government put forward in their position on this. I think that we really couldn't take too much exception with a number of the ideas that are proposed, except the source that is proposing them. That poses us some problems. What has this government done before this point, as a minority government, in terms of providing opposition members with an opportunity to substantially change the policies of the government? In theory I could look at this opportunity and say here is a government seriously telling members from all parties to begin to establish a new policy. It is telling them to establish something that is different, that will be unique, that will be substantively altered from the previous course of the government. I really have a hard time believing that that is true.

I have a difficult time believing that this government is prepared to take into account that tenants have a right to a decent place to live, or that they have a right to negotiate what is a decent payment at the end of each month for their accommodation. I have some difficulty understanding the concept that this government is now prepared, where it previously was not prepared, to say that tenants have a right to argue about small matters, about whether the place gets decorated, whether or not it has decent services provided; because that would be a substantive change from what this government has done in the past.

So I am looking to two things. I am looking at the right of a tenant to have a decent place to live and to pay a decent amount of money in terms of rent for a month's accommodation; and I am looking at the track record of this government. The two don't match at all; there are great discrepancies. This government has never really provided the tenants of

the province with either a decent place to live or with the right as a tenant to say that we are not here at someone's pleasure, that we are here because housing is a right, and should have some efficient mechanisms that will say that our rights will be protected.

For example, one of the two things that are being discussed at this time is rent review. I would have a difficult time stating, from anyone's perspective, that the current rent review process in Ontario is efficient or works well. In fact, I would go the opposite way. I would say that it is an awkward process. It has worked with reasonable amounts of efficiency in a very general way but not in a very specific way.

From the second point of view, in terms of the tenant's rights, I would say that the rights are somewhat there, but they are extremely difficult to enforce. Where do you go if you feel that your rights have been violated under the Landlord and Tenant Act? That's a little hard for tenants to understand in the first instance. It's a little difficult for them to find an appeal court in the second instance. If they know the law, their rights can be ensured; but how do they go about getting those rights enforced? That's difficult. Do you go through an office? There isn't one. Do you go to court? In fact you do.

So there are great difficulties that are involved in accepting this discussion paper as being a valid document that is going to really help any tenant in the province to have either a decent level of their income deducted as part of their rent for a decent place to live, or to say that any other rights they might have as tenants will be actively enforced. There's hardly a member in this House who doesn't still have, as a regular occurrence, tenants calling him saying, "I've been served with a notice of eviction." But the notice does not come from any official source; rather, it comes from a landlord in the form of a letter. They're not aware of their rights, nor are they really aware where they can appeal if they think their rights have been transgressed.

There are problems with the Landlord and Tenant Act and with rent review, and this discussion paper purports at least to put all of those things together. It touches on some things I would agree with. There are a number of things, in fact, that I would agree with. But the minister is asking me, as a member of this House, to accept as an article of faith that this government is prepared to do a turnaround on that. I don't think it is.

I would have to put the case that my own credibility as a member of this House has been stretched beyond endurance. I don't

expect this government to change substantially from anything it's ever done. I think you would have to forgive me, Mr. Speaker, for saying I was the member of this House who posed some amendments to the current rent review Act last year. I saw the letters that came from the government House leader (Mr. Welch) saying these things would be matters of confidence, whereas previously they had never been dealt with in that way.

I think you would also forgive me for saying I was the same member who proposed the actual formal amendments to say that the guideline would be six per cent. I listened to the government benches tell me that would ruin the economy, would destroy all housing in the province of Ontario and would not work.

I was the same private member who sat here and listened to a member of the government stand up in November of last year and say that, in fact, the guideline would be six per cent. All of that came after we had spent \$20 million or so, after we had all gone through a provincial election and after we had dealt with this thing as a matter of confidence in this government.

Mr. Davidson: It's a matter of fact, Larry, and you know it.

Hon. Mr. Grossman: And slipped to third place. I can understand why you're unhappy.

Mr. Breaugh: In fact, Mr. Speaker, you are asking me as a private member of this House to believe this government. I find that very difficult to do in any circumstances, and on this particular item I'm afraid I can't believe it.

Mrs. Campbell: Mr. Speaker, I am delighted to have the opportunity to enter into this debate. I have to share with the House something of the dilemma in which I find myself.

Having perused the document, one of the interesting gaps as far as I'm concerned is that this government, with all of the things it says in that paper, for some reason doesn't address itself to the one issue which I think has to be of primary concern if this committee is going to work. That is the simple question of affordability. That is not spelled out in the paper in a way that I should like to see and in a way that I can really give full credence to this thrust of government.

That is borne out by the fact that the Minister of Housing (Mr. Bennett) is not interested enough to be here for this debate.

Hon. Mr. Grossman: What about your leader? Isn't he interested?

Mr. Davidson: Never mind that. She's absolutely right, Larry. That's pretty cheap.

Mrs. Campbell: I have not commented on the absence of the Premier (Mr. Davis).

Hon. Mr. Grossman: All right. I'll take the member for Kitchener (Mr. Breithaupt). Who will you take?

Mrs. Campbell: I assume that the Premier does have other functions. But the Minister of Housing, in my view, should be concerned with the desire to provide affordable housing—

Mr. Hall: That's right. He should be here.

Mrs. Campbell:—and that is the difference between whether my leader is here, whether the leader of the third party is here or who is here.

Mr. Hall: The former Minister of Housing (Mr. Rhodes) is here.

[8:45]

Mrs. Campbell: I would like the minister who in essence is responsible for this debate to advise this House whether he would be prepared, as this committee is going into session, to try to give assurances to this House that there will be two ministers there discussing the two sides of this question.

Hon. Mr. Grossman: How about the Treasurer (Mr. McKeough) too, because we'll need money? How about the Attorney General for the Landlord and Tenant Act. How about the Premier for the ultimate decision?

Mr. Deputy Speaker: Order.

Mrs. Campbell: It's interesting that this government loves to push off on to municipalities their responsibility. I would say that the city of Toronto has taken some pretty forward steps in trying to fill the gaps on which this government has so faltered.

Interjections.

Mrs. Campbell: That kind of response is the very thing that gives me a lack of confidence in this committee. If the minister really means what he is saying, he would want this committee to look at all sides of the question. He would want this committee to be able to say to the Minister of Housing that he has to be involved in the solution, because we have to consider the question of the affordability of housing.

The reason I have been prepared to support the committee—

Hon. Mr. Grossman: Is that you have been whipped.

Mrs. Campbell: Mr. Speaker, if that pip-squeak over there could keep his mouth closed, he wouldn't be braying like the proverbial animal.

Mr. Speaker: Order.

Hon. Mr. Grossman: Smile when you say that.

Mr. Martel: They don't want our support.

Mrs. Campbell: I believe I am getting to him.

Mr. Martel: It's not you; it's me that has got to him.

Mrs. Campbell: I think I am getting to him because he hasn't the courtesy to listen to what is really a very serious point that is being made.

Hon. Mr. Grossman: Smile and I'll listen all night.

Mrs. Campbell: If affordability is not going to be part of the discussion of the committee, then let's not have the committee at all.

Mr. Martel: That's right.

Hon. Mr. Grossman: You've got another vote. She is voting with you, there is no doubt about it.

Mr. Martel: Bring in the legislation.

Mrs. Campbell: I can wait for the braying to subside, Mr. Speaker, but couldn't you do something about the minister to let me proceed? Could we have some order?

Mr. Deputy Speaker: Order.

Mrs. Campbell: One of the things that has to be looked at is a matter of ways and means to try to prevail upon the private market as well as the government to provide housing. It is interesting to me that everybody says, all the experts, particularly from the government side, that we have had a dearth of new housing because of rent review. You could fool me and the riding of St. George, because ever since I have been in this House, I have had at least one or two or three new towers every election time, and that will be no exception when the next election rolls round.

However, there is no doubt that in other parts of the province new building has come to a halt. For that reason, it seems to me that we as responsible people have to look and to understand what might be done to stir that industry. When you have a municipality like the one we are in, where we now find that a family of four is living at the poverty level with \$12,000 a year, then the government, if it is concerned at all, must face that reality in the provision of affordable housing.

I don't suppose that I have added anything much to this debate; I regret that I wasn't here for the start of it. But I do insist, for myself at least, that if we can't change the

guidelines, if we can't make it absolutely clear that affordability is one of the main features of the discussion of the committee, then I would have to say that we are wasting our time.

I would look forward to listening, with courtesy not accorded to me by the minister, to his response to my suggestion that both of these ministers sit with the committee as we try to find solutions, not on any stance of government but for the people of this province who look to us for some kind of solution to problems which are rapidly becoming, in their eyes at least, almost insoluble. Thank you, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Sault Ste. Marie.

Mr. Samis: The sergeant-at-arms.

Hon. Mr. Rhodes: Mr. Speaker, I had joined my colleagues in the Legislature tonight to hear what I hoped would be an intelligent discussion—

Hon. W. Newman: Glad to hear it.

Hon. Mr. Rhodes: —on the proposal before the House.

Mr. Makarchuk: He welcomed you in, did you hear that?

Hon. Mr. Rhodes: However, I find that some of the comments being made—and I'm sorry that two of the hon. members who spoke earlier made their pitch and decided to leave, but perhaps it was just as well.

Mr. Makarchuk: They're listening.

Mr. Martel: They are having coffee.

Mr. Makarchuk: They are listening outside.

Hon. Mr. Rhodes: I listened to the member for Scarborough-Ellesmere who stood in the House a few moments ago and commented upon the rent review legislation as it now exists. His comment was, of course, that the legislation was loaded in favour of the landlord and biased against the tenant.

Ms. Gigantes: That's why you wouldn't enforce it, right?

Hon. Mr. Rhodes: Mr. Speaker, I would draw to your attention that in the fall of 1975, the original bill that was brought in—

Mr. Martel: With much protest.

Hon. Mr. Rhodes: —was discussed at that time by the then minister with the Leader of the Opposition—

Hon. Mr. Grossman: The then leader.

Hon. Mr. Rhodes: The then Leader of the Opposition (Mr. Lewis), and the then leader of the third party; we sat and discussed the contents of the legislation as proposed and both of them at that time said that legislation

was fair and it was what they were looking for and they would like to see it introduced in the House. And it was.

Ms. Gigantes: And you said you wanted to get out of it.

Hon. Mr. Rhodes: After it was introduced in the House, the third party in this House, led by the then Housing critic and now leader of that party, tore that legislation to pieces.

Ms. Gigantes: What did you say?

Mr. Swart: Made it workable.

Hon. Mr. Rhodes: He tore it to pieces; amended it, changed it, and now that member for Scarborough-Ellesmere has the nerve to stand in this House and say the legislation is loaded in favour of the landlord.

Ms. Gigantes: What did you say about the legislation?

Hon. Mr. Rhodes: If that's the case, the architects of the Act at that time were the members of the New Democratic Party led by their then leader and the then Housing critic. It's absolutely ridiculous.

Ms. Gigantes: And what did you say? Let's hear what you said.

Mr. Martel: That's absolute distortion.

Mr. Deputy Speaker: Order.

Mr. Warner: On a point of privilege, Mr. Speaker.

Mr. Mancini: You are always up on privileges.

Mr. Warner: I certainly didn't realize in 1975 when the legislation came in that they were going to appoint a whole raft of Tory real estate agents to run the rent review program.

Mr. Deputy Speaker: Order. The member for Sault Ste. Marie.

Hon. Mr. Rhodes: Of course, we could have carried out the request of the then Housing critic and now leader of the third party. He wanted to have—

Mr. Makarchuk: A few tenants' rights.

Hon. Mr. Rhodes: —investigators dressed in tights and a cloak, and leaping out of a balcony like Rental Storm Troopers to carry on the investigation.

Interjections.

Mr. Martel: A Ku Klux outfit.

Hon. Mr. Rhodes: But I want to comment briefly, Mr. Speaker, on the comments made by the member for Oshawa who stood in the House—and I have respect for the member for Oshawa. He was the Housing critic and he was a good Housing critic. He did his job

and he did his homework. But he stood in the House a few moments ago and was concerned about his credibility. He said that he really was concerned about his credibility as a member of the Legislature. I don't blame him.

Hon. Mr. Grossman: That's understandable.

Hon. Mr. Rhodes: I think he should be concerned about his credibility, because the NDP have sanctimoniously stood and talked about how great has been their protection of the tenants of the province of Ontario—

Ms. Gigantes: Did he lean on you? What did you say about the legislation?

Hon. Mr. Rhodes: —how they have been there fighting. They're doing their job.

Ms. Gigantes: What did you say? What did you say?

Mr. Martel: That's absolute distortion.

Hon. Mr. Rhodes: Let me read this to you—

An hon. member: You just admitted it.

Ms. Gigantes: You said you wouldn't administer a program. You wouldn't touch it.

Mr. Deputy Speaker: Order, order.

Hon. Mr. Rhodes: Mr. Speaker, could I have some order? Could I have some respect shown to me, as was shown to the member for St. George, by the braying animal who sits on the other side?

An hon. member: You only get what you deserve.

Mr. Swart: We are showing the same kind of respect.

Mr. Martel: You earn that, John; you earn respect.

Hon. Mr. Rhodes: Mr. Speaker—

Ms. Gigantes: Why didn't you administer it? Why did you wash your hands?

Mr. Deputy Speaker: Order.

Hon. Mr. Rhodes: Mr. Speaker, the hon. member for Oshawa is so concerned about his credibility—and concerned he should be. It was in November of 1976—I think this is common knowledge but I want it on the record—that a memo went to the NDP caucus from our friend, the present leader, then the Housing critic, and it says: "We must be seen to be initiating the pressure to extend rent review."

Hon. Mr. Grossman: Read that again.

Hon. Mr. Rhodes: "If the Tories eventually agree, as it is likely they will, we still then win the credit. If the Tories don't agree, then we stand alone as the party which works for tenants. If we can make the

Liberals make a clear anti-tenant vote along the way—"

Interjection.

Hon. Mr. Rhodes: "—so much the better."

Hon. Mr. Grossman: Holier than thou.

Hon. Mr. Rhodes: Now there's a real sanctimonious document.

Ms. Gigantes: Why wouldn't you administer it? Why would you wash your hands of it?

Hon. Mr. Rhodes: Credibility? I have to believe that he needs help with his credibility.

Ms. Gigantes: Why didn't you want to administer it?

Interjections.

Mr. Warner: Why didn't it take much to satisfy you?

Hon. Mr. Rhodes: His credibility and that of his whole party went right down the drain with that memo.

Interjections.

Mr. Deputy Speaker: Order, order. I wonder if the hon. member for Sault Ste. Marie could return to the principle of the resolution?

Interjection.

Mr. Martel: Return to it? He was never there.

Hon. Mr. Rhodes: Mr. Speaker, I tell you I would be quite happy to do so. I only wish you would have said exactly the same thing to the previous speakers. But in order to abide by your ruling, sir, I will return and say this. The fact that we are asking this House to form a committee made up of all members of this Legislature and all three parties to go through this green paper and to give the people of the province an opportunity to be heard on the issues—

Ms. Gigantes: Why did you put it on Syd Handleman? Why did you do that to him?

Hon. Mr. Rhodes: —that are included in here is certainly not—

Interjections.

Mr. Deputy Speaker: Order.

Mr. Makarchuk: Well he is not answering the question.

Ms. Gigantes: A patriotic question, Mr. Speaker.

Hon. Mr. Rhodes: Mr. Speaker, would you inform the hon. member from somewhere down near Ottawa that this is not question period? If she would get off her hands during question period and ask the questions, I would be delighted to answer them then.

Ms. Gigantes: Well, if he would stick to his ministry I would be glad to ask him.

Hon. Mr. Rhodes: Of if she can find time to join us in the Legislature a little more often—

An hon. member: Pick on someone your own size.

Mr. Deputy Speaker: Order, order. The hon. member for Sault Ste. Marie has the—

An hon. member: What are we debating?

Ms. Gigantes: Here comes Jack.

Mr. Makarchuk: Okay, here is where the conductor throws the policeman out.

Hon. Mr. Grossman: Good night, Evelyn.

Hon. Mr. Rhodes: Mr. Speaker, I am pleased to see you back in the chair, sir, because I know that we all have a mutual respect for you. Even those people opposite have respect for you.

Mrs. Campbell: We have respect for him too.

Hon. Mr. Rhodes: That's right, I said opposite. Oh, him? Yes indeed. But they don't only respect him, they fear him.

Mr. Speaker, taking this to a committee is not the wrong thing to do. It's not a question of trying to slough off responsibility. Goodness knows that you people have stood in this House on more than one occasion and wanted a committee on everything. You would like to run government by committee. You are asking for royal commissions and all these various things. This committee is going to be going in depth into the proposals—

Ms. Gigantes: Why did you hand it off to Sidney? Poor Sidney.

Hon. Mr. Rhodes: —in depth. I don't understand why you people, who are always in favour of having public participation, public input, public involvement—this is your opportunity to have that public involvement—

Ms. Gigantes: For you to say that, shame.

Hon. Mr. Rhodes: —that you base your whole being on. Well, Mr. Speaker—

Interjections.

Mr. Speaker: Perhaps the hon. minister might find it easier if he addressed his remarks to the Chair.

Hon. Mr. Rhodes: Yes, Mr. Speaker, not only easier but probably to one who would more properly understand and appreciate it.

It's gratifying to know that the members of the Liberal Party at least see the worth of being able to take this particular matter before the committee of the Legislature—

Ms. Gigantes: Why didn't you stick to being a Liberal? Why didn't you stay with the Liberals?

Hon. Mr. Rhodes: —and listen to the input, not necessarily the New Democratic Party, who doesn't seem to understand that there is such a thing as people being involved in the decisions that are made.

[9:00]

Mr. Swart: I rise to speak on this because I share with my colleagues around me in this section of the House, the realization that this resolution, referring this red paper, whatever it is, to the committee, is the wrong approach for protection of tenants.

What we really should be debating in this House, Mr. Speaker, are amendments, if some are needed, and there are some needed, to the Rent Review Act. There can be no question that this is the method by which the government intends to abandon rent review and abandon tenant protection. They have made this clear all along, that they intended to abandon it; they lost their last Minister of Consumer and Commercial Relations (Mr. Handleman) because they wouldn't abandon it at the time they said they would, and I am sure that this minister took it only on the condition that he could abandon it at the end of this year.

Hon. Mr. Grossman: Wrong, wrong again.

Mr. Martel: The Tory party opposed it.

Hon. Mr. Grossman: You were doing better on coffee.

Mr. Swart: Certainly from his speeches to the investment people one can understand how he would be on the side of the landlords. Of course, when he says that about the coffee, you know that the coffee processors in this country wouldn't lie to him—

Hon. Mr. Grossman: The tenants wouldn't lie to me either.

Mr. Swart: —we know where his friends are and they are not the tenants of this province.

Hon. Mr. Rhodes: We're going to put you under control?

Mr. Swart: There is no doubt in my mind that this resolution is part of the general thrust of your government which—

Hon. Mr. Rhodes: Ours.

Hon. Mr. Grossman: Our government.

Mr. Swart: Your government, not my government. It's part of the general thrust of the government to do two things: To reprivatize the economy; and by shifting tax burdens and other measures to widen the gap between the haves and the have-nots, the wealthy and those less wealthy in our society. Some of us remember, about two-and-a-half years ago, when they tabled a

document called the special program review. For those in all parts of the House who haven't looked at that document recently—

Hon. Mr. Grossman: Back to the resolution.

Mr. Swart: I would suggest that they should look at it, because it points in the same direction as the resolution we have before us tonight, the attempt to abandon rent control.

The OHIP premium increase is an example of this general thrust of the government; as well as the breaking of the Edmonton commitment; the raising of parks fees; the refusal to do anything for the unemployed in this province; the failure of the government to keep up workmen's compensation payments and family benefits, in line even with the cost of living.

Hon. Mr. Grossman: And the date for municipal elections and coffee beans.

Mr. Swart: This is another measure on the part of the government to reprivatize and to widen the gap.

Hon. Mr. Rhodes: Building the bridge over the Elora Gorge.

Mr. Swart: It's a part of their general return to what they like to think of as a rugged private enterprise system.

But of course they have to do this very subtly, because the polls show, as one of my colleagues said in today's paper, that the majority of Metro residents continue to favour rent controls. They found that 80 per cent, this poll shows 80 per cent of the people in Metropolitan Toronto still favour rent controls.

Mr. Warner: Eighty per cent.

Hon. Mr. Grossman: That's why Cassidy wrote that memo.

Mr. Swart: So they have to do it pretty subtly. Of course you realize that; and that's the reason we have this motion before us tonight, Mr. Speaker. As my colleague from Scarborough-Ellesmere said, if you can co-opt the whole Legislature and make it look as if you are considering other things at the same time, then you may be able to get away with it.

Hon. Mr. Grossman: They all gave the same speech so far.

Mr. Swart: I want to say to you, Mr. Speaker, and through you to the people on the other side of the House, because I suspect they haven't had a great deal to do with actually seeing rent control in operation; that rent review, even with its faults, has served an extremely useful purpose, in spite of the fact that the government never

wanted it and therefore didn't administer it anything like as well as it could have been administered.

Mr. Martel: Do you remember Donald Irvine? "We don't understand." You fought it in the middle of the election.

Hon. Mr. Rhodes: I remember you bringing the landlords down and telling me to do something for them, you donkey.

Mr. Martel: No, I made an appointment for them; that's all. I didn't bring them down.

Hon. Mr. Rhodes: You brought them down.

Mr. Martel: I didn't bring them down.

Hon. Mr. Rhodes: Right here. Right here in the lobby.

Mr. Martel: No, no. Don't mislead the House. I set up a meeting for them in your office.

Hon. Mr. Rhodes: My apologies.

Mr. Swart: Mr. Speaker, I have been involved on the side of the tenants, acting as their agent in five hearings before rent review officers, all of them rather major apartments. You will recognize that in the Welland-Thorold area there are not a great many apartments and this therefore is the majority of them.

In one of those cases the notice by the landlord was for a 28 per cent increase.

The rent review officer ordered 19 per cent. In another instance the request was for 22 per cent increase and the rent review officer ordered nine per cent. In another one of those cases the notice to the tenants was for a 19 per cent increase and the rent review officer allowed nine per cent. Another one was for a 16 per cent increase and the rent review officer allowed an eight per cent increase. In one that we handled just a month or two ago the request was for a 12 per cent increase and the rent review officer ended up allowing a three per cent increase.

I have been involved in two appeals to the rent review board—appeals by landlords, incidentally. In one of those the board upheld the decision of the rent review officer and in the other one, because of new evidence and the time lapse, permitted an increase of nine to 13.5 per cent.

I point these out because there is little doubt that if we had not had rent review those original notices would have been the rents those people were paying. There's no question about that. Those same kinds of increases are going to take place if rent review is abolished after the end of this year or is weakened substantially.

I think it's fair to say that the rent review Act, in spite of its shortcomings, has made a

more civilized society, along with the Landlord and Tenant Act. People now can't arbitrarily be put out of what may have been their home for years and where they have a real stake. It's something like the Labour Relations Act, and I suggest the government has been driven into this as they were driven into the Labour Relations Act many decades ago, when the employer felt it was his business so he could hire and fire as he liked and tell the employees exactly what they could do and what they ought to do. That same sort of philosophy with regard to landlords rests on the other side of this chamber. I suggest it will be a real step backwards if we abolish or dramatically weaken the rent review.

Abolishing the rent review will not only permit unreasonable rent increases, it will destroy the affordability that the member for St. George was talking about, and it will destroy the Landlord and Tenant Act, because they are a package. The landlord now cannot evict without justification; one of those is non-payment of rent. But if we abolish rent review, and the landlord can set the rent at anything he likes, it'll be a very effective way of getting rid of the tenant and will, in fact, destroy the security they have under the Landlord and Tenant Act.

As has been pointed out by other members of this House, the need for the extension of rent review lies at the door of the government, because the great bulk of people in this province, as was pointed out by the member for St. George, cannot afford to purchase and own a home of their own. Yet the government over these last few years, when the escalation in the price of houses has been so great, has not done a thing to stop the land speculation, which is one of the major causes of increases in the price of housing. They have done little with regard to public housing and they have done nothing with regard to providing a capital fund for the purchase of housing at reasonable rates.

The resolution we have before us on the surface sounds great, and that is the intent of the government. When the government says it is going to refer something to the standing committee for consideration of such matters as the implications of rent control, the need for adequate quantity and quality of rental housing, the affordability of rental accommodation, methods and procedures for the resolution of landlord and tenant disputes, tenants' need for security of tenure and the rights and obligations between landlord and tenant, it all sounds very great.

Anybody like myself who has been around this House for just two and a half years—even those who came here in the last election—know that that is a subterfuge for the abandonment of rent review.

Mrs. Campbell: No way.

Mr. Swart: This is the reason why I and my party are vigorously opposed to this resolution.

Mr. Haggerty: You should have been here eight years ago.

Mr. Makarchuk: I wasn't really going to get involved in the development of the debate, but, however, I have decided to inflict myself upon this House.

Interjection.

Mr. Makarchuk: I was actually particularly provoked by the past Minister of Housing who unfortunately is not in the House at the moment.

Mrs. Campbell: He was provoked too and disappeared.

Hon. Mr. Grossman: So did you.

Mrs. Campbell: But I am back.

Hon. Mr. Grossman: He'll be back.

Mr. Makarchuk: If the Minister of Housing, the last one and the ones before him, had done their job or tried to do their job, we would not be involved in this debate at this time, and rents and rent controls would not be a problem in the province of Ontario.

The fact of the matter is that the previous Minister of Housing's total function in the housing field was to act as the pawnbroker for the Treasurer and to go around and help to dispose of any parcels of land that the province of Ontario had acquired earlier. Instead of building housing, he got involved in the speculative process and proceeded to try to dispose of the properties, which he did to a certain extent.

Hon. Mr. Grossman: Did you see the figures in the book about public assistance starts?

Mr. Makarchuk: Yes, I saw the book.

Hon. Mr. Grossman: Then you know he built houses.

Mr. Makarchuk: You should have printed it on stitched rolls. The mythology we have to recognize in this whole matter of rents and the mythology that persists at this time is that if we had no rent controls builders would proceed to build houses—

Hon. Mr. Grossman: Read the front of the book.

Mr. Speaker: Does the minister not know it is discourteous to interrupt the hon. member continually?

Mr. Makarchuk: —and rents will therefore decline. Something that should be recognized is the fact that under the present legislation new rental units are not under rent control. Initially, the owners of those units, the landlords, have the right to set the rents at the economic rates which would bring about the returns they want. That option is available to them.

Removing rent controls is not going to change the problem. The problem, basically, is that people do not have an adequate amount of money to pay the rents that some landlords are going to charge them in the future. No matter what the government does at this time, no matter how many buildings are put up and no matter what effort the government makes in the future, it will have to recognize that in order to make residences available to all of the people it will have to have some type of controls on the cost of housing in the province of Ontario.

People have to have a place to live, and the only way the government is going to ensure they have a place to live is to ensure that it uses the various means that are available to the governments to provide housing at prices that people can afford. We don't have a shortage of apartments these days. We don't have a shortage of housing. What we have is a shortage of affordable apartments and a shortage of affordable housing. You can buy all the housing you want in Ontario if you have \$65,000 or \$70,000 kicking around. Unfortunately, most people in Ontario don't have anywhere near the amount of money required to be able to buy a house.

[9:15]

The reason we have this debate, and the reason we have this problem about housing right now, is the fact that the government actually failed, and failed miserably, in the whole project of housing. The reason this resolution should be opposed is the fact that the government is not looking at the housing problem. It is not looking at the land cost, which is the major component of housing cost; it is not dealing with it, it is not investigating the speculation, the profits that were made on it; it is not looking into the ownership of the land; it is not looking into the control of the land. It is not doing anything. It is not even involving the Ministry of Housing in the process; and it wants to do something about housing, and it wants to do something about rents?

Hon. Mr. Grossman: Read the front of the book.

Mr. Makarchuk: It doesn't involve the ministry.

Mr. Warner: Ah, look at what the ministry has done.

Mr. Makarchuk: The government makes a little side issue in that piece of paper, towards the whole unit and totally ignores the rest.

Mr. Warner: The Ministry of Housing is dismantling it.

Mr. Swart: Like the food guidelines.

Mr. Makarchuk: The concern of the government, Mr. Speaker, is more for the speculators than it is—

Mr. Warner: That's right.

Mr. Makarchuk: —about housing for people in the province of Ontario.

Mr. Warner: Right on.

Mr. Swart: Read the speech the minister made to the investors.

Mr. Makarchuk: There is a common mythology, that is fostered by the Urban Development Institute, aided and abetted by the government and on occasion aided by the Liberals as well.

Let me read a couple of items out of the Kitchener paper on the matter of land costs; and this is out of the Kitchener-Waterloo Record, August 18, 1976. It's an article by Frank Etherington, date-marked Guelph. It says: "Housing lot prices here are soaring towards the \$30,000 mark because four developers"—

Mr. Haggerty: Sounds like Saskatchewan.

Mr. Makarchuk: —"are managing how many lots come on the market, planning director Ken Perry said Tuesday. Mr. Perry was commenting on complaints made by a Kitchener builder-developer interested in building homes on Guelph lots. The builder, Harold Freure, said at times when builders are dropping house prices in a depressed market, lot prices were continuing to climb."

Here is another article out of the same paper. The dateline is August 19, 1976, and it is the Kitchener-Waterloo Record again. It is dealing with a name that is not unknown in this House, and it says: "Twin city politicians and planners said Wednesday before-tax profits in excess of 500 per cent promised to local investors gambling on housing land are sickening and shocking. Commenting on profits made on speculative land deals and those predicted in the prospectus sent to Kitchener-Waterloo investors, the politicians urged higher levels of government to move quickly to correct the problem."

And it says: "Waterloo mayor, Herb Epp"—a name, as I said, not unknown in

this House—"called for a provincial royal commission to pinpoint reasons why housing land is continuing to cost more and to make recommendations of what has been to correct the situation."

It is strange that in this particular time his party decides to support a resolution that in no way is going to deal with this problem.

Out of the same article, it says: "Bill Thomson, chief planner for Waterloo region, said the profits were sickening and immoral when they are made at the expense of people needing houses. Mr. Thomson said he favours the region and other municipalities getting into land-banking for housing or working in financial partnership with legitimate builder-developers to beat speculators and buy long-range developable land for housing purposes."

Let me give you a specific example, again to throw away some of this mythology that the reason housing is so expensive and the reason the costs are so high is that the land costs are high. The assumption there is that there is no land available to build houses or build apartments, and if we have to have the land we have to pay a lot for it, therefore that drives up the cost of housing; and the reason the land is so high is because it takes such a long time to process and there is no plan of subdivision available or no land available for zoning.

In Brantford, when I was involved in a housing project in 1974 and 1975, there was space for 3,316 units of housing available and that in no way affected the price of housing. Let me tell you that at that time, when we made a request to Ontario Housing to get involved in the housing situation, to try to lower the cost of housing, the reply we received from them was, "Oh, we can't do it. This is going to affect the market." In other words, they were more interested in protecting the speculators than they were in providing housing for the people of the province of Ontario.

There's no question that on occasion there are delays in the process of plans of subdivision. In many cases we have to realize that that is not a fault of the ministry. I'm not in the habit of defending the Ministry of Housing or their planning department, but it's not the fault of the ministry.

In many cases a developer who has a certain number of lots available puts them on the market at a rate that will provide him with a reasonable cash flow. Then what he has left he proceeds to barter with the Ministry of Housing in order to try and get on to this land as many units as possible.

The result of this, of course, is that it depreciates the value of the adjoining housing. And you can't blame the people in adjoining housing for getting up-tight about the problem, because they have a lot of their assets, a lot of what might be described as their total commitment for life—total financial commitment—tied up—

Mr. Rotenberg: What does this have to do with the resolution?

Mr. Swart: It has a lot to do with it.

Mr. Makarchuk:—tied up in the housing that they have, and they have to protect it.

The point is that the government got them into this situation and then afterwards, of course, it blames them because they squawk or they get annoyed at the municipality if high-density housing is built next door.

No matter how the government likes to slice it or no matter how it likes to deal with it, the point is that it does depreciate the value of housing, and one can't blame the people for trying to protect what they've got because they have a great deal invested in it.

The other point we have to touch on is really what the government is doing by putting the price of housing where it is, what it has done in terms of the economy. The money people pay on their mortgages is money that is not spent in buying the goods to furnish their homes; it's not spent in buying fridges or stoves or furniture and it's not providing jobs. In many cases, we have examples of money made by landlords, by major companies, that is moving out of Canada into the United States—it's moving into Chile, it's moving into South Africa. In effect, the government is helping the export of capital out of this country. It is also part of the problem that's causing the run on the Canadian dollar at this time.

The government should also try to understand—because it has driven the cost of housing where it is—the reason that workers demand larger settlements is because they have to meet commitments and payments on their mortgages, which again is something with which the government is not going to deal in this resolution.

This resolution basically is an effort on the part of the government to get off the hook on rent control. It has absolutely no solutions to the problem the way it is now. It is not involving, again, the people who possibly can provide the solutions.

The committee is not prepared to deal with the financing of housing. It is not prepared to deal with developers. It is not prepared to deal with the plans administration of the Ministry of Housing. It is not pre-

pared to deal with the Ministry of Housing. It is not looking at the land holdings to see who holds the land in the various communities in Ontario or by how many people is it controlled. It is not looking at anything really that's relevant to the whole housing process.

Specifically, this resolution does not provide the committee with any opportunity to try and find ways and means of providing affordable housing for the people of Ontario. I may point out to the minister that a municipality like Brantford was able, on its own, to build single-family homes and sell them at \$32,000 without any subsidy from any taxpayer, and yet the mighty province of Ontario, with all the minions that it has—the millions and the minions that it has working in the Ministry of Housing—has yet to build one single-family home at that price.

At the same time, we should have been able to build multi-family units, row housing, at prices of about \$16,000 to \$18,000. That means that people could have possessed homes and could have been paying about \$160 to \$180 a month for principal and interest, which is a lot less than they are paying on rent anywhere in Ontario these days. I am not seeing these things, and that is why this resolution just does not deserve support because it does not deal with the problem we face in the province in terms of rent, rent controls or housing at prices that people can afford.

Mr. Deans: I just have a word or two to say on this, simply because over the last 10-plus years the matter of tenants has come before this Legislature so frequently. I have taken part in much of the debate surrounding the problems of tenants all the way from the acceptance of the lease that currently exists within the province to the point where we arrived at some protection for tenants over and against the gouging that certain landlords were engaged in. I want to go back a moment and begin this where I think the fatal flaw is.

The government has ceased to govern. This government seems to think that there is now government by consensus in Ontario. They have adopted the Liberal leader's view that there is some sort of shared power operation in the province. Sometimes the power is shared with other parties in the Legislature; sometimes the power is to be shared with select groups out in the community. But the government no longer puts forward clear directions, it no longer leads in the province, it no longer puts out for the public to see where the government stands

with regard to crucial matters that deal directly with the day-to-day lives of the people in the province. That's the fundamental flaw with what the government has asked us to do. It is wrong to suggest to us that we should now enter into some co-opting process that requires the other parties in the Legislature and people out there to somehow come together to suggest to the government how to deal with and which priority it ought to assign the various difficult issues that confront it as it has to go about dealing with tenants in the province. It is wrong.

The first thing is the government has established, under its chapter five, the evaluation of overall approaches. It has set out the criteria for the future of rent review.

It says, first of all, that it can choose from among four choices: It can continue the program more or less as it is. That's certainly pretty obvious. Or it can alter the program with the basic changes aimed at relaxing the controls. That's pretty obvious too. Or it can alter the program with increased exemptions of various categories. I don't think one would have to be some kind of a genius to appreciate that that might be one of the options. Or, finally, the government can terminate the program. I think that that is obvious to all of us. One of the minister's predecessors, the hon. member for Carleton (Mr. Handleman), would have been very interested in terminating the program before it was begun.

Mr. Warner: That's what they are after.

Mr. Deans: I think that's fair to say. There are those among the government supporters who would believe that the program was wrong-headed from the very beginning and should never have been implemented. In fact, the hon. member for Carleton offered to resign. Maybe offered isn't strong enough—threatened to resign—over this very program. So no doubt there are pressures within the government to scrap it.

Ms. Gigantes: Let's be fair. The former Minister of Housing wouldn't touch it.

Mr. Deans: I want to go back a moment because I can remember some of the Housing ministers, all the way back to Stanley Randall. Do you remember Stanley Randall, Mr. Speaker? If Stanley had looked at this he would have used one of his most oft-used phrases: "The answer is as clear as a yellow wheel on a hearse." Remember Stanley used that often in the House. The answer to this is just that clear.

[9:30]

The pressure that is being exerted on this government is forcing it to backtrack. The

pressure that is being exerted on this government is forcing it to abandon the tenants in Ontario. What's happening is that because the government doesn't have the guts to stand up and propose what it really believes ought to be done it now wants to try to find some others in the community who are prepared to support its position.

The government won't have any difficulty finding people to support its position. Already HUDAC supports the government's position. They supported its position before the government brought it in. They supported the abolition of rent controls before the government had rent controls in place.

Ms. Gigantes: They are very sympathetic.

Mr. Deans: The landlords of the province in the main were not in support of the introduction of rent controls, and so they will be delighted to come forward and explain to the government what is wrong with the rent control procedures and how this is wreaking havoc on their business and their opportunities to make money.

When rent controls were brought in, it was clearly evident in most of the province that the majority of people in the middle- and low-income groups required protection. They required protection because there was not a sufficient number of housing units for rent in the province at a price they could afford and because there were certain landlords in the province who, without any consideration for the economic hardship that was inflicted upon those people and their families, were raising rents outrageously.

What we needed then were more rental housing units within the ability of the average individual in the middle- and low-income groups, to afford them. Nothing has changed. If anything, on a per capita basis we have fewer rental housing units now than we had at the time rent review was brought in. In fact, we're now faced with a situation where there are now fewer rental accommodations available to the people of Ontario in the middle- and low-income groups; and now the minister tells us that somehow or other it is possible to modify the rent review procedures to accommodate those people. It isn't possible. The only time it will be possible is when this government gets up off its butt and builds apartments and provides some decent accommodation in all areas of the province to meet the needs of the people who do not now earn sufficient to get into the private sector.

That's not only my attitude. That's the attitude that has been voiced over and over again by the representatives of HUDAC.

They say, without any shame or consideration, they cannot possibly meet the needs of the low- and middle-income groups within the general capacity of their members to build accommodation in Ontario. I listened to them saying it on the CBC morning program not a month ago. The representative of HUDAC said very carefully that he conceded that he and his colleagues, who make up the organization, could not possibly provide for those people under the current and normal building situation. In fact, they said that somehow or other the government was going to have to take up that slack, and that if the government didn't take it up, they felt sorry for the people—my God that's great consolation; they felt sorry for them—but there was nothing they could do for them.

A strange kind of situation arises. At the time it became apparent that the government was going to look seriously at the elimination of or the drastic tampering with the protection afforded to tenants in Ontario under the Act which is now in existence, HUDAC said: "Yes, there's no doubt about it. Rental accommodation in the Metropolitan Toronto area is at a premium. There are very low vacancy rates." And why? Because of rent controls.

I'll be damned, because that very same day the representative of the Metropolitan Hamilton Apartment Owners Association was saying in Hamilton: "Yes, we need rid of the rent controls because we have a high vacancy rate and it's been brought about by the rent control procedures." They can't have it both ways. They can't have HUDAC, on the one hand, saying that the reason we have a low vacancy rate is the rent controls and also have the Metropolitan Hamilton Apartment Owners Association saying on the other hand on behalf of their members the reason why we have a high vacancy rate is because of the rent controls.

Hon. Mr. Grossman: Don't tell me. Tell the landlords.

Mr. Deans: Yes, but I am telling the minister because what he is now doing is opening up a forum for those who can afford to come in order to express their own particular vested position in order to try to influence the government. And I want the minister to know, without any hesitation, that the better-funded of the two sides are the apartment owners.

Hon. Mr. Grossman: So do you want no forum? So let's have no forum.

Mr. Turner: He doesn't know what he wants.

Mr. Deans: The better funded of the two sides are the apartment owners. What I am saying to the minister is that if he believes his party is fit to govern in the province of Ontario, then put before us what the government wants to see done.

Hon. Mr. Grossman: Let's not have the public input. Is that what you are saying?

Mr. Turner: Don't you want the public to speak?

Hon. Mr. Grossman: We want public input.

Mr. Deans: Where was the public input when the minister's colleague, the Treasurer (Mr. McKeough), was deciding to raise the OHIP rates?

Hon. Mr. Grossman: That's the way budgets have always been done and you know it.

Interjections.

Mr. Deans: That's the way budgets are done, yes.

Where was the public input when the minister's colleague in charge of housing was selling off the mortgages of the province of Ontario? Where was the public input when the minister's colleague in charge of housing was determining that they were getting out of the house building business?

Hon. Mr. Grossman: Now which approach do you like?

Mr. Deputy Speaker: Order.

Mr. Deans: Where was the public input? You can't have it both ways.

Mr. Deputy Speaker: Order. Order.

Hon. Mr. Grossman: Which way do you want it?

Mr. Deans: You can't have it both ways. Do you want consultation or not? You tell me what you think should be done.

Mr. Deputy Speaker: Order. Order.

Mr. Deans: I am sorry, I thought I had the floor.

Mrs. Campbell: You couldn't have with him yelling.

Mr. Deputy Speaker: It seems to be very difficult for the members to hear the member for Wentworth. I wonder if the hon. member would address his remarks to the Chair.

Mr. Deans: I certainly will. I didn't realize that you were responsible for this. I will address my remarks to you.

What I am saying is that I become a little perturbed, Mr. Speaker, when I look at this government and they pick and they choose, always to their advantage, to have public input. Boy, will they have public input, because they know the public input will substantiate the position that they want to take.

And when it's to their disadvantage, will they have public input? You couldn't drag them to public input. You couldn't beg them to have public input, Mr. Speaker.

You suggest to them that there is a need in the province of Ontario for the OHIP premiums to be dealt with in the Legislature. Now surely that's public input.

Mrs. Campbell: Oh, no.

Mr. Deans: But no, no, we can't have public input on that. No, no, no, we can't do that.

Hon. Mr. Grossman: You are going to be sorry you said this, Ian.

Mr. Deans: I am not going to be sorry. I am not going to be sorry, because what I am telling you is this, Mr. Speaker. If you would like to build houses in the provinces of Ontario under the auspices of the Minister of Housing; if you would like to embark, Mr. Speaker, through you to the Minister of Consumer Relations or whatever he's called—

Mr. Warner: Corporate protection.

Mr. Deans: If the government would like to begin a program of 100,000 units a year for the next three years and then come back to us and say that there are now a sufficient number of rental accommodation units all over the province of Ontario that we can now sit down without the pressure and look seriously at whether or not it is now necessary to maintain the rent control procedures we have put in place, we will then be happy to sit and talk to the government about it. We would be happy to.

But, Mr. Speaker, please don't ask us to go, in the current situation, given what we know about the—

Mr. Martel: Bail you out.

Mr. Deans:—difficulties that people are having in finding accommodation as it now stands, please don't ask us to take part in the process simply for the purpose of making it easier for you to come to a decision.

This Legislature is the place where government policy should be debated. This Legislature is the place for the discussion of what the government of the day would like to see happen. There should be before us, not a series of options but the government's choice, the government's direction, in the areas that it has set out—

Ms. Gigantes: Bite the bullet.

Mr. Deans:—and then the substantiating documentation, which shows all of the studies that were conducted. Then we should debate the relative merits of the position which the government has taken. That, my friends, is the parliamentary process.

Ms. Gigantes: That's your job.

Mr. Deans: That's how the parliamentary process is intended to work. This is not the parliamentary process. This consultative non-sense the government has embarked on, which is self-serving at the best of times, is intolerable.

Let me look at the government's options. I find it interesting to read your criteria. "Criteria will be considered in the same order as given in the table: Landlord's operations financial viability." There is already within the current rent review procedure an opportunity to consider the financial viability of the landlord's operation. We can stroke that out. We don't have to consider it now. It's already there. We can consider it now within the current legislation. We can look at the costs, we can look at the increase in costs and we can look at the rate of return. Then, having looked at all those things, we can set a rate that is compatible with the needs of the landlord in terms of his financial viability.

Hon. Mr. Grossman: What rate of return is that?

Mr. Deans: The rate of return that was agreed upon was the rate of return which was in existence prior to the implementation of the Act.

Hon. Mr. Grossman: What rate of return? Give me a figure.

Mr. Deans: That was the rate of return.

Hon. Mr. Grossman: What if he was losing money?

Mr. Handleman: He stays there.

Mr. Deans: He can't lose money—in response to the interjection if I may. It is not possible to lose money because the Act itself allows for a pass-through of all reasonable fair costs. So he can't lose money.

Hon. Mr. Grossman: What's the rate of return base you are talking about?

Mr. Deans: The second is the affordability of rental housing.

Hon. Mr. Grossman: No answer.

Mr. Deans: I'm telling the minister right now that he doesn't need it.

Hon. Mr. Grossman: We don't need to act?

Mr. Deans: He doesn't need to study this. There is already provision for dealing with that in the existing Act.

Hon. Mr. Grossman: What about when they are losing money? They are entitled to break even.

Mr. Deans: I'll tell the minister what to do. If he would like to come on in and

stand up there and list for me the ones that are losing money, we'll consider whether or not there ought to be a change.

Ms. Gigantes: Just cite one.

Mr. Deans: Come in and show us. Where is the consideration?

Mr. Deputy Speaker: Order, please.

Mr. Deans: Would you please ask the minister to let me speak?

Mr. Deputy Speaker: I'd like to remind the members of the House that we are discussing the resolution whether or not this matter be sent to the committee. I wish that the members would confine their remarks to the resolution.

Mr. Deans: I agree with you, Mr. Speaker. Thank you very much.

Mr. Renwick: My colleague has the benefit of the cut and there's no thrust from the other side.

Mr. Deans: Having decided that the first of the criteria is already taken into account in the existing legislation, we go to the second. The second is the affordability of rental housing. Let me take members back to when we brought the bill in. It was clearly evident that the price of rental accommodation had reached the point where it was no longer affordable for I would say the majority. That allows it to be 50 per cent plus of the renters in the province of Ontario.

We had decided that that was the case. We had decided that we had to have legislation in order to attempt to maintain it within their capacity to pay. Nothing has changed. The only thing that has changed since then has been that there has been severe restriction placed on income by an act of the federal government, concurred in by the provincial government. There was no opportunity in that, incidentally, for a pass-through of legitimate costs.

What we did was we said that there should be, concurrent with that, legislation in the province of Ontario which took into account the fact that people's incomes were severely restricted as the result of the arrangement between the federal and provincial governments, and that, therefore, it was appropriate—

Mr. Martel: And you set up a phony election over it.

Mr. Deans: —to hold rents down to a level that would be within reach of the people's new income levels. We even went further and said that if the landlord found the costs rose at a rate faster than that allowed under the prices and wages review board

he or she could pass the increase on to the tenant. We took into account the possibility that perhaps certain costs would rise at a rate that would exceed the limits set by the Act. We afforded the landlord the opportunity to get that return in addition to what we had calculated would be a reasonable and fair return under normal circumstances. So therefore we don't have to study that at the moment, because in fact nothing has changed; the situation remains as it was at the time we brought the Act in, and it was fully debated, voted on and passed.

[9:45]

Then there's the adequate quantity and quality of rental housing. One doesn't have to be a genius to look at the fact as it exists. The government has opted out of building rental accommodation in the province of Ontario, virtually opted out. The government has decided it doesn't want to be in the housing business any more.

The private sector tells us, and it is right, that it is not building as many partments as it was before; but that slowdown was already in operation prior to the implementation of this legislation. There has been nothing that has happened in Ontario to improve the availability, quality and quantity of rental accommodation—nothing; no action by the government; no action by the private sector.

So if one were to look at it objectively you have to come to the conclusion, Mr. Speaker, that in that particular situation, with regard to quality and quantity of affordable rental housing, if anything the conditions now have deteriorated since the day we passed the original Act. There is no more available; there certainly may well be considerably less available. So we don't really have to go into that in the committee, because the answer to that is self-evident.

We then come to the resolution of landlord and tenant disputes. I want to tell the government, Mr. Speaker, through you, if it believes there are problems with the Landlord and Tenant Act, let it bring in the amendments. If it believes there are problems, let it bring in its amendments.

It doesn't require study. We all have had put before us the grievances of one faction or another, and so if the government believes honestly that there are problems with the Landlord and Tenant Act, let's not go through the charade, just bring the amendments in. We'll debate them; we may send them out to committee for consideration, and at that time, if there is any public input, as we did before we can invite the public then to come and pass judgement on the validity

of the amendments. Show some intestinal fortitude.

Hon. Mr. Grossman: But you told me only the landlords would come.

Mr. Deans: I'm just saying to the minister the landlords would be primarily the people who would come, but do it in the right way. If the minister believes—don't play games with me—

Hon. Mr. Grossman: You are playing the games.

Mr. Deans: If the minister believes there is something wrong with the Landlord and Tenant Act, then let him come on back to us with it and show us what changes he'd like to make and we will debate them with him. If he would like to send them out to the standing committee, we will of course agree to send them to the standing committee and they can be considered by the standing committee. If the standing committee, in its wisdom, believes there's need to allow for public representation, then of course that can be undertaken.

But we don't send the Landlord and Tenant Act out to be massacred. If the minister wants to change it, change it. His father would have changed it; he was a tougher man than the minister though.

Mr. Warner: He would have told it like it was.

Hon. Mr. Grossman: Aren't you glad you have a soft-hearted person like me?

Mr. Deans: He wouldn't have hidden—boy, do I remember him! He wouldn't even have discussed it, never mind hidden.

Hon. Mr. Grossman: And I run an open operation.

Mr. Deans: Then we come to what perhaps is the crux of the whole thing, the final of the criteria—government financial restraint. In there lies the answer to what's wrong, that's where the problem lies; because this government does not have, as one of its priorities, the provision of affordable housing for people. It doesn't have that, has never had that—all the way back to the days of Stanley Randall and his hearse. I'm telling you, I can remember him standing—he used to sit away over there, a very imposing fellow with his silver gray hair.

Mr. Martel: Selling washing machines.

Mr. Deans: He would stand up there, and in an hour or more he would tell us nothing.

Mr. Martel: But rant about the socialists.

Mr. Deans: I remember the discussions.

Hon. Mr. Grossman: See how things have changed.

Mr. Deans: I remember the discussions. How we tried to implant on his mind—

Mr. Van Horne: Is this the socialist version of Scientology?

Mr. Deans: How we tried to implant upon his mind the problems that were beginning to emerge in the housing field; how the government was complicit in the rapidly-rising land costs; how those land costs were detrimentally affecting the price of housing, and how the price of housing was rapidly getting out of the reach of the average individual. He did nothing.

Mr. Martel: He said it wasn't true. And the minister's predecessor told us we didn't understand.

Mr. Deans: Then he passed it over to a fellow called Grossman Senior. (Applause)

Mr. Deans: I'm going to tell the minister, I would applaud—

Hon. Mr. Grossman: Tell your colleagues.

Mr. Deans: He handed it over to Allan Grossman. In all fairness, judging by the minister's performance I am surprised that he is a relative.

Hon. Mr. Grossman: Who are you insulting? Him or me?

Mr. Martel: Both.

Mr. Deans: It is up to you.

Mr. Martel: Take your pick.

Mr. Deans: In any event, I remember him as the minister in charge of housing. He, too, couldn't see how the government was involved in the deterioration of the market, which was then inflicting upon people rapidly rising prices that well outstripped their ability to earn.

Then we moved to the member for Brock (Mr. Welch). He just passed through, in fact; he barely had time to open his briefcase before he was moved on.

Mr. Martel: He only got his sandwiches out.

Mr. Deans: Then, as I recall, we went to—

Mr. Martel: The member for Carleton (Mr. Handleman).

Mr. Deans: No, I don't think so. I think it was to the Hon. Donald Irvine.

Mr. Martel: No, it was the member for Carleton.

Mr. Deans: Was he next? Well, it just shows what an impact he had; I didn't remember.

Then there was Donald Irvine.

Mr. Martel: "You don't understand."

Mr. Deans: I remember him well. We went out together to look at the housing the government was building at the time. Boy, was that a disaster. If there was shoddy workmanship, the government would hire the man who would undertake the shoddy workmanship.

Ms. Gigantes: They still do.

Mr. Turner: Oh, come on.

Mr. Deans: If there was substandard materials to be used, the government would find the person who would use them.

Mr. Warner: Remember Bramalea.

Mr. Martel: Ross Shouldice.

An hon. member: How would you know?

Mr. Deans: I went and looked at them, time after time. I pointed out to the minister on numerous occasions the problems we were encountering in this province with certain builders who were not adhering even to the minimum standards. I kept telling the minister they were taking advantage of an unwary public and foisting upon the public a substandard product. But the minister kept letting them have the contracts, over and over. Gradually they moved out of business. The minister went to his home warranty program—it took so long to materialize; we tried for years to get it—but when it finally materialized, again he left it in the hands of the private corporations—

Ms. Gigantes: And they are the same people.

Hon. Mr. Grossman: It's working very well. Don't you think it is working well?

Mr. Martel: Come to Sudbury.

Mr. Deans: —and, once again, they turned around and gave immunity to all—those shysters. They were allowed to operate for yet another year while they got around to licensing them.

Ms. Gigantes: And they are still operating. You are still giving them low-interest loans.

Mr. Deputy Speaker: Order.

Mr. Turner: Oh, that's nonsense.

Mr. Deputy Speaker: Order.

Mr. Warner: A bunch of greedy corporate creeps ripping off the public.

Mr. Martel: Do you remember Irvine's favourite line? "You don't understand."

Mr. Deans: I understood; he moved on.

Mr. Martel: He packed up his sandwiches too.

Mr. Deans: Then we went from there to the current minister. No, it wasn't—

Hon. Mr. Grossman: You've got the wrong—

Mr. Deans: I am just coming to him; I forgot he had been moved. We went to the hon. member for Sault Ste. Marie. He was to rule over the elimination of the Ministry of Housing. It was his job to dismantle it, and dismantle it he did. At least when we started out we had some houses being built, now we have hardly any houses being built.

Then he passed it on to the member for Ottawa South (Mr. Bennett).

Mr. Martel: That was the final crowning glory.

Mr. Deans: Enough said. Anyway, all I am telling the minister is that we know the problem in Ontario. We do not require to study it. If the government wants to build houses and to get them on the market, if it wants to provide rental accommodation in sufficient quantity all across Ontario at a price people can afford, and then comes back and tells us that it would like to eliminate or drastically alter the rent review procedures that we now have in place, then we will take part in the government's game. We will play with the government, because then it becomes viable and sensible.

Ms. Gigantes: It's real.

Mr. Deans: If the government wants to come back and tell us that it has a program in Ontario for building houses within the range of what is established and calculated by most as the need in the province of Ontario—

Hon. Mr. Grossman: The charter says 100,000 a year.

Mr. Deans: It says 100,000 a year? Fair enough. Then show me the 100,000 a year and show me the houses that are in the market for those who are at low- and middle-income in the province of Ontario and I will say to you, fair ball, we are ready now to look at the rent review Act. At that point in time it makes some sense. In the meantime, if the government wants to alter the Landlord and Tenant Act, because it believes there are some injustices being perpetrated, then bring in amendments.

Hon. Mr. Grossman: We'll have them.

Mr. Deans: Bring in your amendments. But please don't ask us to play a game which can do nothing but be hurtful to the people who are not getting the benefit of decent accommodation at a price they can afford, the people who have been neglected for at least the 10 years that I have been here, and for probably longer than that, although I have no direct knowledge of that period of time prior to then.

Hon. Mr. Grossman: That never stopped you before.

Mr. Deans: At the end of all the development processes, if the government wants to make some changes, then that is fine. But this isn't the way, Larry. This isn't how it is done.

Mrs. Campbell: His name isn't Larry. That's unparliamentary.

Mr. Deans: I am just using "Larry" as one would use "Joe" or "Sam."

Mrs. Campbell: Harry, Tom or Dick.

Mr. Deans: Yes.

Mr. Deputy Speaker: Order.

Mr. Deans: It is important because we've got to draw the distinction at some point. There can be no further co-opting in this Legislature. It has gone far enough. This is not the process that this Legislature was set up for. It was never intended to be a place where we would get together as chums and chat about a number of options. It was a place where governments governed and provided leadership, where oppositions put forward alternatives and where the final vote determined how those matters would be dealt with.

Hon. Mr. Grossman: It is the same thing.

Mr. Deans: Then bring it in in its proper form and we will be happy to deal with it.

Mr. Rotenberg: I am just a little surprised that the debate has taken us two full sessions on a simple reference of a report to a committee for discussion. The present rent review legislation runs out at the end of the calendar year 1978. Before we continue it, replace it or do something with it, it seems to me incumbent upon all members of this House to have some discussion, to have some input and to find out what we are going to do.

The report we have before us gives some policy options. These aren't the only policy options. There may be other policy options. In fact, I hope there are some other policy options. I don't know why we shouldn't hear them. I am surprised at the NDP being against public discussion of these problems, against hearing from the people and against public input to get their thoughts on the problem.

Ms. Gigantes: Hang in there.

Mr. Makarchuk: Discussion never built houses.

Mr. Rotenberg: I want to know what are they afraid of?

Mr. Turner: Public discussion.

An hon. member: They don't want to take a position.

Ms. Gigantes: We will give you \$6,000 and you go out and look for a house.

Mr. Rotenberg: The NDP says that rent control is just fine as it is.

Mr. Martel: We didn't say that.

Mr. Rotenberg: But it is not just rent control we are talking about.

Mr. Warner: We didn't say that.

Mr. Rotenberg: It's the whole Landlord and Tenant Act.

Ms. Gigantes: Rent review.

Mr. Makarchuk: How come you are not talking about the speculators?

Mr. Rotenberg: They talk about the speculators and the land developers and so on. There are problems. One of the problems is that in order to get new affordable housing we have to have development. And when one wants to get development and when developments go before municipal councils who is it who is always opposing new developments? It's the same NDP supporters.

Mr. Makarchuk: That's nonsense and you know it.

Mr. Warner: That's absolute nonsense and you know it.

Mr. Deputy Speaker: Order.

Mr. Warner: There are over 5,000 serviced lots sitting in Scarborough and what doesn't bring them on stream? Land costs.

Mr. Deputy Speaker: Order.

Mr. Rotenberg: Sure, land costs are part of the problem.

Mr. Makarchuk: You are playing the game. You are expressing the mythology.

Mr. Rotenberg: Building costs are part of the problem. Building costs are part of the problem. Municipal regulations are part of the problem. Labour costs are part of the problem. There are a lot of problems.

Mr. Martel: What about speculation?

Mr. Rotenberg: One method of getting rid of some of the land problems is that if you have more and more developable land, serviced land, available land, buildable land, zoned land, you are going to bring down the cost of land.

Ms. Gigantes: Pray for it.

Mr. Rotenberg: Speaking in this debate on Friday, the member for Parkdale (Mr. Duksza) expressed "complete satisfaction with landlord-tenant law in Ontario as it now stands." That is what he said. Then he went on to make a number of suggestions for changes in rent review. I have looked over some of the suggestions. Some of them

have merit. I hope when this matter goes to committee some of these suggestions will be discussed by the committee and by the public. We have to discuss landlord and tenant rights. I know some people in this House think that the tenants are always correct and landlords are always wrong. But I think landlords do have a little bit of right.

Ms. Gigantes: Who said that?

Mr. Rotenberg: Landlords have rights.

Ms. Gigantes: Who said that?

[10:00]

Mr. Rotenberg: Landlords have rights to come before a committee. We have to listen to both sides. We have to assess what they want to say, not necessarily decide that one side or the other is right. But we shouldn't be setting up this artificial confrontation between landlords and tenants that some people in this House want to set up. We can hear both sides. Not always, but sometimes landlords and tenants agree on what should be done. We can solve some of these problems by co-operation and discussion, not by confrontation, because both landlords and tenants want changes.

When I talk about landlords, I'm not talking about Cadillac and Meridian. I'm talking about the people who own three units, who own triplexes, who own 10-suite-ers, the people who are on fixed incomes, the people on low incomes who happen to be owners instead of tenants, who live in one suite and rent the other two in their triplex. These people have to be heard from because these are the people who have problems.

Ms. Gigantes: You are going to call them before the committee?

Mr. Rotenberg: Cadillac and Meridian can look after themselves but some of these small landlords should be heard from who have problems.

Ms. Gigantes: Who are these small landlords going to be before your committee? Who's going to speak for them? You?

Hon. Mr. Grossman: Makarchuk.

Mr. Rotenberg: A few weeks ago, by a funny coincidence, on the same day I got two calls in my riding, one from a landlord and one from a tenant, both complaining about basically the same thing. The tenant complained he moved in, the stove didn't work, the landlord didn't clean up, the place was a mess. He couldn't get the landlord to do what he wanted him to do and what had to be done, what he agreed to do, and he really didn't want to go to court. He couldn't afford to take the landlord to court.

Mr. Warner: Did you fight for him?

Mr. Rotenberg: The same day I got a call from a landlord—

Ms. Gigantes: A small landlord.

Mr. Rotenberg: A small landlord, about four foot two. A small landlord.

Mr. Warner: Stop picking on short people.

Mr. Rotenberg: A landlord of a small building.

Mr. Deputy Speaker: Order.

Mr. Warner: You're embarrassing Larry. Stop picking on short people.

Mr. Rotenberg: Mr. Speaker, I'd be glad to take the member for Carleton East out for a drink after and we'll discuss this.

Ms. Gigantes: You try it, I'm busy.

Mr. Rotenberg: And then the landlord complained that a tenant moved in—

Mr. Warner: You're in trouble now.

Mr. Rotenberg:—and the tenant was keeping the place dirty and had, over a period of a month vandalized the fridge three times and under the Act the landlord had to fix the fridge. The landlord said, "What do I do? I can't afford to go to court. How do I take this tenant to court? How do I get my rights looked after?"

So we have to look at the Landlord and Tenant Act. We have to get input from landlords, from tenants, from everyone. We should talk about it.

Mr. Martel: Why don't we leave that with the Attorney General (Mr. McMurtry)?

Mr. Makarchuk: That's not part of the resolution.

Mr. Rotenberg: The NDP may be happy about the present Act, but I am not.

Mr. Warner: You didn't hear my speech.

Mr. Rotenberg: The resolution suggests that we send this report to the committee and look over both rent review and the Landlord and Tenant Act.

Ms. Gigantes: Bring out your policy, come on.

Mr. Rotenberg: The member for Parkdale spoke the other day and he indicated that all the tenants in his riding were happy with the present rent review situation.

Mr. Warner: Who said that?

Mr. Rotenberg: The member for Parkdale. He's happy. The tenants in my riding, and there are many of them, are not happy with the present rent review procedure.

Mr. Warner: Because it is loaded on the side of the landlord.

Mr. Rotenberg: They have complained to me and they want some changes. They are

tenants who are fighting their landlords and they aren't happy with the procedure. I think we have to review it. I want those tenants in my riding—if the member for Parkdale doesn't want his tenants to come forward, that's fine—

Mr. Warner: Oh, nonsense.

Mr. Rotenberg:—I want the tenants in my riding to be able to come to a committee to put forward their objections, to tell the members, all members, how they would like the rent review procedure changed.

Mr. Makarchuk: Time.

Mr. Rotenberg: The other day I got a call from a little old—an elderly female in my ward. She owns one piece of property. That's all she has in the world.

Ms. Gigantes: "Little old lady" you were going to say. Why don't you just say it?

Mr. Turner: He didn't say that.

Mr. Rotenberg: She's an elderly woman.

Ms. Gigantes: Where are your guts?

Mr. Makarchuk: Sexist.

Mr. Rotenberg: There are elderly couples. There are elderly men. But this just happened to be one elderly woman who called me. She owns a store with an apartment above it and she has problems with her tenants. When she went to her tenant, the tenant said, "Don't bother me. You're no longer the boss. I'm the boss."

Ms. Gigantes: Who is going to represent her before the committee? Are you going to represent her before the committee? Or will you let Meridian speak for her?

Mr. Warner: And you didn't understand the Landlord and Tenant Act.

Ms. Gigantes: Will you let Meridian speak for her?

Mr. Deputy Speaker: Order.

Mr. Rotenberg: I would very much hope, because I keep a record of the calls of people who call me—

Mrs. Campbell: He has had three calls.

Mr. Rotenberg:—and I have people who have said they'd like to come here and speak to a committee and tell their problems. I would like to see some of these landlords of small buildings come before a committee. As I said, Meridian and Cadillac can look after themselves. I'm not concerned about them. Maybe the members opposite are.

Ms. Gigantes: They won't be there, right?

Mr. Warner: You don't care. They can do what they please.

Ms. Gigantes: You guarantee that? They won't be there?

Mr. Makarchuk: You've got four minutes.

Mr. Rotenberg: The other party has spoken—it's had the floor for the last hour, Mr. Speaker. I'd like a few minutes.

Mr. Turner: The last two hours.

Mr. Rotenberg: There's another problem I think we should look at and that is the problem of the non-payers. There aren't that many of them but there are enough of them to be a problem. Again, you get a landlord who may have a six-suiter or a six-plex, or a three-plex, and someone comes and pays the first and second month's rent and then doesn't pay rent.

Mr. Warner: That's in the Landlord and Tenant Act.

Mr. Rotenberg: And the landlord, after a month of default, goes to court. The tenant gets a deferral.

Ms. Gigantes: What about rent review.

Mr. Rotenberg: Then the tenant puts in a list of things he thinks the landlord should have done and he gets another adjournment in court. Five months later, when it finally gets to court, the tenant packs up and disappears and the landlord is out five months rent. Now, you all know this happens, from time to time.

Mr. Warner: Go get a decent lawyer.

Mr. Rotenberg: It happens to people like Cadillac and Meridian.

Mr. Makarchuk: The sheriff refuses to serve summonses.

Mr. Rotenberg: It happens to people like Cadillac and Meridian and they simply pass the loss on to the other tenants. They don't pay for it. But when it happens to some of these smaller landlords, sometimes it is financial disaster.

This is something the committee should review and get input on. Maybe we should be looking at a system that where a tenant withholds his rent, possibly for good reasons, possibly not for good reasons—and a tenant should have the right to withhold rent if the landlord isn't doing what he should do, or isn't fulfilling the responsibilities — but when a tenant withholds rent and it becomes a court case, maybe we should look at the possibility of the rent being paid into court, so that if the judgement at the end of the day comes down on the tenant's side the tenant gets things done because the money is there to do it, and if the judgement comes down on the landlord's side, the landlord gets his rent. You wouldn't

then, Mr. Speaker, have the problem of many of these landlords of small buildings who suddenly are out a number of months' rent because the tenant—

Ms. Campbell: If you have all the answers, why don't you bring in the legislation?

Mr. Rotenberg: I am saying we should have a look at some of these things.

Ms. Gigantes: You have all the time in the world.

Mr. Makarchuk: You're to blame.

Mr. Rotenberg: I am wondering why some members of this House want to opt out of public discussion.

Mr. Hall: You know better than that, Larry.

Mr. Rotenberg: I don't think any member should restrict the input of ideas. Now the minister is honest; he said he doesn't have all the answers, he would like to hear from the public before bringing in legislation.

Ms. Campbell: We know that. He didn't need to tell us.

Mr. Rotenberg: We would like to have all-party input. There has been some—

Interjections.

Mr. Speaker: Order. Order.

Mr. Makarchuk: Since when did he not have any answers?

Mr. Rotenberg: Oh my.

Mr. Cassidy: You are abusing the minority government.

Mr. Rotenberg: In two days' debate some interesting ideas have come forth from all sides of the House. There are a lot of people out there, tenants and landlords, who want to bring in some ideas. As I say, the minister doesn't say he has all the answers, so on a co-operative basis let's send this to a committee. Have it studied. Have the people bring in what they think should be done, because my ideas or the minister's ideas or the opposition's ideas may not all be correct.

Let's hear from the people. Let's talk about it and then the government will bring in legislation.

Mr. Speaker: I suggest we support the motion and send this matter to committee for study.

Mr. Dukszta: Mr. Speaker, a point of personal privilege.

Mr. Speaker: The member for Parkdale on a point of personal privilege.

Mr. Dukszta: The member for Wilson Heights quoted me as saying that I was com-

pletely satisfied with landlord-tenant law in Ontario as it now stands. The exact phrase, is "Our opposition to the resolution is not based on complete satisfaction . . ." May I correct the member?

Ms. Gigantes: Mr. Speaker, the issue that is before us in this motion is an important one in the area which I represent and in neighbouring areas. In the city of Ottawa, which is the major centre in eastern Ontario, the majority of people are renters. In fact, that's one of the reasons the new leader of the NDP was elected first in 1971, because he understood the issue of housing and how important it was to people in eastern Ontario and especially in the boom town in eastern Ontario called Ottawa.

It is not only in the city of Ottawa where the issue of housing is a very important issue. As a matter of interest, because I am a curious, open-minded person, as most of the people who sit in this section of the House are, I put out a question in a riding report about a year ago, asking the people whom I represent in Carleton East whether they supported rent review.

Rent review—with all the foibles, with all the problems that the Conservative government has foisted upon Ontario since 1975; even that miserable kind of rent review, did they support it? And, Mr. Speaker, over a thousand people replied to that questionnaire. Most of those people, and I asked the question in the questionnaire, were homeowners, most of the people were homeowners. Carleton East is an area where most of the new housing that's been coming in has been condominium housing. Even among that group of people, the support for rent review, even as miserable as it has been since 1975 under the Conservative government, was overwhelming. I think that speaks to the kind of feeling that people in Ontario have about the issue of affordable housing.

Watch the member for Carleton (Mr. Handleman) this evening; he knows exactly the kind of area that I'm talking about.

Mr. Conway: Is this a new alliance?

Ms. Gigantes: This is a major growth area—Gloucester township—which is the major part of Carleton East, very much like the riding he represents. Those two areas have been in the major growth areas in the country of Canada over the last few years, and he knows exactly how important the issue of affordable housing has been. He and I have both watched in that boom town, in that growth centre, what working families have gone through to get affordable housing.

I watched him sit with his head on his hands, and I know he understands that the kind of issue that we're talking about here tonight is a very grave one, that concerns families in Ontario at a very profound level. It affects the circumstances of their lives.

He knows because he has gone through the long list that has been our Ministry of Housing list over the last several years. He's been one of them. He has attempted, as a representative of the Conservative government of Ontario, to come to grips with the issue of affordable housing. He knows how this government has failed.

I'm not an expert in government and I'm not an expert in housing, but the hon. member for Carleton, as I have, has watched the list of Conservatives sacrificed to the portfolio of Housing. Some of them have been very decent, able people; him among them.

Mr. Mancini: Name one.

Ms. Gigantes: I haven't watched provincial politics for a very long time—

Mr. Mancini: Shame on you; that doesn't sound like a New Democrat.

Ms. Gigantes: —but with the interest I've devoted to it, even since 1973, Mr. Speaker—

Mr. Mancini: It must be the new hairdo.

Ms. Gigantes: —I've watched a total of six people passing through the Ministry of Housing; and we end up, two ministers ago, with a declaration by the hon. member for Sault Ste. Marie (Mr. Rhodes), whose responsibility it was to look after affordable housing in this province, that he would not touch the rent review program and he foisted it off on the poor gentleman, the hon. member who represents Carleton—

Mr. Conway: The member for Carleton is not poor.

Hon. Mr. Grossman: But he's still honourable.

Ms. Gigantes: —who was honourably trying to carry out his responsibility as Minister of Consumer and Commercial Relations. The member for Sault Ste. Marie foisted off that responsibility. He said that he would not have anything to do with rent, administering a policy of rent review. And the poor member for Carleton, there he was.

Mr. Conway: Evelyn, he is not poor, get that on the record.

Hon. Mr. Grossman: Time!

Ms. Gigantes: What was he to do? He didn't believe in rent review. He didn't believe in rent review in spite of all he knew about the crisis in affordable housing, having lived in a growth area—

Mr. Conway: Sidney, we didn't know about this new alliance.

Ms. Gigantes:—having watched, having suffered with the people he represents over the issue of affordable housing. He didn't want to have to deal with it but it was foisted on him.

Mr. Handleman: I should have stayed home tonight.

Mr. Bradley: Who are your friends?

Mr. Conway: Sidney Handleman.

Hon. Mr. Grossman: Time!

Ms. Gigantes: And he eventually had to quit the cabinet, Mr. Speaker.

Hon. Mr. Grossman: Time!

Ms. Gigantes: I can't understand the kind of nonsense we're being given from the government side of the House on this issue. I really can't understand it. They talk about no rental housing coming on to the market. The fact is that any person who wants to build apartment units for rent—

Hon. Mr. Grossman: Mac, tell her it's time.

Ms. Gigantes:—in the province of Ontario ever since rent control has come in, has been able to do it without rent review, and has been able to do it recently with very large subsidies granted from the government.

There is no free lunch, they say; there is no free lunch, they tell us; but there is a semi-free lunch for a developer who wants to build apartments in Ontario. Still there are none being built, Mr. Speaker.

The only things that have been built over the last few years in Ontario, in terms of so-called affordable housing, which Conservatives call affordable housing, have been condominiums. The fact is that what's happening in the housing market right now, if Ottawa, boom town Ottawa is any indication—I suspect the same thing is true in Toronto, and we will document this, I am sure, during the discussion in the committee debate—

[10:15]

Mr. Conway: You are going to participate, are you?

Mr. Hall: Are you going to join in the debate?

Ms. Gigantes:—we will find that what has been happening is that condominiums—that great salvation for the lower-middle-income group in Ontario, that great answer to affordable housing in Ontario—condominiums, on which this minister does not dare to bring in legislation yet—

Hon. Mr. Grossman: It will be in by the end of the session.

Ms. Gigantes:—let me point out, Mr. Speaker—condominiums are now being rented wholesale in Ottawa to such an extent that the poor unfortunates who bought into condominium buildings within the last year or year-and-a-half, are sitting in buildings, perhaps 14 or 15 of them, with 100 units in the building, and those buildings have been sold to wholesalers who are now renting them and there's a flood of apartment units coming on, which this government wishes to stop. The Minister of Consumer and Commercial Relations talks about Alice in Wonderland; we are dealing with an Alice-in-Wonderland world.

Mr. Makarchuk: Read some of it into the record.

Ms. Gigantes: We are dealing with an Alice-in-Wonderland world on this issue.

Hon. Mr. Grossman: Get to your point; you were going to be five minutes, stick to your deal.

Mr. Sterling: What's your point?

Ms. Gigantes: We will, in this committee, discuss with the minister what is happening in the marketplace. In spite of what the government would tell us, in terms of the economics of this province and the magic of the budget and the mysteries of finance, the housing market is not a mystery, it is not a mystery at all. It is a question of who has the money and who has the power. What we are telling the government is we know who hasn't got the power—those people who are in desperate need of affordable housing. We are saying to this government, if it had any ideas, if it had anything to contribute—

Mr. Conway: Is Michael Cassidy an equal opportunity landlord?

Ms. Gigantes:—in the way of policy, we would prefer, much prefer, to see a government worth its salt put out its legislation and its policy before us. Then we would discuss it with full heart. But if the government wants us to come into a committee to try to provide it with policy, we will come in and tell it the facts of life about affordable housing in the province of Ontario and how it has failed to provide it over the last five years.

Hon. Mr. Grossman: Mr. Speaker, to wind up this debate after 12 readings of the same speech on the NDP side, won't take very long.

Hon. Mr. Welch: Just the punctuation has been changed.

Mr. Renwick: Oh, come on.

Mr. Cassidy: You are as bad today as you were last week.

Hon. Mr. Grossman: I wanted to refer the members of that party specifically to some of the parts of the earlier debates that perhaps they were out of the House for in 1975 and 1976.

Mr. Renwick: No we weren't, we were right here. There wouldn't be a rent review bill without us.

Hon. Mr. Grossman: They were talking, at that time, they were complaining about the Tories not giving enough notice. From Hansard, December 15, 1975, I quote: "I must say I would really appreciate it if, whenever we do another bill, he"—that is the Minister of Housing—"tries not—

Ms. Gigantes: Where's the bill?

Hon. Mr. Grossman: "—to use the kamikaze approach to legislation." That was Michael Cassidy, that was the member for Ottawa Centre—

Mr. Renwick: Where is the bill?

Hon. Mr. Rhodes: You were criticizing me for bringing it in.

Hon. Mr. Grossman: —in 1975 complaining about our kamikaze approach.

Ms. Gigantes: Where's your bill now?

Hon. Mr. Grossman: Look, the member used more time than she promised to; now why doesn't she sit there and show me some courtesy while I say my wrap-up remarks—

Mr. Conway: Larry, you are a chauvinist.

Hon. Mr. Grossman: —in half the time her party promised me I would have? Now show some courtesy and just listen to the eight minutes I have, thanks to her over-going her time limit.

Mr. Renwick: How can we do it?

Hon. Mr. Grossman: Secondly, that party goes on to tell us how they are afraid that open hearings are going to be tilted in favour of landlords; some approach to take.

The member for Wentworth went on. He didn't want hearings, he liked the old system where we didn't have open hearings, where we didn't invite the public in. Well I like the new system. I like asking the public to come in and have input.

Ms. Gigantes: He didn't say that.

Mr. Cassidy: You sit for two years and then you come and give the legislation two months.

Hon. Mr. Grossman: Well, I am interested to hear the leader of the NDP say that.

Mr. Renwick: It's not a new system and you know it. You have never consulted the public on any issue before.

Hon. Mr. Grossman: Because I ran his earlier remarks—

An hon. member: A new Cassidy approach.

Mr. Renwick: You never consulted the public on any issue before. Don't give us that nonsense.

Ms. Gigantes: Where's your bill?

Hon. Mr. Grossman: I want to read from Hansard of December 3, 1976, in which the member for Ottawa Centre was talking about rent. "The matter could be referred to a standing or a select committee of the House to hold hearings"—imagine that—"and listen to tenants and landlords and the public during the month of January and early February."

Mr. Renwick: That was after the bill was introduced. You put a bill into the House—

Hon. Mr. Grossman: I wish the member for Wentworth were here. He goes on to say "to get their views and ensure that people across the province know what the continuation of the rent review process is going to be."

Ms. Gigantes: On a bill.

Mr. Renwick: You are no longer a government.

Hon. Mr. Grossman: At that time the member for Ottawa Centre was begging this government to have a committee, a standing or select committee. It didn't matter, but just let's have one, to use his words. I quote directly the member for Ottawa Centre.

Mr. Cassidy: On a point of privilege.

Mr. Speaker: Order. I don't know how you could have a point of privilege, I couldn't hear what was going on.

Mr. Cassidy: Could the minister read the page from which he is reading in Hansard, please?

Mr. Speaker: That's not a point of privilege. If we are going to get through this item of business by 10:30, I hope all members will co-operate and allow the hon. minister to complete his remarks uninterrupted, please.

Mr. Renwick: If he'd just sit down, we could have the vote.

Hon. Mr. Grossman: I don't want the page number to get lost because I want them to work at it overnight and issue a press release tomorrow morning, explaining that they didn't really mean it then or don't really mean it now. It's page 5367. All the researchers in the back there, go and get it so the press release maybe can even be out in the early Globe and Mail in the morning. In any case, what the heck! That was a year and a half ago. He wasn't even

the leader of the party then, and we ought not to refer back to it.

Mr. Cassidy: On a point of privilege, Mr. Speaker.

Mr. Speaker: A point of privilege.

Mr. Cassidy: I would like to bring to the minister's attention, because he has misquoted me, that back in December 1976 I said that the government should put its proposals before a committee of this Legislature and that the committee of the Legislature look at its proposals. He is misrepresenting the position I took at that time.

Interjections.

Hon. Mr. Grossman: Mr. Speaker, the words speak for themselves. The member will have to live with the words he spoke a year and a half ago.

Mr. Eaton: All that talking you've done in Hansard is going to come back to haunt you, boy.

Mr. Cassidy: On a point of order.

Mr. Speaker: What is your point of order?

Mr. Cassidy: On page 5372 on December 3, 1976, I said and I quote: "We believe it is only fair to tenants and landlords that the government acts now and that it allow its proposals to go to public scrutiny and public hearings now or in January." That's what we said then, Mr. Speaker, and the minister should not misrepresent.

Ms. Gigantes: Where are the minister's proposals?

Hon. Mr. Grossman: If the member for Ottawa Centre had been here a few minutes ago, he would have heard the man he beat for the leadership, the member for Wentworth, say he didn't want public hearings, that they would be dominated by landlords and that he was against the process. Compare those remarks with the remarks that I have just quoted, word for word, accurately. Live with them.

Finally, I sat here and listened among all the other silly remarks—

Mr. Makarchuk: It's about time someone else got the flak besides the Treasurer (Mr. McKeough).

Hon. Mr. Grossman: —to the member for the coffee belt. He was up earlier, for the first time on something other than the Municipal Elections Act, quoting figures of rent review increases that have been allowed. He had no specifics. He gave us 12, 14, 19, 26, 28, 30 per cent, every figure that came to his mind—

Mr. Renwick: He is always accurate. Do you remember coffee prices or not?

Hon. Mr. Grossman: —as though there was something wrong with those percentage increases.

Mr. Renwick: Do you remember your first failure as minister on the coffee prices?

Hon. Mr. Grossman: I thought he would be interested in an interview that the member for Ottawa Centre had. Why don't you sit and listen?

Mr. Speaker: Order.

Hon. Mr. Grossman: Mr. Speaker, I am entitled to the last two or three minutes.

Mr. Speaker: The member for Riverdale will please come to order.

Hon. Mr. Grossman: I just want to read into the record a part of an interview between the member for Ottawa Centre and Elizabeth Gray on the CBO Morning Show. Get it, members of the NDP research. He went on to explain that a lot of the leases in Ottawa were two- or three-year leases, in which case perhaps a 19 per cent increase was suitable. How about it, folks?

Interjections.

An hon. member: That's six per cent a year.

An hon. member: That's over three years.

Hon. Mr. Grossman: Mr. Speaker, in conclusion, the contradictions are all over the record.

Interjections.

Hon. Mr. Grossman: So they won't have more contradictions they don't want to go to this committee—

Mr. Warner: You spend your whole time twisting words.

An hon. member: Highly irresponsible.

Hon. Mr. Grossman: —whose remarks will be recorded in transcripts. This is a watershed in the history of the NDP.

Interjections.

Ms. Gigantes: Can you divide by three?

Hon. Mr. Grossman: It's the point at which someone said, "Hey, do you think you can play this ball game? Here's the ball for a few minutes." As soon as it was thrown, they said, "What? No, not me. I prefer to sit in the stands as a spectator. I prefer to condemn and criticize—"

Mr. Deans: No, we'd prefer not to destroy the process.

Interjections.

Hon. Mr. Grossman: "—but for heaven's sake, don't ask me to participate." That's why this is a watershed.

Interjections.

Hon. Mr. Grossman: Mr. Speaker, I urge adoption of this resolution.

(Applause).

Mr. Deans: Just because you are chicken.

Mrs. Campbell: Mr. Speaker, on a point of clarification.

Mr. Speaker: Order. The hon. member for St. George.

Mrs. Campbell: When I was addressing this assembly on this matter, I asked the minister if in his reply he would give to this House some commitment that the Housing minister would also be available at the committee. He has not replied. May I now ask if he is prepared to reply to that question?

Mr. Conway: It's your chance to make poor Claude feel like a somebody.

Hon. Mr. Grossman: Mr. Speaker, in spite of the rudeness of the member for St. George when she posed that question a few moments ago, I want to indicate to her that if I had the power to produce the Minister of Housing I would perhaps consider that request. However, if she has taken a moment to read the terms of reference instead of growling about the whole thing, she would have discovered—

Interjections.

Hon. Mr. Grossman: —that the committee has all sorts of powers and the members may feel free to call whomever they wish and they may decide to take that step.

Mr. Warner: Unparliamentary language.

Interjections.

Mr. Speaker: Order please.

Interjections.

The House divided on government notice of motion 11, which was approved on the following vote:

AYES	NAYS
Auld	Bounsall
Belanger	Breaugh
Bernier	Bryden
Birch	Cassidy
Bradley	Charlton
Breithaupt	Cooke
Brunelle	Davidson
Campbell	Davison
Conway	Deans
Cunningham	Dukszta
Cureatz	Fonlds
Drea	Germa
Eaton	Gigantes
Elgie	Mackenzie
Epp	Makarchuk

AYES

Gaunt
 Gregory
 Grossman
 Haggerty
 Hall
 Handleman
 Havrot
 Henderson
 Hodgson
 Jones
 Kerr
 Lane
 Leluk
 MacBeth
 Macek
 Mancini
 McKeough
 Miller, G. I.
 Newman, W.
 Newman, B.
 Nixon
 Norton
 Parrott
 Pope
 Rhodes
 Riddell
 Rotenberg
 Rowe
 Ruston
 Scrivener
 Snow
 Stephenson
 Sterling
 Sweeney
 Turner
 Van Horne
 Villeneuve
 Walker
 Welch
 Wells
 Worton
 Yakabuski—57.

Ayes 57; nays 23.

Resolution concurred in.

Mr. Speaker: I have been asked to announce that sessional paper 13—that's what the debate was all about—

Hon. Mr. McKeough: Thank you, Mr. Speaker.

Mr. Speaker: —will be referred to the general government committee at 10:30 tomorrow morning.

On motion by Hon. Mr. Welch, the House adjourned at 10:40 p.m.

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 McClellan
 Renwick
 Samis
 Swart
 Warner
 Wildman
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No. 30

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Second Session, 31st Parliament

Thursday, April 6, 1978

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 6, 1978

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

MILTON JAIL

Hon. Mr. Drea: Mr. Speaker, I wish to announce the intention of my ministry to close, later this spring, the century-old Milton Jail.

All of our complement staff at the jail have been offered alternative employment with my ministry. It is expected that most of the 19 staff will move to the Maplehurst Correctional Centre/Adult Training Centre, itself situated in Milton.

Milton Jail is only 25 miles from the Hamilton-Wentworth Detention Centre which, when opened shortly, will have bed space available to accommodate the average daily number of approximately 40 inmates from this jail. Inmates from the Halton and Peel regions will eventually be housed in the Milton Detention Centre, currently scheduled to be available in 1983. This centre will be constructed on the Maplehurst Correctional Centre site, which is already serviced for this purpose.

The closure of the Milton Jail will effect a saving to my ministry of approximately \$400,000 in 1978-79 and \$493,000 each year thereafter. There will also be a considerable saving to the Ministry of Government Services since substantial expenditures would have been required for renovations to keep this antiquated jail operating.

This will be the seventh 19th-century jail which I have closed since my appointment as minister last September. The others are the old Don Jail in Toronto and the jails in Orangeville, Simcoe, Kitchener, Guelph and Hamilton.

I would also like to give credit to my predecessors who, in the period between May 1971 and the date of my appointment, closed 13 antiquated facilities. These were the jails in Brampton, London, St. Thomas, Woodstock, Welland, St. Catharines, Cayuga, Goderich, Ottawa, Kingston, Napanee, Belleville and Picton. In addition to these 20 closures, upgrading of facilities was carried

out at other jails, including major renovations at such institutions as Brockville Jail.

As I have indicated on a previous occasion in this House, I believe this government can be justifiably proud of its jail replacement and renovation program, which was set in motion when the province took over full responsibility for the operation of county and city jails in 1968.

Mr. Deans: With any kind of luck, you'll be out of work pretty soon.

PAPER MILL CONTROL ORDERS

Hon. Mr. McCague: I have a rather long answer to a question asked recently, Mr. Speaker, and I would like your permission to read it.

Mr. Speaker: I think it's for the hon. member for Huron-Bruce (Mr. Gaunt). I spoke to the Minister of the Environment, and perhaps the hon. member would waive the provisional order requirement that he must be provided with a copy of a ministerial statement in advance. We decided this was the best way to handle it because of the length of the answer to a multiple question.

Mr. Gaunt: I am quite prepared to do that, sir.

Mr. Nixon: Murray's easy to get along with.

Hon. Mr. McCague: Mr. Speaker, I'm sure the hon. member would agree to that, especially since I anticipated the ruling you might give and gave him an answer two days ago—the same one I'm going to give you today.

Mr. Deans: Then why didn't you produce a copy?

Hon. Mr. McCague: In response to the question—and it was first posed by the NDP critic for Environment, the hon. member for Beaches-Woodbine (Ms. Bryden)—concerning control orders under the Environmental Protection Act on the Abitibi Forest Products Limited Thunder Bay division and Sturgeon Falls division mills, and the Abitibi Paper Company Limited Fort William division, I am pleased to advise that the requirements of these orders have been met.

The applications for approval for assistance to reduce suspended solids in the effluent from the Thunder Bay and Fort William division

mills were submitted by the required deadline of March 30, 1978. Similarly, the report from the Sturgeon Falls division mill on means of reducing phenol loadings from the press runoff was received March 31, 1978.

In response to a supplementary question from the hon. member for Huron-Bruce, I would point out that the control orders on the three Abitibi mills in Thunder Bay require these mills as a group to take actions to reduce their collective discharges of BOD loadings. The first of these actions is required of the Abitibi Forest Products Limited Provincial Paper division Thunder Bay mill by June 30, 1978. Other major changes in Thunder Bay to reduce the BOD loadings are required by December 31, 1980, and December 31, 1982. Accordingly, there is no cause to consider charging the company under these orders at this time.

I might add that the company has proposed to meet the first of these obligations by shutting down its sulphide pulping operations at the Provincial Paper mill by June 30, 1978. We understand the other reductions required by the end of 1980 and 1982 will be achieved by major changes in the pulping processes used.

The hon. member for Huron-Bruce, in his question, appeared to imply violations by Abitibi Thunder Bay with respect to BOD emissions per se. The orders specify an overall reduction in BOD emissions or loadings from the three mills at this location to approximately 39 tons per day by the end of the term of the orders on December 31, 1982. There are no other BOD loading requirements that the company must meet at the present time.

It may be that the hon. member for Huron-Bruce is referring to BOD loading objectives which were identified in the ministry's report issued in September 1976 and titled, *Alternative Policies for Pollution Abatement—The Ontario Pulp and Paper Industry*. This report contains a table listing BOD and suspended solid loading from all pulp and paper industry mills in the province and identifies BOD and suspended solid loading objectives for them.

It should be noted that these objectives were not produced for regulatory purposes. They were produced from a special internal study in 1973 to permit rough estimates to be made of the ultimate cost of pollution abatement facilities to deal with these two effluent parameters alone and to put some degree of perspective on this cost and the overall environment problem associated with the industry. They were included for a similar purpose in the 1976 report. They were developed

using a number of different approaches such as water quality requirements and what then appeared to be the best available abatement technology. In the latter case, there was no evaluation of whether or not the best available technology would necessarily be practicable in individual cases.

My ministry intends to continue to press this industry for substantial pollution abatement improvements wherever environmental problems are encountered. However, the factors we will consider in setting priorities for such works at individual mills will include, in addition to suspended solids and BOD, other waste water factors such as toxicity to fish and taste- and odour-impairing properties, and those associated with gaseous and particulate emissions to the air environment.

ONTARIO STATUS OF WOMEN COUNCIL

Hon. Mrs. Birch: Mr. Speaker, earlier today I deposited with the Clerk, copies of the third annual report of the Ontario Status of Women Council. The report covers the period ended March 31, 1977. I am sure that most members of this House are aware of the excellent work this council has done since it was appointed some four years ago, and I want to thank the members of the council for the very fine work they are doing.

PROCEEDINGS AGAINST MEMBER

Mr. Speaker: Before we get to oral questions, on Tuesday, April 4, the member for Huron-Middlesex (Mr. Riddell) raised a matter of privilege and asked me to take such action as I deemed to be appropriate.

I have carefully perused the Hansard report of Mr. Riddell's statement, and from the facts as presented by him there appears to be at least a presumption that several offences against the provisions of section 38 of the Legislative Assembly Act may have been committed, not only by the service of these documents during the prohibited period, but also by the service of such documents in the precincts of the House without the permission of the House or the Speaker.

However, I must again remind the House that if any further action is to be taken in this matter it must be taken by the House. The Speaker has no authority to impose any sanctions on offenders. Only the House has such power.

Mr. Renwick: Mr. Speaker, I move the referral of this matter to the procedural affairs committee.

Mr. Nixon: The matter was raised by my colleague, Mr. Speaker—

Mr. Deans: But there's a motion on the floor.

Mr. S. Smith: He didn't have to do it.

Mr. Nixon: Since the motion has been put by the hon. member for Riverdale, I would ask your permission, sir, to put forward a motion on behalf of my colleague which would move the matter to the appropriate committee of the House.

Mr. Speaker: We have two motions, it would appear. The hon. member for Riverdale—

Mr. S. Smith: He didn't have the floor; he wasn't recognized, Mr. Speaker. You were still standing.

Mr. Speaker: He really wasn't recognized, although I didn't deny him the right to speak. Would the hon. member for Riverdale defer, to the hon. member for Brant-Oxford-Norfolk, the sum and substance of the motion?

Mr. Renwick: Always, Mr. Speaker.

[2:15]

Mr. Nixon: Mr. Speaker, because of your ruling, I would move, seconded by Mr. Worton, that the matter of the service of documents pursuant to the Libel and Slander Act and the Labour Relations Act on the member for Huron-Middlesex, contrary to section 38 of the Legislative Assembly Act, RSO 1970, chapter 240, stand referred to the standing committee on procedural affairs, for which inquiry the committee may be empowered to engage counsel and which proceedings shall be transcribed and printed by Hansard in the format used for the House.

The committee shall be empowered to call for persons, papers and things and to examine witnesses under oath pursuant to section 35 of the Legislative Assembly Act and for which purpose the assembly doth command and compel the attendance before the said committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations for which the hon. the Speaker may issue his warrant or warrants.

Motion agreed to.

ORAL QUESTIONS

Mr. S. Smith: Before I ask any questions, Mr. Speaker, might I inquire of the government House leader as to the whereabouts of the Minister of Health (Mr. Timbrell) and the Treasurer (Mr. McKeough)?

Mr. Breaugh: They're hiding.

Mr. Martel: That is the hon. member's first question.

Hon. Mr. Welch: Mr. Speaker, I can't be precise as to their whereabouts but I think their ultimate destination is here.

Mr. Ruston: But the hon. House leader is not sure about that, though.

Mr. S. Smith: I can only assume that as usual they are circling, looking for a place to land.

Mr. Speaker: The Leader of the Opposition with his second question.

Mr. S. Smith: I will therefore reserve my questions, Mr. Speaker, with your permission, until the arrival of those two hon. gentlemen.

HARTT INQUIRY

Mr. Cassidy: I first have a point of personal privilege to you, Mr. Speaker. I would like to point out to the Premier that contrary to what he said on Tuesday when he suggested I was not being constructive about the Hartt commission report and that the native peoples really supported the report, it has been greeted with great disappointment by both Chief Andrew Rickard from Treaty Nine and Chief Peter Kelly from Treaty Three. I just want to record that, and I hope the Premier doesn't make that kind of mistake in future.

Hon. Mr. Davis: Mr. Speaker, speaking to the point of personal privilege, I would only inform the hon. member that I can't speak for Chief Kelly, but Chief Rickard was in my office when the concept of the three-pronged—or whatever terminology one may use—study of this matter was discussed—

Mr. Cassidy: John Kelly, I am sorry.

Hon. Mr. Davis:—and I have to inform the members of the House that Chief Rickard was totally in support of that recommendation.

Mr. Martel: That is not what he said in the paper.

Mr. Cassidy: I would just say that that is not what Chief Rickard had to say in the paper.

AUTO PACT

Mr. Cassidy: I do have a question now of the Premier. Will the Premier make a statement on his meetings these past few days with the heads of major automobile producing companies and, in particular, what consequences those meetings may produce in terms of ensuring a better balance of employment

and production between Canada and the US in the automobile industry?

Hon. Mr. Davis: Mr. Speaker, I met this week with one of the companies; I am meeting with another this afternoon. Perhaps early next week, if the hon. member wanted to ask me the same question, which I think is a very proper question, I would be in a better position to answer after I finish these discussions.

Mr. Cassidy: I have a supplementary. Could the Premier say with which company he has met now and give us an ongoing report on that particular meeting and we'll take the rest as they come?

Hon. Mr. Davis: I think it would be more appropriate if we discuss this matter after I've met with all of the companies.

Mr. Cassidy: I'll have to let that one ride then.

SALE OF MORTGAGES

Mr. Cassidy: I have a question of the Treasurer, now that he has come into the House. No, I will address this to the Minister of Housing since he doesn't get much attention and he should have some more.

Mrs. Campbell: Why?

Mr. Cassidy: Mr. Speaker, I want to draw to the minister's attention that the government has begun to sell off the Ontario Mortgage Corporation's mortgages. I want to ask the Minister of Housing, now that the government has begun to sell off these HOME and condominium mortgages which stem from 1976, 1977 and 1978, and in view of the fact that the sale carries with it no obligation on the part of the buyers of those mortgages to renew mortgages on the below-market interest rates at which they were issued over the past three years, can the minister say whether the government has informed the 1,072 families immediately concerned that their mortgages are being sold? Can the minister also say what will be the consequences to those people when they are asked to renew mortgages at rates very considerably higher than the rate at which they took them, particularly in view of the fact that they were offered special mortgage financing at below market interest rates when they took out those mortgages?

Hon. Mr. Bennett: Mr. Speaker, very clearly, the mortgages will be sold on the same conditions as prevailed at the time that they were originally entered into and the purchasers of those mortgages will not be bound to any terms different from those the Ontario

Mortgage Corporation itself would have been bound to at the time of renewal.

Mr. Cassidy: Does the minister not feel the government has any moral obligation to the people who took out those mortgages and who were enticed into taking those mortgages with large ads like this, which appeared only one year ago tomorrow and which said and I quote: "Special mortgage financing at below market interest rates"? Were those people not being offered 35-year amortization on mortgages and do they not have the right to expect that that kind of mortgage financing would continue over the life of that agreement?

Hon. Mr. Bennett: Mr. Speaker, I am sure if the leader of the third party had been listening to the answer he would have interpreted it properly. I said those purchasing the mortgages will live with the terms and conditions under which the mortgages were originally entered into. If they happen to be five-, 10-, 15- or 25-year mortgages those are the conditions under which the new companies will purchase them and they will honour the terms and conditions as set down by the Ontario Mortgage Corporation.

Mr. Cassidy: Since the mortgages were originally offered on a five-year term, 35-year amortization, and since the interest rate originally offered was substantially below market in order to allow people who couldn't afford market housing to get homes of their own, was it not the intention of the Ontario Mortgage Corporation just one year ago, as recently as that, that this kind of financing would continue for a lengthy period of time and not just for the five-year period, or if OMC and the government intended that financing concession to extend for only five years, should they not have been telling those purchasers so that they knew where they stood?

Hon. Mr. Bennett: Mr. Speaker, the terms and conditions were very clearly spelled out. I have said that three times now. We indicated clearly what the interest factor would be in the initial term of the loan. It was also indicated that the mortgage would be for a 35-year period renewable on five-year terms or whatever it might be. Some of the HOME mortgages happen to be for a 25-year complete term without a renewable period and that's the way those mortgages will be sold. In other words, we have said to the HOME purchasers, "In the first five years there is a mortgage break for you and they will be renewed at the end of the five-year period on terms and conditions set by the market."

Mr. Makarchuk: Supplementary: Would the minister indicate at this time what he expects those people to do when they get around to renewing their mortgage at the expiration of the five-year term and they will not be able to afford a mortgage at the current interest rates?

Hon. Mr. Bennett: Mr. Speaker, I do not intend to project myself into a hypothetical situation.

Mr. Wildman: You are a hypothetical minister.

Hon. Mr. Bennett: You are a vanishing member, too.

Mr. Deans: Supplementary: Without dealing in hypothetical situations, I would like to ask the minister whether or not the ministry has conducted any study of those persons who took advantage of the mortgage break that was offered to determine whether or not their financial position, which was taken into account at the time they qualified for the reduced mortgage, has improved to the point where they will be able to go into the private mortgage field and find mortgages at a price they can afford to pay, or will they, as I suspect, be faced with the possibility of having to sell the homes because they can't meet the additional payments?

Hon. Mr. Bennett: Mr. Speaker, the latter part I do not believe will happen, that they will be looking at selling their homes. There will be mortgage money and the companies that will be purchasing the mortgages—

Mr. Makarchuk: Where is it?

Mr. Deans: Have you studied the mortgage market?

Hon. Mr. Bennett: Mr. Speaker, if I could finish the answer to the question, unless they prefer to answer it themselves—

Mr. Deans: I don't want to answer it, no.

Hon. Mr. Bennett: —the mortgage corporation has re-examined the mortgages—and may I say they have been gone over very carefully by our corporation—to make sure that the best qualified mortgages for replacement under the free-market position are being made available at this time and the conditions will be as prevailing in the market at the time.

Mr. Makarchuk: That's right, and they can't afford that.

Hon. Mr. Bennett: I'd be wrong to try to project or assess what some people's incomes might be at the end of the first five-year period, any more that it has been possible in the free-market position.

Mr. Deans: Aren't you glad you are out of that ministry, John?

OMA-OHIP FEE SCHEDULES

Mr. S. Smith: A question for the Minister of Health regarding the negotiations with the Ontario Medical Association: Can the minister tell us whether there has been any suggestion from the OMA that the health insurance legislation be changed to allow opting-in doctors to bill their patients for the amount that is above the OHIP scale, or permit doctors to opt in for some of their poor patients and opt out for wealthier ones? Have those suggestions been brought forward at all and, if so, has the minister made it very clear that the government will not permit this to happen?

Hon. Mr. Timbrell: Inasmuch as the negotiations are going on this afternoon—even as we speak, I think—I would prefer not to comment on those at this time.

Mr. S. Smith: By way of supplementary, do I take it that such a possibility might even be entertained by the Ministry of Health—that you have not, in fact, completely ruled that out as a possibility?

Hon. Mr. Timbrell: Mr. Speaker, five years ago, the government and the OMA agreed we would thereafter enter into good-faith bargaining on an annual basis. The Leader of the Opposition and others can postulate all kinds of things and suggest that they are in or out; I intend to live up to that commitment to good-faith bargaining, and the way we are going, the whole thing could end up here on the floor of the House before we even arrive at some kind of conclusion. Certainly, once the negotiations with the Ontario Medical Association are concluded, I will be glad to discuss what has gone on.

Mr. Nixon: Fait accompli.

Mrs. Campbell: Fait accompli.

Hon. Mr. Timbrell: But I don't think it would really serve the interest of the people whom we both serve if we don't let those negotiations carry on as constituted.

Mr. Cassidy: In addition to the minister's commitment to act in good faith in discussions with the doctors, will the minister assure the House that he will also act in good faith in relation to the people who are consumers of medical care in the province of Ontario, in particular because thousands, if not hundreds of thousands of them, will be excluded from balanced billing proposals which the doctors have put forward and which would have the result of bringing in a disguised form of deterrent fee in the province?

Hon. B. Stephenson: That is absolute balderdash, Cassidy; you know not whereof you speak.

Hon. Mr. Timbrell: It goes without saying that the government which introduced hospital insurance into the province, that the government which introduced medical insurance into the province—

Mr. Swart: Dragged into it, is the word.

Hon. Mr. Timbrell: —will ensure that the interests of the people are in fact looked after in the best way possible.

Mr. S. Smith: By way of supplementary, Mr. Speaker: In view of the minister's statements on Friday concerning a separate OHIP schedule of benefits and a separate OMA fee schedule, is the minister now suggesting that the government is prepared to give government approval to both such scales? The minister will recall that he said we could anticipate that there will be two separate scales. He mentioned this on Friday. Would both of those scales have government approval, once they are negotiated?

Hon. Mr. Timbrell: First of all, let me repeat what I said on Friday—in fact, what I said at the time the negotiations began—that is that the government is not going to pay 36 per cent more for the services listed in the schedule. Secondly, if you will recognize that by law—unless you would prefer to change this law or to make it illegal—the Ontario Medical Association has always had, and I think should always have, the right to write its own fee schedules to indicate what its members, as responsible people, think they are worth. I know some members opposite would almost like to make doctors civil servants—

Interjections.

Hon. Mr. Timbrell: —I was pointing that way, it's all right, calm down. The hon. Leader of the Opposition used the term "have government approval." The law is such that they have the right to write their own fee schedule. The law is such that the government has the right to say we are not going to pay 36 per cent more. Both of those things have happened.

Mr. S. Smith: A brief supplementary: The minister may not be aware of the import of the question. Is the minister aware that if the OMA writes its own schedule and receives government approval for it, it is then able to charge in accordance with the schedule without running afoul of the Combines Investigation Act; whereas, is the minister aware and has he conveyed to the OMA that, if they have their scale without government approval, they might run afoul of that particular Act—the Combines Investigation Act?

[2:30]

Hon. B. Stephenson: Where has the member been for 10 years? He is misinformed, ill-informed and unaware.

Mr. Deans: He's been on fee for service for 10 years.

Interjections.

Hon. Mr. Timbrell: To the best of my knowledge, the Combines Investigation Act doesn't enter into it at all. If the member is suggesting it does, I'd be interested to know in what respect he'd suggest that. Then we'd be prepared to look at that angle. I'm sure that the Ontario Medical Association have certainly considered that because they have excellent counsel themselves.

Mr. S. Smith: As a final supplementary, Mr. Speaker or at least as a final supplementary from myself though maybe others have supplementaries—

Mr. Speaker: It probably will be the final supplementary.

Mr. S. Smith: In your wisdom, sir.

Mr. Speaker: We've had six now.

Mr. S. Smith: Since the proposals that I asked about in my original question—namely, the thought that the OMA might be asking for the rights for opted-in doctors to bill for the amount above the OHIP scale and for other doctors to be able to opt in their poor patients and opt out their wealthy ones—would each involve amendments to the Health Insurance Act, how can the minister come to this Legislature and say that such amendments are negotiable with the OMA before they're discussable in the Legislature?

Hon. Mr. Timbrell: With respect, the hon. member is trying to put words into my mouth.

Mr. Bolan: That's easy to do.

Mr. Deans: Either that or keep it closed.

Mr. McEwen: Why would he? The minister has his foot in his mouth. He could get both feet in there too.

Hon. Mr. Timbrell: I understand that he would perhaps do like the people to his left, virtually make doctors civil servants and dictate their incomes to them.

Hon. Mr. Rhodes: Hey, look, the member for Frontenac-Addington (Mr. McEwen) is back. Did we have a by-election?

Hon. Mr. Timbrell: With respect, Mr. Speaker, including silent Earl back there, I'm sure the member would want us to bargain in good faith and not to destroy those negotiations which have gone on very well for four years and we're now in our fifth. As I said earlier, I think we should let those negotiations carry on in good faith and not destroy them here.

Mr. Mancini: Where's Frank Miller now that we need him?

Mr. McEwen: Where's Matthew Dymond?

Mr. Speaker: A final supplementary. The member for Parkdale.

Mr. Duzsza: Supplementary: As the minister well knows, the final responsibility for what is going to be the allowed fee schedule and payment for the services is the minister's. Will the minister answer very simply the question, is he going to allow, once the negotiation is over, this unconscionably large increase for the physicians?

Hon. Mr. Timbrell: I've already made it clear that the government is not going to pay 36 per cent more. That's been clear all along.

Mr. Cassidy: You'll make the people pay it.

UTDC RESEARCH

Mr. S. Smith: My second question is for the Treasurer. In view of the Treasurer's comments on Thursday when he said: "There has been a great deal of research done at universities, for example, publicly-funded research by very bright people . . . My own view is that some of that research might have been better done in the private sector", could the Treasurer give us his view on the public funding of transit research by his government through its wholly-owned Urban Transportation Development Corporation? Does he think this is still an appropriate use of public funds or shouldn't such research really be done in the private sector?

Hon. Mr. McKeough: My view? Fantastic!

Mr. S. Smith: Supplementary: In the absence of a dictionary, one hardly knows whether this is simply beyond the Treasurer's fantasy to contemplate or whether in fact he believes that this is a wonderful way to carry out the business of Ontario. Can he explain, given the rather dismal sales record of this agency since 1974 and its utter failure to attract partners or private capital, how long is he, as a person who believes in research in the private sector, prepared to subsidize its experiments in the \$55.5 million intermediate capacity transit program, for example?

Hon. Mr. McKeough: My remarks on Thursday, the member says it was, and I've made these remarks before, have been in the context that a number of people—including perhaps the Leader of the Opposition himself, though I'm not sure of this, but certainly I and the Premier and others—have said that governments have been taking an increasingly

larger part of the gross national product. That is something which has been reversed in this province for the last two or three years, and we hope to continue to reverse that.

What I was commenting on is what is often overlooked, namely, that in the process of going from roughly 20 per cent of GNP after the war to something like 40 per cent in Canada today—about 35 in Ontario—what has also accompanied that has been an increase in the human resources used by governments or by the public sector generally. Certainly some of the best talents and best brains have been recruited into government, into hospital administration, into universities, some of them into publicly financed research activities.

The point I was attempting to make was that had the money, of course, not been available in such large quantities to the public sector, some of the human resources might have found their way on to plant floors, if I can put it that way—into industrial research, into higher technology—in the private sector.

Ms. Gigantes: There isn't any research. What are you talking about?

Mr. Warner: Nonsense.

Ms. Gigantes: You are dreaming.

Hon. Mr. McKeough: But the fact is that brains as well as human resources have been consumed by the public sector in ever larger amounts.

Mr. Foulds: Unfortunately it doesn't apply in your case.

Hon. B. Stephenson: And it will never apply in yours.

Hon. Mr. McKeough: Having said that, there will always be, I would expect, a role for governments to do those things which are either too large for the private sector or to which the private sector is not paying attention.

The fact is, to my recollection—the Minister of Transportation and Communications (Mr. Snow) or the Premier have a much better knowledge of this than I—but the discouraging part was that the private sector in this country, not just in this province, was not moving into the area of what is obviously a very high risk technology, a very exciting technology—that of transit. Certainly if the private sector had moved forward then we would not be as involved as we are.

Mr. Makarchuk: You are talking like a socialist.

Hon. Mr. McKeough: Certainly if the private sector can get involved or wants to get involved then I think UTDC takes on an entirely different role.

Mr. Makarchuk: Socialist McKeough. Maoist.

Mr. Cassidy: Supplementary: Will the Treasurer comment then on the possibility that the problem is not too much research being carried out in the public sector but too little research being carried out in the private sector, and that the reason for that lack of research in the private sector may in fact be because of the foreign control of too much of the industry in our province and in our country?

Would the Treasurer like to comment specifically on the findings of the federal government's automotive task force, which I think is relevant, which says that consumers in Canada have contributed at least \$230 million annually to the research and development accounts of the parent corporations of the big four here in Canada over the past six years? That amount of money is going abroad for research in the United States. Should that research not be carried out here in Ontario or in Canada within the private sector, and what is the government going to do about it?

Mr. Eakins: That's his third question.

Hon. Mr. McKeough: Mr. Speaker, the answer is yes, but I don't think the member can have it both ways.

Mr. MacDonald: Nor can you.

Hon. Mr. McKeough: The member is an advocate of an ever larger public sector. One of the things that has happened in an enlarging public sector—for example, versus us and the United States—is that you have, and I don't have these figures at my fingertips, but you have assistant professors in this country earning \$28,000 to \$29,000 a year where in the States they would earn \$18,000 a year.

Had not so much of our human and capital resources gone into the public sector, using universities as one example—

Mr. Wildman: They would have gone to the United States.

Hon. Mr. McKeough:—it might have been easier and less expensive, and therefore there might have been more research in the private sector of this country. But that has not been the case.

Interjections.

An hon. member: Might.

Mr. Warner: That's wishful thinking.

Mr. S. Smith: By way of supplementary, if in fact the Treasurer feels badly that so much has gone into the public sector when the private sector could have done it, what is the reason for UTDC? Is it simply that the

Treasurer fails to provide reasonable conditions for the private sector to enter into this allegedly worthy enterprise, or does the public sector simply know better than to get involved in the sort of thing that is going on in the Kingston situation?

Hon. Mr. McKeough: No, Mr. Speaker. I think the question as to why they weren't involved in it is a question which should be put to the Minister of Transportation and Communications.

Mr. McEwen: You announced it.

Hon. Mr. McKeough: But what you are talking about are very large projects and what you are talking about in UTDC as much as anything was a catalyst to bring some large and some small companies together in one place.

I recall particularly some of the contracts which were bid on which ultimately had to have a heavy involvement of the government of Canada as well as the government of Ontario because Canadian industry, research or otherwise, simply wasn't large enough—not even Canadian-owned industry operating in this country was large enough to bid on those projects in themselves and there has to be a role for government. So I don't think it is an either/or proposition.

Mr. Cassidy: Supplementary, Mr. Speaker: Will the Treasurer not agree that the major reason the government undertook the research being carried out at Kingston through the Urban Transportation Development Corporation, is because the government got egg on its face with the Krauss-Maffei adventure, when it should, in fact, have been building on the strength of transit technology already available in the public sector through the TTC?

Hon. Mr. McKeough: Mr. Speaker, I would certainly not reply in the affirmative to that question. I don't think the member knows what he is talking about. I'm sure during the estimates—

Mr. Cassidy: I told the government, long before—

Hon. Mr. McKeough: You told the government?

Mr. Cassidy: Sure.

Hon. Mr. McKeough: Well then, I guess we didn't listen.

Mr. Cassidy: Yes, I guess you didn't.

Mr. Warner: That's the story of your life.

Mr. Reed: Mr. Speaker, would the minister, then, in the interests of encouraging entrepreneurship and private enterprise in the province, and private creativity, take the

necessary steps to ensure that the research and development money, which is now budgeted with the Ministry of Energy, be apportioned as seed money to private interests in order to develop the unique energy technology that we are capable of in Ontario?

Mr. Swart: You guys should stop trying; you will never get an answer from McKeough.

Hon. Mr. McKeough: Mr. Speaker, that is a question that should go to my colleague, the Minister of Energy (Mr. Baetz).

TRUCKING CHARGES

Mr. Cunningham: Mr. Speaker, I have a question of the Minister of Transportation and Communications. Could the minister inform the House whether or not he has personally endorsed his ministry's memorandum, dated February 13 of this year, signed by acting district manager M. M. McIntyre, relating to the production of written reports and the establishment of a quota system in the highway carriers section?

Hon. Mr. Snow: No, Mr. Speaker.

Mr. Cunningham: Supplementary: I wonder if the minister would be kind enough to comment on the following excerpt from that memorandum: "The number of reports being produced at this time are not sufficient to account for the number of man-hours spent to obtain them. Therefore, an order to account for the man-hours being spent, it is necessary to increase production of both the truck inspections and area inspectors. The following will be implemented immediately.

"At the truck inspection stations, each man is requested to produce a minimum of 10 reports weekly. As a result of these 10 reports produced, it will be expected that no less than seven charges will be directed. In the areas of each inspector, it is requested to produce a minimum of six reports weekly; as a result of these reports it is expected that no less than five charges will be directed.

"On portable scales each man is expected to produce a minimum of seven reports per week. As a result of these seven reports it is expected that no less than six charges will be directed.

"The quantities of production set out in the above are of minimum. Subsequently, in a period of nine months, these figures will be increased to 15 and 12, 10 and seven respectively. In reviewing some of the production reports recently submitted it is evident that some of the personnel are very close to meeting these requirements at the present time, however, it is felt that all per-

sonnel can reach this minimum by applying extra effort."

Mr. Breithaupt: They will get gold stars. Interjections.

Hon. Mr. Snow: Mr. Speaker, can I ask what the question is?

Mr. Ruston: Are you in favour of it?

Mr. Cunningham: Mr. Speaker, does the minister not agree the establishment of a quota system is contrary to the public interest and the policy set out by his ministry and the Attorney General (Mr. McMurtry) with regard to the issuance of tickets on a quota basis, and would the minister consult with the Attorney General with regard to the legality and the propriety, the efficacy, of such a so-called quota system? And would he not take immediate steps to see that such a distasteful practice is terminated or discontinued immediately?

Hon. Mr. Snow: Mr. Speaker, I have not seen the memorandum from one of my officials.

Mr. Nixon: Have a look at it and withdraw it.

Mr. Warner: Why did you say you didn't endorse it?

An hon. member: You said you didn't endorse it.

An hon. member: You are going to wish you never had.

Hon. Mr. Snow: I certainly will review the memorandum; but from what I have observed from the excerpts that have been read from the memorandum, it is a part of the continuing effort of my ministry to increase our productivity, to cut down our overhead and to get the best possible use out of our facilities.

Interjection.

Hon. Mr. Snow: I can see absolutely no reason whatsoever why we should not say that each of our inspection staff, doing truck inspections for instance, should not be expected to do a certain number of inspections per day. I think that's only good—

Interjections.

[2:45]

Mr. Warner: Is the minister telling us this afternoon that it is government policy to establish a quota system in terms of fines; that that is a policy and he's prepared to stand by that? If not, does he intend to change the policy, because obviously he has outlined it in the memorandum that was sent?

Mr. Makarchuk: Is this a new tax policy?

Hon. Mr. Snow: Nothing I said had anything to do with setting a quota for the laying of charges.

Mr. Conway: A new tax policy.

Hon. Mr. Snow: I said I agree fully that there should be objectives or expected levels of productivity of our employees. Obviously, when a certain number of inspections are made, if the inspections find unsafe vehicles, for instance, or overloaded vehicles or whatever it may be, then only on that evidence are charges laid, and that's the way it should be.

Mr. Warner: That's not what it says in the memo. It's a quota system for fines.

Mr. Cunningham: It is becoming obvious that nothing that the minister says or does is of any importance to the people within his ministry. Would the minister not agree, though, that outlined in this particular memo—which we have sent over to him now and which he is now in possession of—

Hon. Mr. Davis: You are brilliant. Your intellectual capacity is overwhelming.

Mr. Cunningham: —it, in fact, explicitly defines the necessity for laying charges, regardless of the merits of any particular case; and that he is, in fact, setting up a quota system for charges on the highways?

Hon. W. Newman: Did they get you?

Mr. Cunningham: I don't drive a truck; do you?

Hon. Mr. Snow: Mr. Speaker, I assure you that as far as I am concerned there is no quota system for charges. There should be, and I fully support, an increase in the productivity of the number of inspections carried out. Charges would only be laid when there were offences committed.

Mr. S. Smith: What are you going to do about this?

TRUCKING LEGISLATION

Mr. Philip: A new question of the Minister of Transportation and Communications: Can the minister inform the House of the results of his two meetings with representatives of the trucking industry, one of which I believe the Premier attended? Also, in the light of these representations and in the light of the fact that the minister no doubt now realizes that Bill 21 will not pass in this House—indeed, that even members of his own cabinet are opposed to it—will the minister assure the House that Bill 21 will either be withdrawn or substantially altered?

Mr. Conway: Lorne says it will not pass.

Hon. Mr. Snow: No, Mr. Speaker.

Mr. Philip: Is the minister aware of the uncertainty that has been created by this bill in the industry, such uncertainty that companies in this time of high unemployment are, in fact, cancelling orders for trucks and trailers because they don't know what is happening in their business? In the light of this, will the minister not at least make a definitive statement in the next week or so as to where he stands on Bill 21, which is opposed by both opposition parties in this House?

Hon. Mr. Snow: Mr. Speaker, I have had ongoing discussions—

Mr. Nixon: I bet you have.

Hon. Mr. Snow: I have ongoing discussions at all times with the transportation industry, not only the—

Mr. Cunningham: Are you and the president speaking yet?

Mr. Breithaupt: Careful, or the contributions are going to stop.

Mr. Speaker: Order. Order.

Hon. Mr. Snow: I have had many discussions with many aspects of the transportation industry, not only the trucking association. I have met twice with representatives of the OTA in the past few weeks. I have also met a number of other people interested both in the trucking industry and the shipping industry, and we're having ongoing discussions at all times.

Mr. Philip: One final supplementary: Have the minister or his officials yet calculated the number of licence holders who will be affected by this deregulation bill, and is it not fair to say that aside for R and H class licences that the bill will affect between 40 and 50 per cent of present licences?

Mr. S. Smith: Is it in order to discuss the bill like this?

An hon. member: I would think not.

Hon. Mr. Snow: Mr. Speaker, I cannot say at the moment whether those figures that have been suggested are right.

Mr. Swart: You should be able to.

Hon. Mr. Snow: When one says the percentage of the licence holders who would be affected, it would certainly depend on what degree of effect one considers to be an effect, and I'm sure there's a great many licensed carriers now who would be affected positively as well as negatively.

WORKMEN'S COMPENSATION

Hon. B. Stephenson: On Tuesday last the hon member for Quinte (Mr. O'Neil) questioned me about the date at which the

assessments to the Workmen's Compensation Board by employers in the province were due. I misinformed the House when I suggested—

Mr. S. Smith: Oh, not again.

Mr. Conway: That's par for the course.

Hon. B. Stephenson:—this was a part of the quarterly program of assessment which was to be introduced, I thought, this year. It will be introduced in 1979. But I would remind the House that all assessments are based on payroll estimates which are required to be returned to the board by the end of February.

Before 1977, it was normal practice for the board, for more than 20 years, to issue the forms for the return of payroll information in December and January of each year. Following the receipt of the estimated payroll, billings began in February and they were due 60 days later, at some time during the month of April.

In 1977, the billings were sent out in March and were due 60 days later, on May 20. That's exactly the same date the billings are due this year. No change has been made in the assessment notice issuing function in 1978 except that particular assessments are no longer delayed. All of the assessments are now issued when they are ready, rather than being sent out in bulk form.

Mr. O'Neil: As a supplementary to my question asked the other day, does the minister not feel this will put additional hardship on a lot of both large and small businesses in making sure these payments are due well in advance of previous years? I don't believe they have been notified.

Hon. B. Stephenson: No, they are not due in advance of previous years. They are due two months after the issuance of the assessment, as has always been the case.

Mr. McClellan: May I ask the minister again, how long do the injured workers with families in the province have to suffer by virtue of her refusal to bring in an amendment to raise the rates?

Mr. Speaker: I don't believe that is a supplementary.

Hon. B. Stephenson: Mr. Speaker, on a point of personal privilege, I have never refused to bring that in. I have stated several times in this House that indeed it would be coming in.

Mr. Wildman: Just postponed.

Mr. O'Neil: Final supplementary: Is the minister then saying that when these assessments were sent out, she did notify the

people that the payments would be due earlier?

Hon. B. Stephenson: I would remind the hon. member that I don't send the assessments out, the Workmen's Compensation Board does. And exactly the same notice was sent to each employer, that the payments are due 60 days following the receipt of the assessment.

Mr. McClellan: Over which you have no control at all.

Hon. B. Stephenson: This has not changed in 20 years. It will change next year, in that those who were assessed more than \$10,000 will be given an opportunity to pay this on a quarterly basis. We feel this would be more equitable for those employers.

FIRE DAMAGE ASSISTANCE

Hon. Mr. Kerr: On March 28 the hon. members for Quinte (Mr. O'Neil) and Peterborough (Mr. Turner) inquired about what type of provincial assistance might be available following major fires in Trenton and Bancroft. The fires caused considerable property damage and left a number of people homeless. Fire damage in Trenton was estimated at about \$2.5 million and in Bancroft at about \$800,000. It is suspected that arson may have been involved in the Trenton fires and the fire marshal's office is investigating.

As I indicated in my initial response, this is a different situation from a natural disaster, like a flood or a severe snowstorm, where provincial assistance is provided at the time. The fires were both quite serious but basically involved private property which may have been insured against such a calamity. The communities were not crippled by the fire, nor were essential municipal services, such as water supply or sewage disposal, destroyed. In the case of the Bancroft fire, Ontario Provincial Police did provide assistance at the scene, and I know that fire fighters from the Canadian forces base were in attendance at the Trenton fire.

The situation in both communities does not warrant providing provincial compensation to businessmen and property owners who suffered fire loss. I can only assure the Legislature that requests for provincial aid following a natural disaster or major outbreak which cripples the community will continue to be assessed on an individual basis.

SCHOOL CONSTRUCTION

Mr. Handleman: Mr. Speaker, I have a question for the Minister of Education. I wonder if the minister is in a position to either clarify, deny, confirm or otherwise comment

on an article which appeared in the Ottawa Citizen, headed "Carleton Board of Education New School Proposals Suffer Serious Setback"? In particular, would he deal with the portion of the article that alleges his ministry will not approve any new school construction in Carleton until the Carleton board has reached a formal agreement with the Ottawa Board of Education?

Mr. Conway: Since when did you start believing the Citizen, Sid?

Mr. Handleman: I don't believe it. I'm giving them a chance to deny it.

Hon. Mr. Wells: I'm happy to have my friend draw attention to what the Ottawa Citizen has been publishing, although I must say I have read some stories in the Ottawa Citizen recently about the school situation there which lead me to wonder whether all the facts ever appear in their stories.

Some hon. members: Oh, oh.

An hon. member: Is this rehearsed?

Hon. Mr. Wells: If the hon. members would like letter and verse on that, I believe there was an article in there that indicated we were going to give \$22 million to the Carleton Board of Education in capital money.

An hon. member: That, obviously, is not true.

Hon. Mr. Wells: That, of course, was an obviously inaccurate story, and something which anyone would realize is not possible and would not be considered by this government.

Hon. Mr. Davis: Not until Brampton gets its share!

Hon. Mr. Wells: In commenting on the article my friend is talking about, I would say I regret that the approval we had given to the Carleton Board of Education for the new vocational school appears to have suffered setbacks because of the actions of the reeve of Nepean township and the Central Mortgage and Housing Corporation, both of whom appear to be putting further roadblocks in the way of the development of this school.

Mr. Conway: Handleman's still after Andy Haydon.

Hon. Mr. Wells: I might say that I think that school should proceed, and I and my ministry will be happy to assist the board to clear away any of these additional roadblocks.

In so far as the rest of the present capital program for the Carleton Board of Education is concerned, it has never been, and it is not, my intention that it be held up ad infinitum pending agreement on certain other school

accommodation agreements between the Ottawa Board of Education and the Carleton Board of Education. In fact, I was intending to send a letter to the Carleton Board of Education tomorrow, informing them of what we could approve in this year's program.

Mr. Handleman: Supplementary: Would it be possible, in the approvals given to the Carleton Board of Education, that they would be permitted to reorder their priorities in accordance with any agreements they might reach with the Ottawa Board of Education?

Hon. Mr. Wells: There is always that possibility. I certainly would be happy to agree to any kind of reordering of priorities in the Ottawa-Carleton area. I must say that in my six years as Minister of Education this ranks at the top of those areas where two boards seems to be running hammerhead together and not being able to agree when there is a real need for agreement. On behalf of all the residents of that area and the people of this province, if we're to save money on educational costs, the kind of agreements that have to go ahead there also have to be affected in other areas of this province. But this, to my mind, has been one of the most difficult areas, and I hope the trustees will come to some agreement.

Mr. Speaker: The hon. member for Huron-Bruce.

Ms. Gigantes: A supplementary, Mr. Speaker?

Mr. Gaunt: Mr. Speaker, I have a question of the Minister of the Environment—

Some hon. members: Order.

Mr. Cassidy: There's a supplementary, Mr. Speaker.

Mr. Speaker: Final supplementary; the hon. member for Carleton East.

Ms. Gigantes: Thank you, Mr. Speaker. I would like to ask the minister, given the way he describes the situation between two boards in the Ottawa-Carleton area, whether he is going to take any initiatives, following along the lines of the Mayo recommendation, to make sure that those intrinsic difficulties between the two boards will not arise every two or three years? In other words, is he going to make some positive decisions following on the Mayo report?

Hon. Mr. Wells: In a couple of weeks I intend to indicate, in a white paper manner, exactly what our opinion should be in so far as the Mayo commission recommendations are concerned.

[Later:]

Hon. Mr. Wells: Mr. Speaker, on a point of personal privilege; it has been drawn to

my attention that during the answer to a question which I gave a few minutes ago during this session, I referred to a story which had appeared in the Ottawa Citizen and indicated it was an inaccurate story. That story in fact appeared in the Ottawa Journal.

Mr. Breithaupt: Any more inaccuracies?

Hon. Mr. Wells: I would therefore like to apologize to the Ottawa Citizen.

Mr. Warner: Don't apologize, just resign. They'd be very happy too.

Mr. S. Smith: Your inaccuracy is a bad as theirs.

Hon. Mr. Wells: And I am happy that my confidence in their clarity and forthrightness has been restored.

WATER QUALITY REPORT

Mr. Gaunt: Mr. Speaker, I have a question of the Minister of the Environment. With respect to the Ontario-Ottawa-Quebec water quality study and report on the Ottawa River, completed some months ago, which indicates some serious phosphorous loading problems as well as mercury pollution, does the ministry intend to release the report? If so, when? And if not, why not?

[3:00]

Hon. Mr. McCague: Mr. Speaker, I am glad the hon. member asked that question.

Mr. Cassidy: That's one the minister must have an answer for.

Hon. Mr. McCague: Since I came to the ministry, I have been trying to persuade the sponsors of the study—the federal government and the government of Quebec—to release this report. They shared in the cost and, of course, share in the ownership of it. We have not been successful with either the federal government or the government of Quebec in getting their permission to release the report and are therefore reluctant to do it on our own.

Mr. S. Smith: Anticipate; so what is so secret?

Ms. Gigantes: Go ahead.

Mr. S. Smith: Why not?

Hon. Mr. McCague: I can't really tell the member why not, or when.

Mr. Gaunt: Supplementary: When was the last time the ministry had contact with the federal government with respect to this report, and does the minister not anticipate that some agreement could be arrived at in the near future in order to release it; and if no agreement can be arrived at, has the ministry considered releasing the report on its

own because it participated in the study and participated financially as well?

Ms. Gigantes: The government supported it too.

An hon. member: Take a chance.

Hon. Mr. McCague: We will take those matters under consideration.

Mr. Warner: In the fullness of time.

Hon. Mr. McCague: There was a letter mailed to them recently; there have been two letters to my understanding. I think my predecessor wrote to them—

Mr. Laughren: Try the phone.

Mr. Makarchuk: Try Telex.

Hon. Mr. McCague:—once or twice. I have written to them once.

An hon. member: Try carrier pigeon.

Hon. Mr. McCague: My guess is that it was a month ago. I think the question was, "Did they get a letter from me?" I have no idea.

An hon. member: They run the postal service too.

Mr. Kennedy: It is only a month since we sent it.

Mr. S. Smith: Mr. Speaker, could the minister tell us whether his ministry, when it entered into this joint project with Quebec and with the federal government, made any agreement whatsoever to keep the results secret, failing unanimous agreement to reveal those results; and if that kind of agreement did occur, why did he enter into such an agreement? If it did not occur, why does he feel constrained from revealing the results?

Hon. Mr. McCague: Mr. Speaker, I am not aware of any agreement. There has been an exchange of letters and at no time has there—

Mr. Warner: It was a gentleman's agreement, and that lets the minister out.

Hon. Mr. McCague:—been any indication that there was an agreement that the report would not be released.

Mr. S. Smith: Release it.

Hon. Mr. McCague: That's all well and good, the hon. member says release it; we would like to do it in good faith if we could. I would agree with the members opposite that if we run into continual resistance, we probably will release it gladly.

Mr. S. Smith: Good.

Hon. Mr. McCague: But that's "continual resistance."

PAPER MILL CONTROL ORDERS

Ms. Bryden: With regard to the Minister of the Environment's statement today in reply to my question on whether Abitibi had met recent control order deadlines, while he did confirm compliance with certain interim deadlines, his statement also contained a very disturbing ministerial pronouncement downgrading the validity and the importance—

Mr. Speaker: I don't hear a question yet.

Ms. Bryden: —of earlier guidelines set by the ministry for the pulp and paper industry. I would like to know whether this means that the minister has abandoned the earlier guidelines and is attempting to justify the abandonment of it in this statement; and will he bring out new less stringent guidelines in accord with what appears to be the government's policy of weakening environmental standards and yielding to the blackmail by the industry, which is threatening to reduce jobs if pollution control is not relaxed?

Hon. Mr. McCague: The answer to both questions is no.

Ms. Bryden: Mr. Speaker, can the minister also tell us why he continues to rely on guidelines instead of mandatory standards so that we would know what the objectives are for water quality in this province?

Hon. Mr. McCague: That's a very long answer which I was able to provide to the member in estimates, yesterday, I think it was. I don't think we need to go into that again at this point.

Mr. Speaker: The hon. the Minister of Housing has the answer to two questions asked previously.

HOME RENEWAL PROGRAM

Hon. Mr. Bennett: The member for Beaches-Woodbine (Ms. Bryden) earlier this week asked about the statistics and how much money had been given to the city of Toronto and to the Metro boroughs under the Ontario home renewal program rental. The statistics are as follows: In 1976-77, the first year of the program, the city of Toronto received \$62,000 and the borough of Etobicoke \$10,000 from a total budget of \$2 million. In 1977-78, of the total \$2 million budgeted, none was taken up by Metropolitan Toronto because none was requested by that municipality or its boroughs.

As the House is probably aware, the allocation of funds is based on both needs and on the amount requested by the municipalities. In the case of the city of Toronto, it requested an accountable advance in 1976-77 of \$62,000 out of a total application by that

municipality of \$250,000. The city made no further requests for funds in 1977-78. The Ontario home renewal program rental—and I stress rental—was conceived as an experimental, limited-funded program. The province has allocated \$4 million for this program during the past two years, and we are now monitoring and evaluating the results. Based on our findings, we would be in a position to determine what kind of funding would be most appropriate in the future in conjunction with our programs with the federal government.

REXDALE H.O.M.E. PROJECT

Hon. Mr. Bennett: I have the answer to a question by the member for Etobicoke (Mr. Philip). On Thursday the member inquired about the status of the HOME development at Finch and Silverstone Drive in Rexdale, asking why sodding and other work had not been completed, despite the fact that he had received a letter from the former Minister of Housing (Mr. Rhodes) last September indicating that the builder would begin work almost immediately.

By way of explanation, I would point out that after the letter was sent to the hon. member, the builder's financial difficulties increased. A number of legal problems concerning mechanics' liens occurred and the ministry was unable to move in and complete the landscaping work until the named matter had been settled.

However, I can report to the House today that the Ontario Mortgage Corporation has arranged a settlement with the lien claimants, although the claimants have not yet signed the official documents. This would enable Ontario Mortgage Corporation to complete the landscaping, fencing, sidewalks, driveways and so on. This work should begin as soon as weather permits and sod is available to us. As a matter of fact, OMC did arrange for temporary driveways for the units when it became apparent late last year that there would be no activity over the winter months.

As far as HUDAC is concerned, the home owners will have full protection under the warranty program for interior and exterior deficiencies. When the official documents are signed with the lien claimants, OMC will be committed to completing the necessary landscaping work, and the question of HUDAC finishing this work will no longer be an issue.

HOME RENEWAL PROGRAM

Ms. Bryden: With regard to the minister's answer to my question about the Ontario

home renewal program for rental accommodation, do I take it there is no money in the present estimates before us for this program, in spite of the fact that I am sure there is still a very great need for providing moderate and low-income rental accommodation, certainly in the city of Toronto?

Hon. Mr. Bennett: As I have already said, we are doing an assessment of the program in its first two years to see whether we should continue it. At the same time, we are in further discussions with the federal government in some co-operative programs with them on the same basis.

REXDALE H.O.M.E. PROJECT

Mr. Philip: Can the minister tell us whether he knows whether J. C. Byers, the builder that got us into all of this problem, has been deregistered and whether this builder is still building in Ontario?

Hon. Mr. Bennett: Obviously, that is a question that will have to be directed to the Minister of Consumer and Commercial Relations since deregistering is under his ministry.

Mr. Philip: May I redirect that question then? I would think that as Minister of Housing the minister would at least want to know whether J. C. Byers was building more housing for his ministry.

Mr. Speaker: Did the Minister of Consumer and Commercial Relations hear the question that was directed to him?

Hon. Mr. Grossman: There was a large impediment in front of me, Mr. Speaker. I couldn't hear it.

Mr. Speaker: Briefly, would you restate the question?

Mr. Philip: To the Minister of Consumer and Commercial Relations, then: In the light of the Minister of Housing's statement concerning the problems we have had with the home warranty program in the Martingrove and Albion Roads area, and particularly with one construction firm, J. C. Byers, can the minister tell us if he knows why this particular company that has created all of these problems has not been deregistered and whether this builder is still operating in Ontario?

Hon. Mr. Grossman: Of course, I don't register or deregister any of the builders, as I presume the member well knows.

Mr. Swart: The Minister of Housing just said you did.

Mrs. Campbell: Your minister didn't know it.

Mr. S. Smith: Answer.

Hon. Mr. Grossman: I know the member understands, or I presume he understands, that the home warranty plan is administered outside of my ministry, although they report to and through my ministry.

Mr. Warner: He just handed it to you.

Hon. Mr. Grossman: So if the member has a question about any specific builder, I'm sure he'll agree that the appropriate place to ask that question is by way of a letter to the new home warranty plan program, not to me.

Ms. Gigantes: Don't you think it's important for you to know?

Mr. Wildman: Somebody's responsible!

Hon. Mr. Grossman: Now, if the member has any complaints about the way his letter has been handled or the way they dealt with any particular builder, I'd be happy to hear from him.

MINISTRY REORGANIZATION

Mr. Blundy: I have a question for the Minister of Community and Social Services. In the light of information we have that the Ministry of Community and Social Services has been given a deadline by Management Board to reduce its executive positions by December of this year, and in view of impending changes we are considering in the children's services branch, would the minister tell us now what positions he contemplates will be removed and what reorganization will be made to accommodate these changes?

Mr. Kerrio: So that's why the deputy minister has been changed.

Hon. Mr. Norton: As I believe the hon. member knows, the reorganization contemplated in my ministry goes beyond just the children's services division. We are now, and have been for some time, in receipt of a report from management consultants who were commissioned shortly after my arrival in the ministry.

Mrs. Campbell: Which we are not allowed to see.

Hon. Mr. Norton: We have been engaged in a very detailed review and planning for the reorganization, which I hope to be in a position to announce in some detail within the next month or so. I'm not in a position at this point to answer the specific question the hon. member asked, but I think that answer will be forthcoming at the time of the announcement of any reorganization.

Mr. Blundy: Supplementary: May we assume that the minister is considering the end of the developmental resources branch as such and its absorption by the children's and social resources branches? If so, will the

minister explain to us how we can properly debate proposed legislative changes for children when the ministry implementation framework is not defined or known?

Hon. Mr. Norton: I can assure the hon. member that the framework of which he speaks will be known prior to any formal debate on the specific recommendations on law reform, if those are the changes he is making reference to.

I can indicate to him, as he already is aware from the summary of the report that I made available to the members of the House and the public, that one of the recommendations that was made on reorganization involved the amalgamation of the adult portion of the developmental services division of the ministry with the social services division, and the amalgamation of the children's portion of the developmental services with the children's services division.

That was a recommendation, and when I am in a position to formally announce to the members the proposals we wish to make with respect to reorganization, I think it will become apparent as to which ones we are accepting and which ones we are not.

NO-FAULT INSURANCE

Mr. Samis: A question of the Minister of Consumer and Commercial Relations: In view of the fact that the new no-fault insurance plan in Quebec puts Ontario drivers involved in an accident in Quebec at a distinct disadvantage in terms of disallowing disability suits for bodily injuries suffered in auto accidents, and in terms of recovery by Ontario residents involved in an accident with a Quebec-insured driver, can the minister tell the House if he has made any representation to his Quebec counterpart, Madame Payette, with a view to removing these inequities for Ontario drivers?

[3:15]

Hon. Mr. Grossman: I have just finished writing a letter to Madame Payette on the subject, and I hope to be meeting with her. This will be news to her because she hasn't got the letter yet, but the letter invites her to undertake some discussions with us in the next two months; I have suggested perhaps a date in June to review the whole subject matter. There are many inequities in the plan, as the member has pointed out, one of the most serious of which is, of course, that, in simple terms, contributory negligence is included when an Ontario driver is injured in Quebec, but that isn't the case with regard to Quebec drivers. So it is an inequity, and I think the best way to deal with it is by

way of the route we have selected—let them know that we are concerned about it, that we think it is an inequity; and so we have asked them to discuss the matter with us. I hope to be going to Quebec sometime in June to discuss it with Madame Payette.

Mr. Samis: Supplementary, Mr. Speaker: Could the minister advise us if he made any specific suggestions in his communication with Madame Payette? Could he also advise us if he would be prepared to take any initiatives in the event the Quebec government doesn't agree to any form of reciprocal agreement with Ontario?

Hon. Mr. Grossman: The answer is that we have pointed out the problem to Madame Payette. I think some of the possibilities are rather obvious. All we have said is—these are the problems, I think it appropriate that we get together on it to see if we can resolve it. I do know Madame Payette, having spent some time around the consumer ministers' conference table with her just a couple of weeks ago.

No, I haven't proposed specifics, although obviously a reciprocal agreement is one of them which would work with regard to some aspects of it, not with others.

Secondly, I don't want to speculate on what the future holds because I would hope that the obvious inequities would be dealt with rather fairly by Madame Payette.

Of course, the member may have suggestions for me before I go; and of course from his position of expertise about problems with no-fault and government-run insurance plans—

Mr. Samis: Now, now, none of that.

Hon. Mr. Grossman:—his party may well in fact learn something from the obvious inequity that has arisen out of this government-run, no-fault insurance plan.

Mr. Samis: Off the grandstand, Larry.

SAFETY IN LEGISLATIVE BUILDING

Mrs. Campbell: Point of privilege, Mr. Speaker. It seems to me that the safety of this building is a matter of privilege for this House.

I have just been advised that a large glass globe, 12 inches in diameter, has fallen from the stairwell ceiling at the third floor level, moments after a group of school children passed by. I am advised that this occurrence is identified as having been caused by vibrations from groups on the stairs which regularly causes the globe to fall.

Mr. Speaker, it seems to me that if that is within the precincts of this House—and I am

not, of course, at all sure because of the confused position as to the responsibility for this House—I am making this statement as a privilege, because it does not seem to me that the matter of safety should be in doubt and that someone ought to be taking into consideration this dangerous situation.

Mr. Speaker: It is a somewhat gray area but I can assure you that it will be brought to the attention of the people who are responsible for maintenance, and that is the Ministry of Government Services. I will undertake to do that immediately.

REPORTS

STANDING SOCIAL DEVELOPMENT COMMITTEE

Mr. Gaunt from the standing social development committee reported the following resolution:

Resolved: That supply in the following amounts and to defray the expenses of the Ministry of Culture and Recreation, be granted to Her Majesty for the fiscal year ending March 31, 1979:

Ministry administration program	...\$ 5,858,000
Heritage conservation program	.... 17,620,000
Arts support program	..... 29,657,000
Citizenship and multicultural support program	..... 6,628,000
Libraries and community information program	..... 40,190,000
Sports and fitness program	..... 13,063,000
Ministry capital support program	.. 26,790,000
Wintario program	..... 41,000,000

STANDING PROCEDURAL AFFAIRS COMMITTEE

Mr. Breugh from the standing procedural affairs committee presented the committee's report, which was read as follows, and moved its adoption:

Your committee recommends that it should be the practice of this House when in committee of supply that critics be permitted considerable latitude in speaking to vote 1, item 1, and thereafter that members adhere strictly to the particular vote and item under consideration; and further recommends that the chairman at the beginning of each ministry's estimates set out a time schedule for the minister, critics and members;

Your committee further recommends that this committee be empowered to hire staff as it deems necessary to undertake a review of all existing boards, agencies and commissions.

Your committee further recommends that for the commencement of proceedings each

day, Mr. Speaker proceed to the chamber via the grand staircase.

Hon. Mr. Welch: Mr. Speaker, I must say it is the first time I have heard this report; we have a motion for adoption, but I would like to move adjournment of the debate.

Mr. Speaker: Hon. Mr. Welch moves the adjournment of the debate. Shall the motion carry?

Mr. Foulds: On a point of order, is the motion to adjourn debatable?

Mr. Speaker: I'm not sure.

I am advised that it is permissible to debate the motion for the adjournment of the debate only to question the reason.

Mr. Foulds: That is precisely what I wish to do, Mr. Speaker. I wondered if we adjourned the debate on this question at what point the House leader plans to call this business. In other words, I am worried that the debate would not take place. I wouldn't want it temporarily, permanently hoisted. I think we must have a debate on this matter and that the motion should carry.

Mr. Breugh: I am frankly a little baffled by all of this. These were simply three items referred to the committee by the Speaker as is contained in the provisional rules. There is provision for that. I don't think it is that contentious that he comes in this door instead of that door. I don't really feel that it is contentious that we adhere to the rules of the House in terms of debates during the committee of supply. I didn't think that it warranted a major debate.

But I want to point out an interesting question: there is virtually no sense, in my mind, of having the Speaker refer these items to procedural affairs. They bring them back in here and they get tabled. Then they will, I hope, at some point in time be debated, but not necessarily so.

If we are going to use the committee as a reference point for the Speaker when he wants a ruling or a recommendation to this House on points of procedure and we bring it back in here, we will simply table all of this stuff until we are blue in the face. We will never get an answer to any of it. If a matter is contentious I can see where the House would wish to debate this fully; but this morning there was, for the first time in the history of the committee, a quorum containing members from all parties. I rather thought, because of the magnificence of that turnout, that we wouldn't have any difficulty with this.

Mr. Walker: It's the first time it has met in a year.

Hon. Mr. Welch: Mr. Speaker, speaking to the two points, there's no intention on my part not to proceed to call it. I simply want some time to understand the report. I think I'm entitled to have that.

In the negotiations with respect to House business we are quite open and we don't catch people by surprise. I must say I hadn't heard that report until it was read from the table. We have a motion for the adoption of the report. I want to know the implications of all that's in that report and not just the items referred to by the member for Oshawa. There is another item there with respect to the implications of staff for the committee.

I want to understand what that report means, and I simply have moved adjournment of the debate. I have no intention of not calling it again. Certainly we'll call it.

Mr. Foulds: When?

Mr. Breagh: Can we have a date on that?

Hon. Mr. Welch: We do House business every Thursday and I announce it every Thursday. I'm prepared to announce the House business today. This did not come up at the House leaders' meeting earlier today, so I can't give the hon. members a date until I discuss it with my colleagues, the other two House leaders.

Mr. Speaker: Mr. Welch has moved the adjournment of the debate. Shall the motion carry?

Some hon. members: Yes.

Some hon. members: No.

Mr. Speaker: All those in favour of the adjournment of the debate will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

I declare the motion carried.

Mr. McClellan: Do you want a vote on that?

Hon. Mr. Kerr: We don't have to now. It's too late.

Mr. Warner: We're just trying to be cooperative and to make minority government work.

GOVERNMENT MOTION NO. 9

Hon. Mr. Welch: Mr. Speaker, I am anxious to get some direction from the House. This is private members' afternoon and I have no right to take away time from the order for private members' public business. We are doing some legislation tonight that may require the use of staff and I was anxious to put government notice of motion No. 9. This is a substantive motion which

really should wait until we come to orders of the day, but I'm wondering whether the House would agree that I could put it now so that we could have this available if this is needed for the legislation for tonight.

Does the hon. member want to wait?

Mr. Nixon: Mr. Speaker, with your permission, I would like to recommend to the government House leader that government notice of motion No. 9 be further postponed.

Hon. Mr. Welch: I can't call it today.

Mr. Nixon: Okay.

INTRODUCTION OF BILL

COMPENSATION FOR VICTIMS OF CRIME AMENDMENT ACT

Mr. Kennedy moved first reading of Bill 56, An Act to amend the Compensation for Victims of Crime Act, 1971.

Motion agreed to.

Mr. Kennedy: Mr. Speaker, the purpose of this bill is to extend the eligibility for compensation under the Compensation for Victims of Crime Act, 1971, to persons who have been imprisoned for an offence and whose convictions are subsequently quashed. The victim would receive compensation for expenses actually incurred and pecuniary losses resulting from the imprisonment.

[3:30]

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS

PURCHASE OF AGRICULTURAL LAND

Mr. McNeil moved private member's motion No. 4:

Resolution: That in the opinion of this House every person who purchases a lot created by a land severance in an agricultural area shall be deemed to be aware of the farming practices of that area and no governmental organization should give effect to a complaint filed by such person concerning those farming practices of which he is deemed to be aware.

Mr. McNeil: I remember seeing an advertisement in a recent issue of an agricultural publication which pictured a farmer guiding a plough pulled by a team of horses. The caption read "Gone are the days."

No one has to tell farmers that those days are gone, but maybe someone should advise city folks of this very fact. Too many of them have their heads filled with the romantic visions of the work-worn farmer trudging behind his horse-drawn plough. Too many of them are finding out what modern agriculture

is really like after they have built a house and moved in next door to or across the road from a modern farm operation.

Farming is a 24-hour-a-day business. It doesn't take the weekends off and there aren't any summer holidays. A lot of people know that in theory, but they don't know what it means in practice until they move into their new country home.

As an example, I would like to mention what happened last fall to our corn producers. The wet weather prevented them from getting into the fields to get their crop off and some of them never got it off at all. Others managed it by working at night. That meant there were tractors, harvesters and combines running during the night. These machines are noisy. That's one of the differences between the real agricultural world and the pastoral dream that some people seem to have.

Agriculture runs 24 hours a day. Sometimes, and in some seasons, that means harvesting or ploughing or working land late into the night and it almost always means starting very early in the morning. Farmers are often in the fields with their heavy equipment before their city worker commuting neighbour is even up. They are often still out hours after that same commuter has finished his supper, read his newspaper and retired for the night.

What rewards do the farmers get for working all day and half the night? The farmer quite often finds himself slapped with some kind of notice of legal action requiring him to stop making so much noise, to stop keeping his neighbour awake. Can you blame a farmer for getting upset? He works the longest hours of anyone in our society and often earns a depressingly low rate for doing so, while somebody with a 9 to 5 office job and no hard physical labour may earn much more.

Mr. Nixon: Nine-thirty to 3:30.

Mr. McNeil: And to top it all off, the 9 to 5-er finds the farmer's work schedule inconvenient and wants it stopped.

These people not only object to the hours a farmer works, they object to the things he has to do. Probably a good example is the handling of manure. Everybody knows in theory that manure is good fertilizer and that good fertilizer makes healthy plants and that healthy plants produce good food. But all that gets forgotten in a real hurry when the white-collar, country home neighbour smells the stuff. You see, everybody knows that it smells, but that's another one of those inconvenient facts that doesn't fit the rural

picture the ex-urbanites have created for themselves.

Mr. Haggerty: Fresh cut manure.

Mr. McNeil: Yes, they want good food, but no, they don't want smelly fertilized land next door to their backyard. Somehow the world has to be rearranged so that they can have it both ways. And you know who has to change his way of life don't you, Mr. Speaker? It is the farmer, the primary producer of food, who is expected to change his spreading and manure-handling operations.

Interjections.

Mr. McNeil: Another thing the recent country dweller from the city doesn't like is pesticides.

Mr. MacDonald: He is like the member for Grey-Bruce (Mr. Sargent) pitting the rural against the urban.

Mr. Wildman: Who sold the lots?

Mr. MacDonald: Divide and rule.

Mr. McNeil: He knows all about pesticides. He knows about how many parts per million there are or what happens to animals in lab experiments and so on, but he may not know, or what he has forgotten, is what pesticides do to insects. The fact is that perhaps he is too young to remember just where those insects would be if it weren't for the pesticides. They would be in his canned fruit, that's where they would be.

Mr. MacDonald: That is what you call emphasis.

Mr. McNeil: If pesticides were banned altogether, and there are people who would like to see that happen, the government might have to set up new standards for the maximum number of worms to be allowed for a can of cherries. Can't you hear the uproar in the cities if canned fruit started to include canned worms? But without the pesticides, which I freely admit occasionally drift away from the trees which are being sprayed, that's just what we'd have.

Mr. Wildman: You would really be opening a can of worms.

Mr. Foulds: It would be called your friendly meat and cherry dish.

Mr. McNeil: If people don't want pesticides drifting over their patios and swimming pools, then they should not build them next to an orchard. If they do build next to an orchard, either they should not complain or they should recognize the need for pesticides in the control of injurious insects and in the production of economical agriculture.

Mr. Swart: Which government has the responsibility for preventing this?

Mr. McNeil: There are other things that the commuter from the countryside to the city doesn't like about farming. He may object to farm implements being towed along country roads. He may become quite upset if he encounters one on a narrow concession road. All of a sudden, he is backed up behind a combine or another slow-moving agricultural vehicle. The farmer is probably only going half a mile but for that half mile the car driver may have to drop from 50 miles per hour to 15 or 20 miles per hour. He starts tailgating and quite often becomes very impatient. By the time the farmer turns his machine off the road, the commuter is only a couple of minutes behind schedule, but his blood pressure may be going through the roof of his car.

There is a remedy for that and we all know what it is. Get the implements off the highways and the concessions. Set up a maximum width for vehicles and enforce it to the last inch. The farmer loses money in fines and some premium time while being stopped on concessions and highways. Then he winds up having to make some complicated and expensive arrangements getting his machinery to the spot where he needs it. He might even have to get new machinery. All the harassment is just because a salesman or a personnel manager or accountant is going to be a couple of minutes late for a meeting at the office.

Mr. Bradley: Who allowed that?

Mr. McNeil: Since the big exodus from the city to the country began, farmers have been subjected to everything from abusive telephone calls to court action simply because they were going about the business of farming in the accepted modern method. The smells, the noise, the sprays, the dust and heavens knows how many other inconveniences, have aroused the ire of the ex-urban dweller with visions of pastoral fields floating before his eyes.

The ex-urbanite has even been known to object that a newly constructed farm structure spoils his view. The landscape with a placid cow under a willow tree has given way to the feed lot with manure-collection systems and the milk cows with automated milking systems. In all these situations, the farmer is the heavy. He isn't doing anything differently from the way he has always done it. He is only going about his legitimate business on his own property, growing the food we all need.

Mr. Wildman: Plus selling lots.

Mr. McNeil: All of a sudden he has to justify his operations because somebody finds

them inconvenient—not dangerous or damaging but just inconvenient.

Then we have the sorry spectacle of hearings and orders and all the trappings of a regulatory society. And who has to change? Of course the farmer, who's been there all along.

Mr. Mackenzie: I'm glad you said Tory.

Mr. Wildman: Did you say a Tory society?

Mr. McNeil: He may well be farming land his father or grandfather farmed but now he's in somebody's way and he has to do the changing.

Mr. Conway: Mitch was right.

Mr. McNeil: I remember when the first draft of the code of practice came along. It was supposed to prevent houses and feed lot operations from being built too close to each other. In the way it was written, all the restrictions were put on the farmer. He had to put his barn here, his manure there.

Mr. Swart: Whose government is responsible?

Mr. McNeil: He often had to go out of his way at considerable cost to avoid a house that was being built long after he started farming and one that should never have been built there in the first place. Well, I am happy to say the code was amended somewhat to put more of the onus on the former urban, now country, resident. The government's food-land guidelines should help to keep agricultural and rural residential developments apart, but the problems I mentioned are always going to exist unless it is made perfectly clear to the non-farm rural resident that he, not the farmer, is the interloper, that he is the one out of place in the rural setting, not the producer of food.

The prime use of the countryside is to produce food. That's the only place we can produce it in any quantity and of high quality. In that sense we might call a lot of the countryside a production line, almost a factory. Well, if someone wants to plunk a house down in the middle of a production line, he should be prepared to accept the fact that there are going to be some noisy, smelly inconveniences. When you think that farmers are now outnumbered by non-farm rural residents, something like four to one, we have to wonder how long farmers are going to be able to fend off onslaughts on agriculture.

Mr. MacDonald: Who permitted this development?

Mr. McNeil: People who outnumber them and do all the complaining have the time, and often the money; they are not farmers.

Mr. Laughren: Who allowed all these people to move into the country?

Mr. McNeil: They have the money to spend on harassments and hearing and lawyers.

Mr. Swart: Do you think there has been something wrong with the laws?

Mr. McNeil: Farming doesn't leave much time for the farmer to waste defending himself against these attacks. He has crops to plant, livestock to feed, equipment to repair. His evenings and weekends are fully occupied by the same work that kept him busy every day all week. It makes one wonder how long farmers are going to bother to farm with all the harassment. Why not just sell the land off to a bunch of ex-urbanites and retire?

Mr. Nixon: Right, turn it into a sod farm or something like that.

Mr. G. Taylor: Pave it, pave it.

Mr. McNeil: Luckily for the people of Ontario, it hasn't come to that yet.

Mr. Nixon: It's coming fast though.

Mr. McNeil: But it will, it will—

Mr. Hodgson: It will unless you support Ron's bill.

Mr. McNeil: —if the farmer's prior rights are not recognized.

Mr. Ruston: Bring on the violins.

Mr. McNeil: If there's no reward but harassment for the responsibilities he undertakes, who could blame him if he just gave up those responsibilities?

Mr. Nixon: And went into politics.

Mr. McNeil: The farmer's fundamental position—

Mr. Ruston: Get another wheelbarrow.

Mr. McNeil: —is morally unassailable. He has the right to farm in the accepted manner—

Mr. Samis: How many years in politics now—19 years?

Mr. McNeil: —not only because he was there long before any of the residential development showed up but because he is performing the most basic—

Mr. Ruston: McNeil for leader.

Mr. McNeil: —of all human activities, providing the life supporting food we all must have. You can't get along without it.

Mr. Wildman: You can't get along without basic activity.

Mr. McNeil: I think it's high time that his position was made legally unassailable as well, in recognition of his vital contribution to society.

Mr. MacDonald: I don't know who your ghost writer is, but he is interesting and amusing.

Mr. Deputy Speaker: Does the hon. member for Elgin wish to reserve any time at the end of the debate?

Mr. McNeil: No, I don't think so.

Mr. Eaton: How can anybody vote against that?

Mr. Deputy Speaker: The member for Huron-Middlesex.

Mr. Riddell: Thank you, Mr. Speaker, with due respect to the parliamentary assistant to the Minister of Agriculture and Food—and I do respect the member for Elgin (Mr. McNeil), although I held him in far greater esteem when he was a Liberal—

Mr. McNeil: That was at the turn of the century.

Mr. Hodgson: You weren't born then, Jack.

Mr. Riddell: —but I think this resolution is really nothing more than an excuse to correct a serious problem facing farmers that this government has failed to come to grips with. I am inclined to think that the member's lottery number came up and he was hard pressed or discouraged by his cabinet colleagues to introduce either a private member's bill or a resolution that had some teeth in it and which would provide a solution to the rather serious problem facing farmers today, including the restrictions which were placed on them by guidelines handed down by this government.

[3:45]

Admittedly, this resolution gives us a chance to voice our concerns about the restrictions that the agricultural code of practice which the member alluded to places on farmers; and I am sure this was the motivating factor behind this resolution. I might point out the irony of this whole matter. The question of whether the code of practice is government policy or merely a guideline is debatable. In any case, there are three ministries that are pushing pretty hard for it—the agricultural ministry, the environment ministry and the housing ministry.

The Ministry of Housing is trying to get the code of practice into official plans. The Ministry of Agriculture and Food is not only trying to get the agricultural code of practice into official plans, but is very keen on getting it plugged into municipal bylaws. So we have a parliamentary assistant trying to protect the farmers' rights by discouraging the inclusion of the code of practice into municipal bylaws;

and on the other hand we have the Minister of Agriculture and Food endeavouring to have it enshrined in the municipal bylaws. This is the irony which I alluded to.

Fortunately, there have been no concrete decisions made by the minister at this time. I would suspect the reason is that there are a couple of legal questions on whether the code of practice can be plugged into zoning bylaws. I believe there are two or three municipalities that have incorporated it into bylaws, but it has not been tested legally as yet. I believe there is also an administrative problem.

If the code of practice was incorporated into official plans and municipal bylaws, then there would not seem to be any need for this resolution. However, I would hope that the agricultural code of practice in its present form would not be incorporated into zoning bylaws.

I want you to listen to what Peter Hannam, president of the Ontario Federation of Agriculture, had to say about the matter: "Scattered rural development takes acres out of production, but has a much greater impact on a farmer's ability to produce food through its impact on farming efficiency. When people move to the country, they seem to want to live in a park and appear unwilling to accept the odours and noise of farming operations. Under the Ontario government's agricultural code of practice, which is being enforced by many rural municipalities, a farmer cannot expand or build a new livestock barn within smelling distance of a neighbour's house.

"It is forcing many farmers to either curtail expansion or build new facilities that cost in excess of \$100,000 in remote areas on their property. If equitably enforced by municipalities, new revisions in the code should halt development of houses near barns as well. Nevertheless, the problem remains. The rights of people to complain about odours are enshrined in local bylaws; farm expansion is hampered, and the recycling of livestock waste by spreading it on fields is greatly curtailed.

"Municipal anti-noise bylaws are another threat to modern agricultural practices and tend to hamper a farmer's need both to work around the clock in certain seasons and to adapt to newer and larger equipment.

"Scattered rural development compounds the complaints. The traditional rural society deteriorates, and the infrastructure supporting agriculture is lost. Farmers lose the flexibility which allows them to expand and adapt to new technology. Because the root of this

problem is scattered rural development, a move by municipalities in farming areas will help alleviate problems in the future."

I recognize the aim of the code of practice is to provide some guidelines for future expansion of livestock facilities, as well as non-farm development. However, I believe the code in its present form is far from perfect and it needs revision. It should not be enshrined in municipal bylaws, as is now proposed. It should only be used as a guideline by municipalities in their land-use planning activity.

Hon. Mr. McCague: Have you got some suggestions?

Mr. Riddell: Another matter I would like to draw to your attention is that the Minister of Agriculture and Food (Mr. W. Newman) in a press release of March 20, 1975, at a time when he was the environment minister, stated: "Farmers who are only carrying out normal farm procedures have nothing to fear from officials of the Ministry of the Environment." He also mentioned the existence of an "independent body called the farm pollution advisory committee, which consists of four farmers and is called in to assess farm and environmental situations if a farmer refuses to accept the advice of a Ministry of the Environment official."

Safeguards do exist for farmers who are subject to complaints or continually harassed by complaints and the farmers do have recourse to appeal a decision by a Ministry of the Environment official. This further illustrates the redundancy of this resolution.

One final point, and one that we cannot ignore, is that this resolution goes against a number of other laws presently in existence, namely, the Environmental Protection Act, the Environmental Assessment Act, the municipal noise legislation and the common law.

In closing, I don't believe that we as legislators should initiate any action to deprive a person of his or her right to complain about a nuisance. There are laws in existence which give people these rights and there are procedures in effect whereby complaints are handled. For this reason, I don't feel that I can support the resolution, but I can appreciate its intent.

Mr. MacDonald: Mr. Speaker, my conclusion is a little different—and let me state it at the outset. I think the objective of the resolution is right in principle, but I think the possibility of its implementation, given this government and its policies, is nil. That leaves one in a rather perplexed position as to what one does with the resolution.

But let me go back to the beginning of my remarks, if I may. There is a problem here: The problem of the conflict between rural residential living by people who used to live in the cities and the normal conduct of agriculture.

The hon. member for Elgin, who has introduced the resolution, has spelled out that conflict in almost humorous terms. He has reduced it to smells and noise. He has exaggerated it and appealed to the offended senses of people in the farm community who have had inadequate laws to cope with it—laws that were produced by this government. So he has ended up by sort of appealing to the farmers and pitting them against those city slickers who are coming out and intervening in his community. But he's ignored the fact that the problem is a problem created by this government in the inadequacy of its laws.

I just want to suggest in my remarks two areas where the government should have done something. One has been dealt with at some length by the hon. member for Huron-Middlesex. That is, if you have a code of practice, that code of practice presumably is going to reduce, if not eliminate, the conflict between rural residential dwellers and normal operations of agriculture, whether it be noise, whether it be smells, whether it be farm machinery on the roads or what.

If there are inadequacies in that code of practice, then zero in on that code of practice. If it is the code of practice that is so weak as to be merely guidelines that have no real effectiveness, then again we have a problem which is on the government's doorstep—to strengthen that code of practice and give it some legislative backing, so that it can become effective. But let me go one step further, because I think it's even more complicated than that.

We had a study done in the county from which the last member comes, Huron county, Countryside Planning, in which they laid down for the guidance of this government what I still believe is the essential first step in sensible, effective land-use planning out across this province. Their proposition was that in Huron county and generally speaking across the province, there should be an examination of land categories so that the government can designate what is an agricultural priority area, what is an urban priority area, what may be a recreational priority area, and what in some areas might be a forestry or a mining priority area.

Despite the fact that this government put in \$80,000 along with approximately \$40,000

from Huron county to do that study, the study has lain there on the shelf; it has been examined and used as a guide in Northumberland county, but it has never been seized upon as a pattern for this government to act in moving towards effective land use across the province.

Interestingly enough, when he was a backbencher, the hon. member for Dufferin-Simcoe (Mr. McCague) introduced a bill, which was picked up by my colleague the hon. member for Welland-Thorold (Mr. Swart) and introduced just this past month in the House, an Act to provide for the Designation and Retention of Foodlands.

Let me remind you of one section of that bill which would come to grips with the problem that I want to draw to your attention, Mr. Speaker. Section 2 of the bill reads as follows:

"Every planning authority shall within two years following proclamation of this Act,

"(a) survey and clarify all agricultural land situate within the planning area in accordance with the classifications established and defined in studies and maps prepared pursuant to the Agricultural and Rural Development Act (ARDA) (Canada);

"(b) prepare a plan designating as foodlands those areas which can be defined as such and recommend such plan to the council of the designated municipality for adoption;

"(c) develop planning criteria primarily designed to promote retention and protection of foodlands but which will permit non-agricultural use where justified."

In other words, if we had a program with some legislative backing from this government, such as this bill envisaged—a bill originally introduced by a man who is now in the cabinet—we could move to the designation of agricultural lands and we would have a framework within which the objective of this resolution could be implemented, because if a person severed a lot in an area that was an agricultural priority area, then what the hon. member has said in that resolution could legitimately be implemented.

If a person operated in such an area and he got a severance, he would know that he would have no rights in the future to complain with regard to smells or noises or something that emanates from the normal operation of the agricultural industry.

However, if he got a lot in an area that is designated urban—that is, ultimately it is going to be subject to urban development, though agriculture may continue in it for 10, 15 or 20 years—then, of course, he would know in advance that he could never get that kind of protection.

Out in the agricultural priority area, I would be inclined to agree with the suggestion—it wasn't a firm assertion—by the hon. member for Huron-Middlesex, that maybe there should be no severances at all for what you might call purely rural residential living, that the only kind of severance you would permit would be a severance in relation to somebody who is living and working in the agricultural industry—and not a city slicker who just comes out to live in that pastoral park, as the hon. member for Elgin was calling up for us to view.

In other words, without the kind of moving towards a clarification of land categories with priority areas for agriculture, and without the granting of legislative backing to that, then the noble sentiments that are expressed in this resolution remain nothing more than noble sentiments, like so much of this government's profession of protecting of prime agricultural land.

I am a little perplexed. I think I would be inclined to vote for the resolution because it is the kind of resolution that speaks to a problem. But I assert with great vigour that it is impossible to fulfil the objective of this resolution because of the inadequacies of this government's record (a) in relationship to the code of practice and (b) in terms of its refusal to come to grips with guidelines having the backing of legislation in the protection of prime agricultural land in this province.

Mr. Johnson: Mr. Speaker, I rise to speak in support of this resolution. Ontario has a code of the countryside, and it is not spelled out in any statutes. It would carry little weight in court. As a matter of fact, only those who live by the code of the countryside know that it exists. Those people are a minority now, a very important minority. They feed the rest of us who don't live and work in the countryside. They are special people. Mind you, I don't think farmers will ever become an endangered species, but they deserve special consideration from those who live in the countryside without living by its code.

[4:00]

Our farmers need every break they can get to continue their demanding and largely thankless job of feeding the rest of us. People who move to the country from our cities and towns are generally unaware of the code by which neighbourly disagreements have traditionally been settled in rural Ontario. When they violate the code, it is the farmer who usually gets the short end of the stick. In my opinion, the principle of this

resolution will go a long way towards redressing this sort of imbalance.

I suppose the problems of farming in the shadow of urban expansion first gained prominence in the Haldimand-Norfolk and Niagara areas. People who had moved next door to poultry farms complained about the smell and a lot of really bitter disputes developed.

From 1968 to 1970 the Ministry of the Environment office for Haldimand county was receiving 50 to 60 calls a month complaining about farm operations. It also received a petition with 386 signatures.

People from the Ministry of the Environment and the Ministry of Agriculture and Food deserve a lot of credit for the way they handled that situation. They got farmers and their non-farming neighbours together to discuss their differences calmly and sensibly. They persuaded livestock operators to stop spreading waste in June and July and install holding tanks instead. And they also offered a crash course in the facts of life in rural Ontario.

As a result of these government efforts, only one of the hundreds of disputes had to be taken to court. Where one farmer used to be the target of complaints for 26 other property owners, nowadays only four or five complaints a year are received throughout the whole area.

Another result was the agriculture code of practice. It was devised jointly by the Ministry of Agriculture and Food, the Ministry of the Environment and the livestock industry. It contains guidelines for farmers in the storage and spreading of manure to minimize pollution of air, ground water or surface streams.

It also sets out guidelines for the location of residents in the vicinity of livestock operations. In 1976 the code of practice was revised to include what is known as the minimum distance separation formula. It is used to calculate the appropriate distance between, say, a barn and the neighbour's patio barbecue.

The advantage of the formula is that it applies not only to a new or expanding livestock operation locating near an existing building but also to other new uses proposed near a livestock farm. Thus, it works both ways for the protection of both the farmer and the non-farmer. The agriculture code of practice is included in the government's foodland guidelines for municipal councils and planners. Its provision will apply in any new or amended official plan. As the code of the countryside is overtaken in the urban shadow, the code of practice is replacing it

as a more effective way of reducing conflicts between neighbours about barnyard smells.

But what of the other conflicts that can develop between farmers and non-farmers? All sorts for unforeseen problems are cropping up in our changing countryside. Take the basic question of line fences.

Farmers have traditional ways of sharing the upkeep of fences that separate their properties. In my riding they usually face each other at the mid-way point of the fence and each assumes responsibility for the section to his right. That is the code of the countryside. It may not be the code of the newcomer to the countryside.

Good fences makes good neighbours. Sure, but good neighbours make good fences too. Every good farmer inspects his fence every spring and makes any necessary repairs. To the non-farmer that chore is not so important. As a matter of fact, I have heard of instances where city-reared people actually waited until their sections of the fence fell down before they made repairs. These same people are the kind who hit the roof when they find their neighbour's cow in their garden. They don't ask themselves whose fault it is. Often they are also the kind of people who take their complaints to their local council and there is a good chance that nowadays many councillors are also unfamiliar with the code of the countryside. That's another strike against our farmers.

Maybe a farmer's animals will stray through a hole in the fence, but his farm dogs rarely turn killer. When poultry and sheep are attacked by dogs they are usually dogs that weren't raised in the country and trained to stay away from livestock. I heard of a case in Simcoe county where two dogs newly arrived from the city got into a barn full of sheep. They were responsible for 21 deaths. When the farmer caught them at it, drenched in the sheep's blood, they immediately reverted to friendly household pets. One of them came to lick his hand.

Dogs can also worry sheep to death, quite literally. Even if they don't slash at the mother, the fear they cause often brings on abortions at lambing time. When abandoned or runaway dogs mate with coyotes, they start hunting in packs and that's when they start killing calves.

It's difficult to prove responsibility for these attacks. The code of the countryside calls for a farmer to keep his dogs under control. If it turns killer, he expects it to be shot, but nowadays he finds a lot more sympathy for the dead dog than for the ewes and lambs it slaughters.

I could go on at length. I could tell about a York county farm wife who got so many abusive phone calls about insecticide spraying that her husband sold the farm. I could tell about farmers who get a hard time because their farm equipment moves down the road too slowly to please the commuter next door who's hurrying to work in the city. I know of a farmer who no longer ploughs his fields in the fall because the owner of an expensive new house across the road complained about the dust. I could tell how our Minister of Agriculture and Food had to ask Pickering council to forget an anti-noise bylaw for awhile so farmers could operate their corn-dryers late at night after last year's wet harvest.

However, I hope it's clear that the farmers need a better break from our society. I'm not a farmer, but see a clear need for the provisions of this resolution. I hope it has the support of all the members.

Mr. McKessock: It is a pleasure for me to rise and support this resolution. In this House, it is very seldom that we can debate something on agriculture. When something like this comes along, it gives us a chance to support our life in the rural areas. But I am a bit concerned. The resolution states: "That in the opinion of this House, every person who purchases a lot created by land severance in an agricultural area shall be deemed to be aware of the farming practices of that area and no governmental organization should give effect to a complaint filed by such person concerning those farming practices of which he is deemed to be aware."

If this is passed, will it really have some teeth or will it be like the government's farm land preservation program which works in one area and doesn't work in another and is very discriminatory across the province. If it is like that, then there wouldn't be much good come of it. But I certainly hope that this resolution would pass as well and something would come of it.

Most of us who have farms have some land that is not fit for agriculture but is certainly fit for a residence. I think that this offers the farmer a little bit of extra cash if he can sell this lot to somebody from the city who really wants to come out and live in the country. But they must be aware when they move to the country that there are a few things that they have to put up with now and again. Those are the facts of farm life, like spreading manure or noise or what have you, that have been mentioned.

Newcomers, when they do come to the rural areas, have a tendency to go along with

everything at the start, and then when they get well-established decide that it's time they start to complain. I think the intent of this resolution is to put a stop to that. I know that there have been some farmers put out of business in the past by complainers, because they quite often have more financial resources than the farmers have. They can go to court, and when things go to court I sometimes lose my faith in that direction. It depends on who has the most money.

If we haven't got some law to prevent people taking things like this to court or prevent them from complaining, then farmers are going to continue to be harassed by the newcomers in our area, and eventually they will probably be stopped from coming. This isn't what we want. We certainly want to share out beautiful country with other people as long as they accept what we have when they get there.

Mr. Makarchuk: You have been giving it away completely.

Mr. McKessock: I have said before that something like this should happen. It should be put on the deed when a person purchases a lot on a farm, so it is right there in black and white. Maybe this would be better than this resolution. Perhaps the government could consider that in the future.

Actually, they should really be pleased about the odd smell that comes along. I have told everybody, these smells don't hurt them, it's just good nitrogen going through the air. Actually that's what it is—and it has really cured many an ill farmer too, I don't know whether you are aware of that or not, Mr. Speaker.

Mr. Makarchuk: Suggest it to Dennis Timbrell. Maybe it's the answer to his problem.

Mr. Wildman: He produces enough of it himself.

Mr. McKessock: That's right.

A farmer told me recently, he spent about three months in a Toronto hospital and said he was going to die if he didn't get out. One of his neighbours told him if he could just get home and get out to the barn and get a smell of that barn he'd be fine. He said he got home, got to the barn and was better in no time.

Mr. Samis: Ronnie, you could have mentioned that.

Mr. Eaton: Look at all the money we can save on OHIP.

Mr. Wildman: Tear down the hospitals, build more barns.

Mr. Makarchuk: Says something about the state of medical care in Toronto, doesn't it?

Mr. Conway: Just give him one of Reuben's speeches.

An hon. member: Is that the Liberal's solution to the OHIP problem?

Hon. Mr. Baetz: Watch it, smarty.

Mr. McKessock: And also, perhaps, they should not criticize this smell if the farmer is spreading manure close to the line fence with his modern equipment and it flows over into his neighbour's garden. The neighbour will find that his onions will be much better this year than they were the year before. So there are benefits to the smell; the people from the city must be aware of that. If I move to the city, which I did a couple of years ago for the biggest part of every week, I have to put up with the smog down here and if I complain, nobody does a thing about it.

Mr. Wildman: Not even the Minister of the Environment.

Mr. McKessock: So similarly, when the city people move to the country they should have to put up with much less harmful smells and the bit of noise we have periodically in the country.

Mr. Swart: I rise to speak on this resolution and to say immediately that although there has been quite a bit of levity in the debate the subject matter that this resolution deals with is exceedingly important in the farm community and, of course, to the long-term welfare of this province. Those problems and the injustice to farmers were, I think, very well outlined by the member for Elgin and others. We know there is a real conflict between the non-farming resident in the rural area and the farmer in those areas.

I am a little bit concerned that the member for Elgin may have deliberately intended to heighten this a bit and put all the blame on the urban dweller who now lives out in the rural area. But in any event, everyone in this House, I believe, recognizes the problems that exist and solutions should be applied. The farmer certainly recognizes the problems and they are a major issue in every presentation that is made to government. The brief presented in 1976 to the Premier and the cabinet of Ontario, which was also presented to the other caucuses, states "farmers are suffering from conflicting non-farm uses of land. We are restricted by neighbours who have voluntarily moved next to us and now find barn smells and machinery noises bothersome. In addition, these intrusions create considerable fragmentation of rural communities to the detriment of farming enterprises. Farmers are not adequately protected from these threats," so on and so on. I agree with that

description of the problems that exist for our farming community because of the non-farm residents in those areas.

Even the government recognizes those problems in its green paper. I won't take time to quote from it, but it goes into quite some detail in outlining the problems that face the farmers and the hardship that it is for the farm operation.

[4:15]

So the question before this House is not in any way a question of a recognition of this problem. The question before this House is really whether we want to do anything about it.

I say quite frankly I question the sincerity of the member for Elgin in really wanting to do something substantial about this with the type of measure that he has introduced in this private member's resolution. All of this problem has come about while the present government has been in power—all of it, during those 34 years. The government had the power to prevent it and nothing was done.

They have the power to amend the code of practice, as suggested by the member for Huron-Middlesex. They have done nothing about that. The code of practice, in fact, inflicts more hardship on the farmer.

Now we have this resolution. And let there be no doubt about it, the resolution we have before us is completely meaningless. After it's debated today, things will be exactly the same. There will be no change in legislation. We're all in agreement on the principle of this resolution to start with, and not a single action is going to be taken to change things.

Mr. Makarchuk: So why doesn't the government bring in a new bill? Tell Bill to bring the bill in.

Mr. Swart: Yes. And you know, the member can't lose. He really can't lose on this. Because if it passes, it's a nice thing to send around to the farm community and say, "Look at what I've been trying to do."

Mr. Makarchuk: Here comes the Premier (Mr. Davis). Tell him to bring in the bill. Where is the bill, Bill?

Mr. Swart: If it loses and the two opposition parties combine to vote against it, then he can display this loss because the terrible people in the opposition parties voted down a protection he wanted to give to the farmers.

Mr. Riddell: Vote against it and it might encourage them to bring in something more meaningful. We can't accept this kind of nonsense.

Mr. Swart: It might very well, but knowing the government there I would doubt that that would be the case.

Mr. MacDonald: You have greater faith in the government than we have.

Mr. Makarchuk: Are you bringing in legislation, Bill?

Mr. Acting Speaker: Order.

Mr. Makarchuk: We want an answer. There he sits cherubic and smiling.

Mr. McClellan: Why doesn't he have an answer?

Mr. Swart: My question of the member's sincerity is also heightened by the fact that the same member bringing in this bill was the lead-off speaker against my bill on the issue of preserving our prime agricultural land—yes, even classifying it. He is the man who has brought in this motion.

Mr. Wildman: It's sheer hypocrisy. I wasn't aware of that.

Mr. Swart: You see, it does nothing for the preservation or the classification of land. That would be omitted. It does nothing for the whole land severance problems in all its ramifications, including the one of the conflict between the farmers and the urban rural dwellers.

First of all, it only deals with governments, and it deals with that in a very vague way. It doesn't deal with such things as trespass problems, does it? That's a very real problem to the farmer. It doesn't deal with the human relationship, the harassment that the farmers now have and about which the member spoke. This resolution can do nothing about that.

It doesn't deal with the root causes of the problem, even if it was legislation. It doesn't deal with the questions of the traffic increase. It doesn't deal with the question of additional costs because of the urban service demand and policing and so on that all has to come when rural communities are urbanized.

Mr. MacDonald: I'm afraid it's just political grandstanding.

Mr. Swart: It is nothing more than, as my colleague from York South says, political grandstanding, because it doesn't deal—

Mr. Lane: You people over there ought to recognize that pretty well. Your grandstanding is unique.

Mr. Swart: —with the real issue of reducing severances. In fact, the wording in the motion would indicate that it would promote severances. It says: "That in the opinion of this House every person who purchases a

lot created by a land severance." It says nothing about the people who are there, the people who may purchase a house and a lot which exists there now. There is nothing about them. It is only where a lot is created. Why wouldn't there have been an amendment to it if the member was meaningful about it? Why not say lot or non-farm residence? In addition to a person who purchases a lot created by land severance, why not include a person who purchases a non-farm residence in an agricultural area shall be deemed to be aware of the farming practices of that area and no government organization shall give an effect to a complaint filed by such person.

The fact is that the member intends to go on by his bill allowing more and more severances in the rural areas. He knows that is not what the agricultural community wants. They want those cut down.

Mr. McKessock: It's nice having those city farmers telling the member what to do.

Mr. Swart: Let me again quote from the brief from the Federation of Agriculture: "A full planning package for agriculture for this province must include consistent restriction against encroaching uses not compatible with agriculture." They make that clear that that implies additional severances out in the rural area. Even the government's agricultural paper, the green paper that it produced with such great fanfare makes this comment: "Severance applications which may create rural residential lots must not be allowed within a high priority agricultural designation."

Hon. W. Newman: You are finally beginning to listen and read it. I am glad you understand it. You are finally beginning to learn. I thought there was no hope for you.

Mr. Swart: The government qualifies everything in this green paper but it does express that principle in it. Yet in the resolution we have before us it is implied there are going to be more and more lots created in the rural area of this province.

Mr. MacDonald: The government speaks in contradictions.

Mr. Swart: Even in the conflict between the farmer and the non-farm resident, the bill provides really no answer at all. What if health measures are involved? I could tell members of a farmer in the Niagara Peninsula who farms 350 acres of grapes and keeps a large dairy herd who had his manure pile located on his property close to a lot which had been created many decades ago on which was situated a house.

Mr. Acting Speaker: The member's time has expired.

Mr. Swart: The Ministry of the Environment came and ordered him within one week to remove all of that manure from that area. I conclude by saying that the answer to the problem is not the resolution that is before us. It's sensible land-use policies that will prevent the problem from arising.

Mr. Eaton: I hadn't intended to go very deeply into this subject but the member across the way incensed me a little bit when he referred to my colleague from Elgin as being insincere about this question.

An hon. member: Oh, never.

Mr. Eaton: He has moved a practical resolution to this problem.

Mr. Swart: What will it change? Where is the legislation?

Mr. Eaton: If there is anybody that's a hypocrite on it, it's the member for Welland-Thorold, another urbanite trying to tell the rural community what to do.

Mr. Warner: Oh, that's cheap nonsense.

Mr. Eaton: As an urbanite, he wants to regulate everything that goes on in rural Ontario. He wants to regulate the lives of the farmers.

Mr. Wildman: It is your government that is regulating it.

Mr. Eaton: He mentioned the trespass legislation. We dealt with a practical solution to that and most of his party voted against it.

Mr. Makarchuk: No, they did not.

Mr. Eaton: Most of his party voted against it. If there is anybody that does any political grandstanding over this issue it's his party.

Mr. Swart: Tell me what this motion does.

Mr. Eaton: They play to the freezing of agricultural land to save it because they say we are going to starve in Ontario. Who are they playing to? They are not concerned with the lives of the people in the rural community. They think they are playing up to the consumer and playing scare tactics to the consumer in issues like that.

Mr. MacDonald: That is a cheap political ploy.

Hon. W. Newman: No, it is not. It is true.

Mr. Eaton: They talk about freezing agricultural land. It is always something along that line. They are not concerned with a practical solution to the problem.

Mr. MacDonald: What is the practical solution?

Interjections.

Mr. Eaton: The members opposite would tend to complicate every one of these problems. They want to regulate everything. They want to control everything.

Mr. Swart: What does a regulation do?

Mr. Eaton: They think they can draw lines as to how far a smell will drift in a rural community.

Mr. Wildman: I wish we could designate it here.

Mr. Eaton: Even with the code of practices in place, and it has got some real practical points to it, I think you can see what happens when you have a building that could be 2,000 feet away from a house, producing a lot of manure. It's not what's taking place at that time, it's when they go out and spread the manure that the people complain.

Mr. Ruston: There is quite a bit of that.

Hon. W. Newman: And you do a good job of that, too.

Mr. Eaton: In a case like that, the regulation that you want to implement and make law has no solution to it.

Mr. Swart: Tell us what the resolution does.

Mr. Makarchuk: Are you voting against it?

Mr. Eaton: Okay, just a minute. If the member for York South recognized that if a sewerage were created in a rural setting like that, in an agricultural area, he even admitted he was going to allow them in an agriculture-designated area. And it is practical to allow them there sometimes. But once again he wants to regulate that designation right down to the last little "t".

Mr. Makarchuk: Are you voting against the resolution?

Mr. Eaton: The member for Elgin has put forth something here that is quite practical. He has put forth a solution to the problem of allowing people still to settle on those pieces of property in rural communities that are not good for agricultural purposes, but are close to agricultural areas. He is allowing them to settle there, to build there, accepting the fact that the agricultural practices that are going on there will continue to go on and that they can't complain about them. They accept it the way it is, just the same as the person already living there puts up with it.

It's not the nicest thing, even in your own farm home, when you are spreading the manure on the field next to your house. But it is part of what you carry on with. If those people want to come out and live on those properties, they could do so, knowing that

they have no right to stop the operation of the farm because of a smell, because of a noise, that is carried on in an agricultural area.

Mr. Riddell: How do you deny a person's rights to complain?

Mr. Eaton: They can complain. But the member has put forth the premise that they have no legal right to stop the practice from taking place.

Hon. Mr. Baetz: Only fair.

Mr. Eaton: Anyone can complain. You people complain all the time—that's all we hear from you most of the time is complaints.

Mr. Warner: You never listen.

Hon. Mr. Baetz: City slickers.

Mr. Eaton: But here is a practical solution: simply by placing legislation on the books that would say they have no right to stop these particular types of operations from going on.

Mr. Davidson: Talk to your government about that.

Mr. Swart: But this isn't legislation.

Mr. Eaton: I think we should all stand up and support this proposal. I certainly can't understand why the member representing Huron county would oppose such a resolution.

Mr. McClellan: I don't understand what the motion is; a motion is not a law.

Mr. Eaton: It's a practical solution and I urge all the members of the House to support it.

Mr. McClellan: Nonsense.

Hon. W. Newman: If we packaged up all that you said today, I wouldn't buy fertilizer for my farm this year.

Mr. Swart: You don't need to; you can produce enough.

Mr. Gaunt: I just want to make a few very brief comments with respect to this resolution. I think the member for Elgin senses that there is a problem and in that respect he is correct. There is a problem, as has been indicated by many members this afternoon, with regard to people who come out from urban areas and settle in the country and then complain about the odours and the tractors running at 2 o'clock in the morning, and all that kind of thing. Obviously, there is a problem.

My concern, however, is that this resolution really wouldn't resolve the problem. There is no way, if this resolution were passed unanimously by this House, that the problem would be resolved.

Mr. MacDonad: There is no backing in law; it is another guideline.
[4:30]

Mr. Gaunt: It has no backing in law, it has not teeth, it is simply an intention. What we need, as has been mentioned previously, are changes in the code of practice and a sensible land-use policy in this province, which we simply don't have. If the member, my friend from Elgin, is going to tell us that this resolution is an intention of the government to bring in that kind of legislation, then I would certainly be more inclined to support it. But as it stands at the moment, it certainly does nothing in any way, shape or form to resolve the problem. While it's a good debating vehicle and a good mechanism to air all of these problems and to put them on the floor of the House and thereby give them some public attention, it really does nothing to resolve the very real problem with which farmers are faced today.

Mr. Bradley: It's got fewer teeth than Leon Spinks.

Mr. Wildman: I originally hadn't intended to participate in this debate—

Mr. Eaton: But there is enough time.

An hon. member: Sit down. Sit down.

Mr. Wildman: —but when the member for Middlesex alleged that people on this side of the House did not support his bill to deal with petty trespass—

Mr. Eaton: I said most of your party and that's right. You did, but most of your party didn't.

Mr. Wildman: I spoke in favour of that bill and indicated the weaknesses in it and made suggestions for improvement.

Mr. Lane: Come across the floor, Bud, now's the time.

Mr. Eaton: I didn't single you out. I said most of your party.

Mr. Makarchuk: I could say things about most of your party, too; what does it mean?

Mr. Wildman: I'm participating in this debate today as an individual who has grown up in a rural area and who has lived in a rural area most of my life.

Mr. Swart: We didn't block it, anyway.

Mr. Davidson: That's more than your party did.

Mr. Wildman: All of these comments that have been made on that side of the House about urban people on this side of the House making comments about rural life, as being an example of what the member for Elgin is complaining about, are pure hogwash.

Mr. Makarchuk: That's not an urban term, is it?

Mr. Wildman: The fact of the matter is that I'm a little bit concerned about the resolution because I'm one of those so-called people who might be living on land in a rural area and not farming it. I might point out, however, that I live on a rockpile that is only good for growing trees and is not too good for even growing trees, so I'm not concerned about taking land out of production.

Mr. Makarchuk: Grow the rocks.

Mr. Gaunt: Go to hydroponic farming.

Mr. Wildman: In my riding there have been a lot of problems that have developed largely out of the development of what we call in the rural area hobby farming or horse farming. There's a lot of horse farming going on and unfortunately a lot of the people who are carrying out that horse farming don't understand much about farming procedures.

Mr. Lane: They don't know about the blunt end of the horse, do they? Did you ever try to figure out how to plant them?

Mr. Wildman: We've had a lot of problems with line fences. We've had problems with people complaining about farm machinery on the roads and so on. I congratulate the member for Elgin for pointing that out in this House, I think quite eloquently although sometimes in a rather amusing approach.

However, I must echo the comments made by other members to the point that this really doesn't solve a lot of the problems. Because unless you have the Minister of Agriculture and Food ready to put some weight behind this resolution, it is just another sort of motherhood statement made in the House that everyone can talk about and say, "Wasn't it nice that they discussed these problems?" but it hasn't got much weight. I find it very difficult to vote against this; I will probably support it. But where does it go after that? Where do we end up?

Mr. Haggerty: Talk to Mel first.

Mr. Warner: It's not even a bill.

Mr. Lane: You have to start some place.

Mr. Wildman: A little while ago on a private member's bill from the member for Algoma-Manitoulin we started to talk about problems with gasoline prices. We started, and what happened with that?

Mr. Makarchuk: What happened to that, John?

Mr. Wildman: The minister there at least had the guts to participate in the debate and

get up and oppose it. Where is the Minister of Agriculture and Food?

Mr. Makarchuk: He walked out.

Mr. McClellan: He doesn't care.

Mr. Wildman: I'd like to know what his position is on this.

Mr. Lane: We're going to get some results on that bill yet, Bud. Don't worry about it.

Mr. Makarchuk: He didn't even talk on the preservation of—the Minister of Agriculture doesn't care.

Mr. Wildman: I'd like to know what his position is, because that's what really counts, not the position of the member for Elgin, even though he's a wonderful person and a very sincere man.

Hon. Mr. Baetz: He certainly is.

Interjections.

Mr. Wildman: Some members here suggested I'm laying "it" on a little thick. I don't know exactly what they mean in terms of this resolution.

Mr. Gaunt: You're spreading it.

Mr. Lane: You know. That's the way you spread manure sometimes.

Mr. Wildman: I'd like to comment briefly—and I hope the member will be able to reply to this—on the matter that I'm a little concerned about.

What happens if your neighbour is one of these hobby farmers and you happen to be living on a lot that you were able to purchase because of the severance. You aren't farming it, but your neighbour, a hobby farmer is farming and he's doing a poor job in the sense that he isn't fixing his own fences and he's letting his livestock get out of his own property and on to someone else's property. Does this resolution mean you can't complain about that?

Mr. Haggerty: Right. That's what it means.

Mr. Wildman: I hope not. That would be a very bad thing. What if your neighbour isn't carrying out his responsibilities as he should as a farmer—and I don't think people should presume to tell him how to do that, but let's say it's obvious he's not doing what he should. If, say, he's letting his horses wander over his neighbour's property, which is what has happened in a serious case in my riding—the police have been called and have tried to get the farmer to look after his horses, and the humane society has become involved—what happens in that case? I hope the member can clarify that position.

As I said, Mr. Speaker, I am willing to support this resolution but there are some

serious problems with it unless the government wants to really put some weight behind the sentiments expressed.

Mr. Acting Speaker: The member for Elgin for four minutes.

Mr. McNeil: Mr. Speaker, in answer to the member's question with respect to line fences, he might be interested to know that particular problem would be covered under the Line Fences Act.

Mr. Wildman: Except it's not enforced in many cases.

Mr. McNeil: It's enforceable. The Line Fences Act is going to be introduced and amended during the current session of the Legislature.

Mr. Wildman: You've been talking about that for years.

Mr. Haggerty: That's the best news we have heard, Ron.

Mr. Makarchuk: You're a carrier of good news, Ron.

Mr. McNeil: I'm rather sorry that there is quite a division in the NDP Party.

Mr. Makarchuk: It's the NDP—not the NDP Party.

Mr. McNeil: I've been told that I'm not sincere and I was told that I am sincere; so I'm really confused at the present position of the NDP Party.

Mr. Makarchuk: It's the NDP—not the NDP Party.

Ms. Gigantes: Do you say the RCMP Police?

Mr. Acting Speaker: Order.

Mr. McNeil: I would just like to point out that this is a resolution that will resolve a problem without a lot of regulation.

Some hon. members: How?

Mr. McNeil: I am rather surprised that the member for Huron-Middlesex would not support this resolution, because I imagine that he has the same problems as some of the rest of us who represent urban rural ridings. We realize there are problems caused by severances.

Mr. Riddell: I'm fully aware of that, but it doesn't answer the problems.

Mr. Swart: He knows it won't do anything.

Mr. McNeil: I can only say that I hope, after the discussion that has taken place here in the House, that the members will support this resolution.

Mr. Acting Speaker: The time for debate of this item has expired.

CONSUMER PROTECTION
AMENDMENT ACT

Mr. Blundy moved second reading of Bill 45, An Act to amend The Consumer Protection Act.

Mr. Blundy: Mr. Speaker, it is a pleasure for me to speak to this bill, pointing out the reasons why I believe that all members in the House should vote for this bill. By voting for this particular bill, they will ensure that something is done to protect the consumers of Ontario. It is different from the resolution that has just been debated in this House; while I have every sympathy with that resolution, I personally don't believe that it will ever mean anything to the people of Ontario. But that is not the case in this bill to amend the Consumer Protection Act.

I would like to mention exactly what the bill is going to do and I will explain the reasons why it is being introduced. The bill is going to provide that everyone who is the renter, any businessman or proprietor who is the renter of a product, a tool, or a piece of equipment is going to have to have laid out in the contract for such a rental whether the piece of equipment or the material is covered by insurance for loss of or damage to the particular tool or piece of equipment. This is an important thing because most people walk in and say: "I want an electric drill." They get it and they walk out. There is nothing ordinarily said in most cases, I should say, about who is going to be responsible for loss of or damage to such a piece of equipment.

The consumers of Ontario are becoming more and more involved in the rental of equipment for ordinary household jobs that have for many years been done by the householder without use of equipment. As an example, Mr. Speaker, how many times do you see advertised where the housewife can rent a carpet steamer and cleaner and so forth? This is becoming a very commonplace thing, as well as other members of the family renting tools and so forth. How many times do those people ever stop to examine what would happen if that article was destroyed by fire in their home or was stolen from their home when it was in their care and so forth? There are some very reputable people in the business of lending tools and renting out tools who do make arrangements and who either orally or in written terms explain exactly what kind of liability is imposed upon the person who is renting.

The majority of people do not and the majority of the consumers of Ontario—ordinary people just like ourselves—don't

ever think about it and they don't ever ask about it. Therefore, they could become liable for something without their knowledge.

Recently, the hon. member for Simcoe Centre introduced a resolution in this House which said "commonly used and easily understood language should be used in all contracts and legal documents in Ontario."

Mr. Wildman: It would put the lawyers out of business.

Mr. Blundy: I don't think that would be such a bad idea. They could all run for the Legislature.

Hon. Mr. Norton: That's all right for you. You have a business that will never run out.

Mr. Ruston: Bill 59 will put them back in business.

Mr. Blundy: Bill 59 will take up the slack. I am sure they will all be very busy on that.

However, I spoke in favour of that resolution that the hon. member for Simcoe Centre brought in. I think that this is a kind of a natural thing to go with it because it is something that we all want to have and assume we have without ever knowing it. I say, and the bill says, that it must be clearly stated that "the owner of the goods or his agent, as the case may be, shall inform the person as to whether or not insurance for loss of or damage to the goods is included in the rental fee."

The second clause is that the warning must be clearly shown that this is what is happening. The renter, in order to be protected must know exactly what his liability is, whether it is just liability for him or whether it is extended liability to a third party damaging, or something of that nature.

[4:45]

What really is being done is a very simple step to further protect the consumers of Ontario. And I want to say that in Ontario the Consumer Protection Act we have now is one of the best in the jurisdictions of which I am aware. There are areas of that Act that should be amended and additions should be made to it. I certainly would suggest that this is one addition that will correct what is an omission in the present Act.

There are more ways of renting equipment cropping up every day. People are renting things we never thought of in previous years. It is becoming a way of life and people who wouldn't ordinarily read a contract are renting equipment. Therefore I believe that this bill will bring one more protection to the men and women of Ontario who are ordinarily people and need its protection very, very much. I would strongly urge the

members of this House to vote in favour of this bill.

Mr. Acting Speaker: Did the member for Sarnia wish to reserve some time at the end?

Mr. Blundy: Yes, I would like to do so, Mr. Speaker. At least five minutes.

Mr. Davison: I rise to offer my support on second reading of Bill 45, An Act to amend the Consumer Protection Act. While I am quite happy to support this bill today I would much prefer to be speaking on a government-sponsored bill of the same title that would in fact have the effect of making the Consumer Protection Act of Ontario have contents that would equal its fine title. Neither the provisions of that particular Act nor the record of its accomplishments or the enforcement of the Act are something of which the people in Ontario can be terribly proud, and in that I am afraid I must disagree with my colleague from Sarnia.

Mr. McClellan: The minister isn't even here.

Mr. Davison: By the way, where is the minister?

An hon. member: He is out to lunch today.

Mr. Eaton: He is unable to be here.

Mr. Pope: You are pulling a Mel Swart.

Mr. Davison: I trust that he will upon return to the House this evening carefully read the excellent remarks of the member for Sarnia and the remarks that will be made by other members in this debate so he can bring himself abreast of some of the real problems that consumers are facing in Ontario.

Mr. Wildman: The minister is talking to Mr. X.

Mr. Davison: This government's commitment to consumer protection is indeed a very modest one, consisting in large part, if not totally—

Mr. Eaton: That is not what the member for Sarnia said, he said it was the best.

Mr. Davison: Yes, he did and—

Mr. McClellan: He was wrong. He was dead wrong.

Mr. Davison: —I disagree on that. He is wrong.

The commitment consists almost totally of public relations. This government has actually been able to convince some members of the citizenry that we do in Ontario really adequately protect consumers through the legislation of this House. That the member for Sarnia, the former Liberal critic for Consumer and Commercial Relations, understands from his review of this matter and

his talking to people in the province that it was necessary to add what would seem to be such a basic, simple and sensible protective amendment to the legislation shows, I suspect, quite clearly the inadequacy of Ontario's Consumer Protection Act.

I thought that his remarks in explaining the need for the bill were quite appropriate and while I couldn't agree with him in his overview of the bill I would like to put on the record the explanatory note which the member has had attached to Bill 45, because I think it shows quite clearly the intent of this particular amendment:

"The bill provides for warnings in rental contracts as to whether or not loss of or damage to the goods rented is included in the rental fee. The warnings also point out that persons renting the goods may be responsible for loss of or damage to the rented goods where no insurance is included." The lack of such basic protection in the Act is indeed puzzling to the members opposite or anyone else in the province—and should indeed have been puzzling to the member for Sarnia—who would have thought we had adequate protection or that the government was at all serious about protecting consumers. At times, the Consumer Protection Act is anything but. I'm sure that all members of the House recall Judge Killeen recently commenting that the Ontario legislation, including the Consumer Protection Act, falls far short of the mark in protecting the public.

In 1976, the Ministry of Consumer and Commercial Relations received, classified and closed, some 6,095 complaints under the Consumer Protection Act. It sounds rather impressive, 6,095 complaints. How many of those complaints were prosecuted and in how many cases was there a conviction? Only two. That number seems to me to be quite memorable, although it's terribly unimpressive. However, its lowness can perhaps better be understood when we compare it to the number of cases that were investigated under the Consumer Protection Act. That number was four. That leaves 6,091 cases of complaint under the Consumer Protection Act in 1976 uninvestigated.

Mr. McClellan: A wonderful record.

Hon. Mr. Norton: That is a distortion though. There are alternative ways of doing it. You people would use a heavy-handed approach.

Mr. McClellan: I'm sure there are. One would be to get rid of the Minister of Consumer and Commercial Relations.

Mr. Davison: Those are statistics—6,095 complaints, four investigations, two prosecutions. The statistics speak rather loudly and they show an ineffective ministry or an inadequate piece of legislation or, as I suspect is the case—

Mr. Foulds: Both.

Mr. Davison: —an ineffective ministry administering an inadequate piece of legislation.

Mr. Makarchuk: Combine the two of them and you get something pretty rough.

Mr. Davison: Quite rough.

Mr. Makarchuk: It is the blind leading the blind.

Mr. Davison: The Minister of Consumer and Commercial Relations has in the past explained that the legislation is a bit of a problem in that most courts of law will not grant restitution in these cases. If the current legislation is the only reason—and I suspect it's not—for the lack of adequate consumer protection in Ontario, then the minister's job would be to propose massive alterations that would provide consumers in Ontario with the kind of protection that is so obviously and apparently necessary. It should not be necessary for members like the hon. member for Sarnia or the hon. member for Simcoe Centre or indeed myself to have to move by way of private member's bills to add some law to surround the loopholes in consumer protection in this province.

Mr. Foulds: Or even the hon. member for Carleton.

Mr. Davison: That's right. In Ontario today, consumer protection should not be a part of our modern mythology. It should be a reality. I support the member for Sarnia's private member's bill today but I hope in the very near future those of us in the House will have the opportunity of seeing some wide-ranging and effective government legislation to amend the Consumer Protection Act so that it is indeed finally worth its name.

Mr. MacBeth: To my mind, this bill is a very good example of the ambivalence of most of us in this House as legislators.

Mr. McClellan: Speak for your own ambivalence.

Mr. MacBeth: It is true that when we're elected we all run on a platform that will remove Ontario from sin and injustice.

Mr. Wildman: We haven't done it. There have been 35 years of it.

Mr. MacBeth: No, I don't think we have and I don't think we're about to.

Hon. Mr. Norton: That's because there have been so many sinners elected to the Legislature.

Mr. Bradley: Not until the next election.

Mr. Foulds: That's called the Elmer Gantry ticket.

Mr. MacBeth: That's the legitimate purpose of all of us. Until we get rid of you fellows, it might be a little difficult to do that.

Hon. Mr. Norton: That's all right. We will return to the high road.

Mr. Foulds: Stop heckling your own member.

Mr. Wildman: Don't turn around. You'll turn to a pillar of salt.

Mr. MacBeth: If a rectangular chamber can have three sides, I have listened to us on all sides of this chamber tell us and make a similar pledge that we are all in favour of making the life of the small businessman somewhat simpler, we want to remove him from government control and we want to get out of his life. I've heard it from all three sides of this rectangular or this diagonal chamber, or whatever it is. When I listen to these debates on these private members' public bills, I wonder whether or not we are putting a little too much importance on them under our new procedure. I know it is good to give the private members an opportunity to express their thoughts so the government can get the flavour, so the people will know what we are thinking and we know what the people are thinking. Yet, at the same time, I think the way to do it—

Mr. Samis: John, you're sounding reactionary.

Mr. MacBeth: —is through a motion similar to the one the member for Elgin has made—so that we can express our thoughts without trying to leap into legislation.

There are two things, I suppose, that we as legislators can do. One is pass tax bills and the other is pass legislation. Every bit of legislation that we pass restricts somebody's freedom or liberty. But that is what we seem to be able to do and some of us feel, unless we are either passing legislation or taxing somebody, that we are not doing the job we are expected to do.

Mr. McClellan: You are the only ones who can tax; you are tax happy.

Hon. Mr. Norton: I don't know, we find you rather taxing at times.

Mr. MacBeth: That's right, we find you people wanting to tax all the time. I think it has been ruled that only the government can pass taxing bills—

Mr. Foulds: He should get an award for the worst pun of the year.

Mr. MacBeth: You are down to trying to deal with legislation. We have 100 private members in this chamber all trying to rush into the records for posterity—that that is the bill that I put down on paper, that I had a part in, that I introduced—to restrict the freedoms of the people of the province. There is no wonder that so many people look upon us with a jaundiced eye.

Let's take a look at this bill. I have been rambling—I admit that—and I have had my tongue in my cheek part way along. But I think, in all seriousness, we shouldn't be rushing into legislation unless there is a good practical purpose for doing so.

Mr. Foulds: Rambling and mumbling.

Mr. MacBeth: We've got too much legislation.

This purports to protect the interest of the consumers of this province. With the millions of contracts that are entered into every day between consumer and purchasers, whether they are oral contracts or implied contracts, when you go into your neighbourhood store, when we suddenly pick out this—I won't call it an insignificant matter—but it is only one of thousands of matters in the field of contracts that my good friend from Sarnia could have dealt with.

I have never heard that these matters of rental were any great concern over any other types of concern that people have over various contracts. So I don't know why at this time we would suggest to a businessman: you've got your forms all ready and all the rest, but because a private member of this House thought there was some concern over the matter of rental agreements you will now have to go out and do your forms all over again. This matter of rentals is so important that you have got to put this in capital letters.

I don't know, as I say, whether this matter is any more important than the thousand of other things that are dealt with in contracts. Next week, I might have a bright idea—I don't get too many of them but I get one or two—so I bring in my bill. I want to outdo the member for Sarnia so I say that the point I want to make should be put in red ink.

These are the kind of problems we present to the small businessmen of this province, whom we are all trying to woo and say we look after. It doesn't matter what problem it is for you, Mr. Businessman. The vendor is the villain while the purchasers are always the good guys, so you go out and do your forms over again. Go to this expense. We are not so sure that we won't give you a different

form a few weeks from now to redo, and have retyped with all the expense, consultation with lawyers and all the rest that goes with it.

I think we are trying to tell people—and this is where we make a mistake—that the government will protect you from every evil. That, of course, is not good, but some people seem to think that a good consumer protection Act is all that is needed. You don't need to have any common sense yourself. You don't need to use the old phrase, let the buyer beware. You can go headlong into every contract, and the government will save you from all of the problems that might come from that.

Mr. Bradley: You don't need a high-class lawyer.

Mr. MacBeth: There used to be—

Mr. Foulds: You know what, you're cabinet material.

[5:00]

Mr. MacBeth: I was once but I'm not anymore.

There was once a way of making sure that you didn't get into trouble when you dealt in contracts. You used to deal with reputable people. I don't know whether that word reputable has gone out of fashion or not. I suppose it implies some sort of discrimination, that you should be able to deal with all people as though they were reputable. But there was a day when we used to rely on our own judgement and the people we dealt with to make sure that they would give us an honest and proper deal.

It's amazing to me, when we come to this matter of taking a chance in business, that we say that a member of the public should never take any risks or any gamble when he goes into a commercial transaction, and yet all levels of government seem to be rushing headlong to try to take money away from people by way of lotteries of one sort or another. On the one hand, we're encouraging a little bit of gambling by saying to take a chance in life; and yet, when it comes to this matter of day-to-day commercial transactions, the government should save you harmless in everything you do.

The best protection for people is their own common sense and their own investigation. What we should be trying to do, under our Ministry of Consumer and Commercial Relations is to try to teach people to be on their guard and to be aware, rather than saying, "If you get into trouble, we'll get you out of it." Let's get back to dealing with reputable people.

The thought of this bill is not all that bad. I'm simply saying it's not an important enough subject to run into legislation and to put the businessman, the small businessman or the big businessman, through all the problems of rewriting his contract forms on the particular whim of one member—not that that whim is bad, we're all entitled to our whims.

The minister himself, may have the idea of looking at this bill at some time. The debate that takes place here today and the results of that debate can be viewed by the minister. Then, maybe when he's looking at this bill again in the overall picture, he can put the businessman to the trouble of reviewing this bill once and redoing his forms in a comprehensive way rather than picking up this one little point.

When we're looking at legislation—and, remember, this is what we're doing now under private members' public bills; we have the potential of legislation—we must proceed with it cautiously and make sure that the results we hope to achieve by legislation are not outweighed by the disadvantages that we are looking at.

Mr. Warner: Are you going to guillotine this one too?

Mr. MacBeth: I would suggest to the House that the disadvantages of this bill—the cost of administering it, the cost it puts to the small businessman, the general annoyance to the public and the fact that it would be one more step on the road to government control—are such that this bill will accomplish less in the way of good than the harm it will bring about.

Mr. Bradley: Mr. Speaker, I rise to support Bill 45, An Act to amend the Consumer Protection Act, the bill presented by the hon. member for Sarnia (Mr. Blundy).

In my initial comments, I would react in a very brief manner to the comments of the hon. member for Humber (Mr. MacBeth), because at the present time we seem to be in a debate—not only in this province, but I suppose, across the land—on what the role of government should be. I think we're all trying to strike a balance between government intervention on behalf of the individual citizen and the right of the private sector to operate without interference from government.

It seems to me that when it's convenient to certain sectors of private business to have regulations, they're for regulations. When it's not convenient, they're opposed to regulations. So I would agree with the member for Humber that we have to be very careful to

look at the ramifications of each piece of legislation, be it initiated by the government or by a private member during this hour.

I'm hopeful the government won't block this bill, because I think it is a common-sense bill, a very simple and to-the-point bill. When we look at the possible ramifications for business, common sense would dictate that the bill might not come into effect immediately. There would be plenty of warning for business, for those who might be in this specific rental business, so that the forms they have to deal with, and the contracts they have to have printed, can be printed in the manner in which this bill dictates. With that necessary interlude between now and then, presumably they would use up most or all of the contracts they have at the present time. Implicit in the passing of this bill, I think, would be a reasonable period of time to adjust to it.

I realize that there are some who think this is unnecessary intervention into the private sector. But surely any honest businessman—and the overwhelming majority of business people in this province are honest individuals who wish to conduct business in an honest way under the laws of the country and in the province. So assuming this, I cannot see why any honest businessman or businesswoman would object to this particular provision in the bill, which clearly outlines to the individual who is receiving the service or the rented product in this case what the implications are in terms of insurance.

As the member for Simcoe Centre (Mr. G. Taylor) indicated in his previous bill before this Legislature, the individual is not always cognizant of the exact provisions of a contract, particularly those that are in the proverbial small print, and sometimes in certain contracts requires the assistance of a solicitor. The individual may not have the kind of funds necessary to consult a solicitor every time he or she enters into a contract involving a consumer item and so the consumer looks to government to protect the legitimate interests of that consumer when he or she is dealing in this kind of contract.

So I commend both the member for Simcoe Centre and the member for Sarnia for recognizing this problem that does exist and attempting to alleviate it in the manner which has been prescribed by this bill and the previous bill.

Bold face type I think was referred to by the member for Humber. He suggested that perhaps next week or the week after someone would come in with a bill indicating it

should be red type instead of bold face type. I suppose that is something we might have to look forward to, but the members of the Legislature can make a judgement on that particular provision at that time.

I think it's very important to look at who is responsible for the insurance. I think that's one of the major provisions of a rental contract. That's why it is necessary to bring clearly to the intention of the consumer the fact that either the company from whom the product is rented is responsible for the insurance of that product should there be a problem, or the individual is responsible.

I think that has to be clearly spelled out, because for both the individual and for, I suppose, society represented in some form in this Legislature by the government, the consequences are not insignificant.

For instance, a person involved in the rental of a vehicle may find himself in severe personal debt as the result of an accident that takes place if he has to assume the cost of it out of his own pocket instead of insurance. As a result of being unable to pay in this regard that person may end up with a poor credit rating. That person—and I realize we have legislation that prevents discrimination—may then find himself or herself in a position where that person is unable to obtain employment of some kind because people say that he is not a responsible person in dealing with his own debt.

For the public the consequences are great because this government across the floor, and I think members of the opposition, are concerned about how much government involvement there should be in providing funds for individuals who are in dire need. If a person is facing the consequences of a debt of this kind, resulting from lack of knowledge of who is responsible for damage to or loss of a particular item, that person might have to apply for social assistance in terms of welfare or other government assistance that might be available. Or that person in desperation may—and I realize this may be hypothetical—commit a crime which would result in that person being apprehended by the law and being institutionalized in one of our correctional institutions.

All of these consequences are possible and might just in some small way be avoided by the provisions of the bill as proposed by the member for Sarnia.

I needn't repeat the provisions of the bill. I think it must be clear to people exactly what they are getting into when they get into a rental contract. I commend this bill to members of the Legislature and hope that

they will vote on the basis of their own personal conscience and their own personal philosophies in this regard and on the merits of the bill, rather than feeling obligated to vote one way or another because of the political party they happen to represent.

Mr. Deputy Speaker: The member for Hastings-Peterborough (Mr. Rollins) has asked if he could make a brief announcement. Would the members of the House agree?

Some hon. members: Agreed.

Mr. Deputy Speaker: It is agreed.

BELLEVILLE OFFICE LOCATION

Mr. Rollins: Mr. Speaker, I wish to announce the proposed new locations for the provincial family court and the land registry office in the city of Belleville.

An hon. member: Oh, you're kidding.

An hon. member: You're not serious?

Some hon. members: Order.

Mr. Rollins: The family court will be located at 199 Front Street, in the building known as the Century Place. The Century Place was the successful tender and submitted a firm offer, which has been accepted by the province of Ontario.

Mr. Ruston: That's an abuse of privilege of the House if I ever heard one. Sit down.

Mr. Rollins: The Ministry of the Attorney General will occupy—

Mr. Deputy Speaker: Order.

Mr. Epp: What an abuse of the House!

Mr. Deputy Speaker: Order.

Mr. Eaton: You agreed to let him make an announcement.

Mr. Makarchuk: This is a gross abuse of the House rules.

Mr. Deputy Speaker: As this is private members' hour, I think this is taking away from the time of the private members. I would ask the member to refrain until the end of the debate.

Mr. Foulds: He should issue a press statement.

Mr. Deputy Speaker: The member for Scarborough-Ellesmere.

Mr. Warner: Thank you, Mr. Speaker.

Mr. Bradley: And what announcement do you have?

Mr. Eaton: He's going to resign. That's his announcement.

Mr. Samis: It's about that courthouse in Scarborough.

Mr. Warner: We might not have objected had there been an announcement about the courthouse in Scarborough; otherwise, it is not an appropriate time to make the announcement.

Mr. Lawlor: I have an announcement about a crypt for deceased politicians.

Mr. MacBeth: That's always a good thing.

Mr. Deputy Speaker: Order.

CONSUMER PROTECTION AMENDMENT ACT

Mr. Warner: Mr. Speaker, it's my pleasure to take part in this debate on the bill put forward by the member for Sarnia, who is to be commended for his concern about consumer protection and for his interest in putting forward an amendment to an extremely important Act, that dealing with consumer protection.

I am rather shocked by some of the comments made by the member for Humber, the ex-Solicitor General. Surely, in the way in which he went about trying to perform his duties as Solicitor General, and often in a superb fashion, it was part of his experience that there have been quite a few people defrauded. There have been quite a few businesses not acting in the proper public interest. There have been quite a few people who have been, in the modern term, ripped off. His comments would certainly not indicate that he was aware of those circumstances, yet I know that he must be.

Consumer protection, we should understand, developed because of some very serious problems. The Act didn't just suddenly appear. It didn't spring from nowhere. It didn't come just for something to do. It came out of a real need. It resulted from the fact that consumers were being taken on a regular basis, and in a wide variety of fields and situations. It was being found that, no matter what kind of avenue you pursued in your daily life, you encountered places where you were not being treated fairly—places where, in fact, you were being ripped off.

There was a very strong opposition mounted both by elected members in the assembly and by consumers out there, as well as by consumer groups and persons interested in reforming the laws, so that people could be protected. I am really quite shocked that an ex-Solicitor General could pretend that there isn't a real problem and that it doesn't need to be dealt with in a very firm and direct way.

Mr. Wildman: Of course, he's had sunset applied to him.

Mr. Warner: Quite frankly, I take it that that kind of attitude is pervasive on the other side of the House—

Mr. MacBeth: That is hardly what I suggested, Mr. Speaker. I suggested this matter was not worth a separate bill.

[5:15]

Mr. Warner: Mr. Speaker, this legislation is needed, because it wouldn't be here if this situation was covered in the Consumer Protection Act. That's pretty obvious. It's here for a reason. It's unfortunate that members in the House have to introduce private member's bills which may be guillotined in order to bring about the kind of change which is needed and which everyone understands is needed.

Mr. Martel: Exactly.

Hon. Mr. Norton: It also lacks specificity. You have some real potential problems that you are not even aware of.

Mr. McClellan: Never mind the two-bit legal advice, Norton.

Hon. Mr. Norton: Speak to the lawyers in your caucus about the possible impact on the common law that you weren't even concentrating on.

Mr. McClellan: Never mind the free legal advice.

Mr. Wildman: That could also be applied to the member for Elgin's (Mr. McNeil) resolution.

Mr. McClellan: How are you going to vote on this?

Hon. Mr. Norton: You are going to destroy relationships among neighbours.

Mr. Warner: Part of the problem is that even if this bill isn't guillotined by the government in its normal fashion and if it does pass and does go to committee—and I haven't seen any of them that have—and is passed and comes back here and gets third reading and royal assent for the first time—I stand corrected, for the second time—that that's happened since we've instituted private member's business, if all of that happens to take place, it may still mean absolutely nothing, because the guiding principle behind the ministry of so-called consumer affairs, but really corporate protection, is that the only kind of thing we use when there's a problem is moral suasion. There are no teeth to government legislation. There never has been because there's no real intention over there. The real problems which we know about, which are spoken about and which are dealt with by

many members of this assembly should actually be backed up in law. There's no intention to do that and there never has been.

The Consumer Protection Act has been around for some time now and it addresses several problems in print but not in action. We asked for figures in estimates as to how many people have been fined, how many of those who are not operating in the public interest have been brought into court and have been fined or had some other sanction applied to them. We get back figures that indicate a feeble response in terms of the dimension of the problem. It makes one wonder how long it will take with the present government before it will act.

I'll support the legislation that has been placed before us this afternoon. It addresses one part of a very real problem for consumers in this province. But I know full well that while I support it, the possibility of it being adopted and backed up with some real teeth is pretty slim. That's been underscored by the comments of the ex-Solicitor General.

Mr. Wildman: And by the Minister of Community and Social Services.

Mr. Warner: And by the interjections of the Minister of Community and Social Services, who's now conscious.

Hon. Mr. Norton: I am not disagreeing with the intent. I am just suggesting there are other problems about it.

Mr. MacBeth: On a point of order. I want to make clear, Mr. Speaker, that I am taking part or did take part in this debate as a private member, and that should be clear to the member.

Mr. McClellan: He understands that.

Mr. Makarchuk: There's nothing out of order.

Mr. MacBeth: He was certainly suggesting I was speaking on behalf of the government and I want that to be clear. I'm speaking as a private member.

Mr. McClellan: Everybody knows that. You never did.

Mr. Deputy Speaker: The member for Scarborough-Ellesmere will continue.

Mr. Warner: I understand that the agitated member is speaking as a private member.

Hon. Mr. Norton: Why don't you resign?

Mr. Warner: I mentioned that he is the ex-Solicitor General and—that I felt that his attitudes probably reflected the pervasive attitude over there of non-consumer protection.

Mr. MacBeth: You probably presume too much.

Mr. Warner: The real title should be understood. It's corporate protection. It's not consumer protection whatsoever. I've gone through that so-called moral suasion.

Hon. Mr. Baetz: You're totally ineffective. You don't know what it is all about.

Mr. Wildman: Why don't you talk about how much we do know.

Hon. Mr. Baetz: It wouldn't take so very long.

Mr. Warner: I believe that the Speaker recalls an item of concern of mine some while back where a constituent had a problem with a car dealer. I asked the Ministry of Consumer and Commercial Relations to be involved and to bring some restitution of the problem to the constituent. I trusted that they would do so forthrightly and swiftly. I was told over the telephone, point blank, that the situation had been solved. What I discovered was that their moral suasion had failed.

Fortunately, because I am thorough in my job, I checked back with the constituent who hadn't been given any solution to the problem.

Hon. Mr. Norton: You better send this comment to your constituents.

Mr. Warner: It was then left to me personally to go to the car dealership and to get back for that constituent at least a portion of the money which she had been gypped out of. She had been taken for over \$300. I managed to get back \$100 of it. But the ministry could have done something, and they didn't. One of the reasons they didn't was because they knew that beyond moral suasion they had nothing more. It is a shameful way to try to protect the consumers of this province.

In conclusion, we need to vote in favour of this bill which is in front of us. It is a bill which reflects the concerns of the member for Sarnia and the concerns of many members of this House. But we need more than that. I am hoping that when we support this bill today—as I am confident that most members of the House will do—that it will be a signal to the government that they need to improve the Consumer Protection Act and they need to put some teeth into it so that consumers can be protected in this province finally.

Mr. Eaton: Mr. Speaker, I would like at the outset to thank the member for Sarnia for his comments in regard to the present consumer legislation, that it is some of the best in existence.

Mr. Samis: He will learn.

Mr. Eaton: I would like also to make reference to the member for Hamilton

Centre's comments in regard to the minister not being present. Certainly he is interested in the legislation as the member for Sarnia well knows.

Mr. Bradley: He is present in spirit.

Mr. Eaton: I would also like to point out to the member for Hamilton Centre (Mr. Davison) that he has some erroneous information in regard to the Consumer Protection Act.

Mr. Davison: Because I got it from your ministry.

Mr. Eaton: I did take the opportunity to check out the figures. There is not one of our pieces of legislation which has that particular number of complaints tied to it. I don't know where his figures come from.

Mr. Davison: I got it from your ministry.

Mr. Eaton: I would like however, to relate to you the total figures involved in consumer complaints in regard to a number of pieces of legislation. The total for last year amounts to close to 18,000 of which 140 special investigations were carried out, some 300 charges were laid, some 70 prosecutions were completed, some 15 cease and desist orders were issued. And through the moral suasion you talk about, that settled many cases, we were able to have redress to consumers in the amount of \$1.5 million.

Mr. Davison: How much of that was under the Consumer Protection Act? That is from all of your legislation. What about the Consumer Protection Act?

Mr. Eaton: I consider that not a bad record in regard to the consumer legislation that we have.

I would like to go on record as supporting in principle the bill introduced by the hon. member for Sarnia, to amend the Consumer Protection Act.

Mr. Lupusella: Better clean your record first.

Mr. Eaton: I can see no reason whatsoever to oppose a requirement that the owner of an article which is being rented discloses potential liability at the time of consummating a contract.

The common law position in respect to the renter's liability is quite clear. He or she is required to use no more than the degree of care which a normal individual should use in tending his own personal possessions. In any action for damages for the destruction of a chattel, the owner has to establish beyond reasonable doubt that the renter was guilty of negligence, and that his negligence caused the damage or destruction of that chattel.

If the renter returns the property in damaged condition and fails to give an account of the matter, the law authorizes a presumption of negligence, unless the renter shows how the accident happened. The owner needs only to point out the deteriorated condition of the article. By entering into a contract for the return of the property in the actual condition it was in when it was rented, a renter could assume a greater obligation than the law would uphold under the circumstances.

Primarily the bill would require that the owner of the goods advise the renter at the time of entering into the contract as to the extent of the renter's liability for loss or damage. The other provision of the bill dealing with insurance is just a straight disclosure of the provisions. However, whether or not the owner of the goods discloses that he or she has insurance does not necessarily affect the liability or responsibility of that renter.

The principle of the bill could go further than the hon. member for Sarnia may anticipate, because it covers many varied areas, including automobiles. However, the bill does not include provisions dealing with this third party liability insurance that may be desirable in certain circumstances and with certain types of goods.

One thing that is not clear to me is why the member for Sarnia chose this particular area over others which could be considered for disclosure, such as luggage claims household moving et cetera. It is possible to argue that although the member for Sarnia's bill expresses a good sentiment it misses the larger issue. The important issue goes beyond disclosure and addresses the further question which is: Should there be a legislative thrust to reapportion potential liability, either by a mandatory insurance option or by prohibiting owners from extending the common law liability?

There is one other matter I wish to raise. The Consumer Protection Act and indeed the balance of the ministry's consumer legislation addresses itself to dealings between a consumer and a business, rather than dealings between business people.

The hon. member may note that Bill 45 refers to a person, whereas the rest of our consumer legislation in the Consumer Protection Act refers to the buyers. The use of "person" would expand the scope of the Act to include individuals who buy in the course of carrying on business, or to an association of individuals, a partnership or a corporation. This was certainly never the intent of the Consumer Protection Act and I don't really

believe that it was intended by the member for Sarnia's bill either.

We are currently subjecting the Consumer Protection Act to an extensive internal review, and the area of consumer leases and the apportionment of liability is one of the priority areas we are examining, among many others.

In order to avoid the expense and confusion of introducing piecemeal legislation, I would certainly recommend that even though we agree in principle with this legislation, its content be merged with other amendments that will result from our own review and which we would hope to introduce within this next year. I believe after speaking with the member for Sarnia the Minister of Consumer and Commercial Relations (Mr. Grossman) has agreed to incorporate this principle into the new legislation, rather than have it given third reading here in the Legislature.

With this preparation of the new Act already well advanced, this will eliminate any confusion and avoid any creation of new forms at the present time. So I would urge the members to support the legislation of the member for Sarnia on this second reading, so we do have agreement in principle and we assure you that it will be incorporated later on.

Mr. Eakins: I want to rise briefly to add my support to my colleague. I want to compliment my colleague, the hon. member for Sarnia, for introducing this bill. I feel it is a good bill and deserves the support of the members of this House providing, as this bill does, forewarnings in rental contracts as to whether or not the loss of or damage to the goods rented is included in the rental fee.

[5:30]

I feel that this is good legislation. I commend my colleague for introducing it and urge the members of this House to give it full support.

Mr. Lawlor: I have just a word on the bill. In voting on it, I believe I would personally vote against the legislation with some regret. While it acts as a stimulus to the department itself in a revamping of the legislation—and there are many defects in the Consumer Protection Act, particularly with respect to matters of privacy—this piece of legislation before us, commendable as it is, is too piecemeal and does not focus in on the widest elements of the issue, with respect to the insurance element there. It should cover a great deal more than simply the rental thing.

I have some misgivings about the bold type. It seems to me there are a great many things that ought to be in bold type. If one puts all of them into bold type, there wouldn't be anything else but boldness throughout. We have to use some form of discretion, some nice discretion as to what we insisted stood out on the page, so to speak, over against what was recessed. Whether this particular matter over against all kinds of other representations, particularly with respect to interest rates or penalty charges of one kind and another or a whole host of things ought to stand out in bold type, would be for the angels and no doubt for the rest of the people in this Legislature who ain't to make in some future determination.

That would be the basis on which I would approach it. I don't flagellate the legislation. It's moving in the right direction. Within our law we have a Sale of Goods Act, which is extremely ancient and very elaborate as to what the range of coverage might be; for instance, sale by sample or sale in five or six different ways and what the ingredients of that sale would be and what the consequences flowing from defective sale in one way or another might be.

The English law, except in the common law, by way of statute hasn't developed with respect to the rental area. We have the whole of the Landlord and Tenant Act. Very often within tenancy there are furniture and other matters that fall within the ambit of the rental itself which again, being chattels, aren't specifically covered within the law. There's mention of it in the Landlord and Tenant Act, but no one has ever really concentrated upon this aspect. When one sees these stores all over the place renting everything under the sun, one would think that a Legislature that was up to date and even partially alive would respond to that.

The member deserves credit in being the first that I know of who has responded to it in terms, albeit too narrow, and not in enough depth with respect to the ramifications surrounding rental agreements of all kinds. To the extent that he has gone and to the extent he acts as a gadfly, bless him. To the extent that he is not a big enough bumblebee, I can't support him.

Mrs. Campbell: I rise in support of this bill. Let me say that it may well be a fact that the bill is a narrow bill, but surely, the intent of this bill is an important intent. To deny it the opportunity for discussion in committee seems to me to be defeating the whole purpose of the private member to

bring forward in this House his or her concerns for the deliberation of a committee. Surely the principle of the bill is not in any way negated by reason of the fact that in some members' opinion it is too narrow in its concept. I believe that everyone in this House can accept the fact that it is an important step forward. Surely it is open to the committee to go over the bill, to amend it, to enlarge it or to do whatever the committee feels ought to be done with it. But to deny or negate the principle today, it seems to me, would be self-defeating, not just of the bill but of the entire principle, which I think is generally accepted in this House.

I would urge the member for Lakeshore to give consideration to approval in principle so that it may be allowed to go to a committee for consideration. At that point in time one may then debate the merits or whatever of the bill, and there can be amendments. Otherwise, it dies.

In this House I have been very saddened by the fact that so many of the private members' bills, and in my view many bills that had merit, have died because they are not perfect. You know, Mr. Speaker, there aren't too many government bills that are all that perfect in the first analysis. And the government with its staff, does have so much greater opportunity to develop a bill to a point where perhaps it would be acceptable to everyone in the House.

The principle of the private members' hour truly has been eroded in this House, and I would ask and urge all of those who are concerned with the right of the private member and the fact that this bill is a step forward, if not perfect—and I'm not suggesting it isn't perfect; I'm simply saying if others say that—to let it go to a committee so that it can be made perfect by an all-party committee.

Mr. Blundy: Mr. Speaker, I am very pleased with the response we have had in the House today to Bill 45. I don't for one minute want to say that I think the bill is the answer to all the problems of the consumer in Ontario or that it is a perfect bill. It is a bill that is being proposed to plug a loophole that is not covered by the Consumer Protection Act now and one that I believe should be plugged to protect the consumers of Ontario. That is the reason for it.

Mr. Bradley: Does it cover the rented suits I see in the family section of the Toronto Star?

Mr. Blundy: I don't know if it covers the rented suits my colleague is talking about—

the ones worn by some of our friends on the other side of the House, in today's Toronto Star.

In winding up the debate on this bill I want to note that the member for Hamilton Centre took exception to the fact that I had said the Consumer Protection Act in Ontario probably was as good as its counterpart in most jurisdictions. I still say that, but I think that consumer protection in all of the jurisdictions is not as good as it should be. I think there is room for very many improvements. I was very pleased to hear the member for Middlesex say that the minister is planning a number of amendments to the bill and that, hopefully, when that bill is amended, this motion would be included.

The member for Humber said: "We are used to dealing with reputable people and you shouldn't have to pass legislation to cover all of these things." The problem is that everybody with whom we deal in Ontario is not the reputable merchant or reputable shopkeeper that we all would like to think is so prevalent in our area. The government does have to pass legislation to deal often with the minority group in our province. So I am not detracting from the reputation of many of the businessmen in our province who are making a living out of the rental of tools and equipment to the people of Ontario.

I am very pleased to have had this opportunity to present a private bill. I do hope that the members of the House will see the merit in the bill and see what it does mean to the consumers of the province. We would like very much to have this bill given second reading and, if considered necessary, to go to a committee of the House so that it may be more refined to give further protection to the people of Ontario. It would certainly make it very worthwhile for me.

Mr. Speaker: Do any other members wish to participate in this debate? There are about eight minutes left and we can't put the vote before 5:50.

Mr. Nixon: Let's ring the bells.

Hon. Mr. Welch: Mr. Speaker, if there aren't any others to participate may I use this time to give the business statement to the House for next week? Would the House agree?

Agreed.

Hon. Mr. Welch: I could read it slowly.

Mr. Makarchuk: Don't be too provocative either.

Mr. Speaker: We've always said if there's a void you can always find somebody to fill it.

Hon. Mr. Welch: These interjections are really disturbing.

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Mr. Speaker, in accordance with the rules may I indicate the order of business as follows:

This evening, when we come back at 8 we'll take into consideration Bills 7, 8, 9 and 11 in that order, following which we do Bill 31. Then, if time permits, we'll do Bills 26 and 28.

Mr. Conway: What about my budget speech?

Hon. Mr. Welch: On Friday morning the House will be in committee of supply to carry on with consideration of the estimates of the Ministry of Government Services.

On Monday of next week, in the afternoon, the House will be in committee of supply carrying on the estimates of the Ministry of Government Services.

On Tuesday, being legislation day, we will carry on where we leave off this evening in so far as legislation dealing with those bills which I have already listed is concerned. In addition to that we will then do Bill 48 and, in the evening, Bill 19.

On Wednesday, the House does not meet in the chamber but there will be committees, and we're indicating at this time that the resources development committee and the general government committee may meet Wednesday morning.

On Thursday, in the afternoon, we'll have private members' business with private members' Bills 46 and 47. In the evening, we will set aside that session for the first order, namely, the budget debate. On Friday morning, the House will be in committee of supply concluding the estimates of the Ministry of Government Services.

Other committees, of course, are meeting to consider estimates as they are set out on the order paper.

[5:45]

Mr. Foulds: It would be my understanding that Bill 48, if not dealt with on Tuesday afternoon, would not be called on Tuesday evening because the resources development committee is meeting on Tuesday evening. Is that correct?

Hon. Mr. Welch: That's right. Depending on where we finish tonight on those bills to which I have already made reference, we can only devote Tuesday afternoon to Bill 48 and we can't start Bill 19 until 8 o'clock for the same reason in reverse, if you know what I mean. So if we haven't finished Bill 48 by 6 o'clock, then we can't carry on until the following Tuesday.

Mr. Speaker: I am going to call a five-minute recess and all members will be in a position to hear the motions put at 5:50.

The House recessed at 5:46.

On resumption:

PURCHASE OF AGRICULTURAL LAND

Mr. Speaker: Mr. McNeil has moved private member's motion No. 4.

Resolution concurred in.

**CONSUMER PROTECTION
AMENDMENT ACT**

Mr. Speaker: Mr. Blundy has moved second reading of Bill 45.

Motion agreed to.

Ordered for committee of the whole House.

SECURITIES ACT

Hon. Mr. Grossman moved second reading of Bill 7, An Act to revise the Securities Act.

Mr. Nixon: Mr. Speaker, I am not in a position to put our party position on the bill but I know we intend to support it. My colleague, the member for Kitchener (Mr. Breithaupt), is expecting the bill to be debated this evening and if you would recognize it as being, let's say, close to 6 o'clock, perhaps the debate could carry on at 8 o'clock.

Mr. Nixon moves the adjournment of the debate.

Motion agreed to.

Hon. W. Newman: You just want to get to that dinner early.

The House recessed at 5:56 p.m.

ERRATA

No.	Page	Column	Line	Should read
27	1143	1	56	Mr. Reed: Just as a point of clarification,
27	1143	2	10	Mr. Reed: That being the case, then the
27	1143	2	22	Mr. Reed: I understand that, and I under-

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No. 31

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Second Session, 31st Parliament

Thursday, April 6, 1978

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 6, 1978

The House resumed at 8 p.m.

SECURITIES ACT (concluded)

Resumption of the adjourned debate on second reading of Bill 7, An Act to revise the Securities Act.

Hon. Mr. Grossman: Mr. Speaker, with the permission of the member who is about to begin, the member for Kitchener (Mr. Breithaupt), I did want to put on record the fact that this Friday in the weekly summary which is distributed throughout the securities industry, the members of this House will see some information which is headed by the words "Amendments to Bill 7," the bill we are currently considering. Those are proposed amendments which we are currently considering putting before the committee when it meets to deal with this legislation.

Mr. Nixon: That is a breach of our privileges.

Hon. Mr. Grossman: In order to meet the anticipated comments of the member for Brant-Oxford-Norfolk, I wanted to take this opportunity to point out that we have been following the practice of publishing in the weekly summary notices of all our intended pieces of legislation, amendments and so on, so that we may get a full and complete response from the securities community prior to making a final decision on what amendments to make; and also so that the community will be in a full position to respond at the time we reach committee, rather than find out when we begin at committee that we suddenly have some amendments and they then have a limited time to appear before the committee and respond.

In the interests of that full and complete open process of consultation with the public which I spoke of just last Tuesday night on another matter, I wanted to point out to the members of the House that we weren't trying to get around the ordinary procedures nor to announce things to the public which we weren't making available to the House or its members. Accordingly, I am sending copies of these proposed amendments—not definite amendments—to my friends across the floor

right now. I should add that none of them affects the principle of the legislation.

Mr. Speaker: The hon. member for Brant-Oxford-Norfolk defers to the hon. member for Kitchener?

Mr. Nixon: I do.

Mr. Makarchuk: And they lived happily ever after.

Mr. Breithaupt: I am pleased to present at this time my views with respect to Ontario's new Securities Act. We will later then deal with the companion legislation. It is indeed gratifying to see this proposed legislation, which has finally come to second reading after its sixth introduction in as many years. In 1972, it was Bill 154; in 1974, it was Bill 75; then it became Bill 98 later in that same year. Finally, in 1977, it was Bill 20 and then Bill 30. I must say that after all of those drafts and the receipt of more than 50 briefs, we should be looking at the finest example of securities legislation ever presented in Canada, or perhaps in the world. Perhaps the only improvement which might come to mind would be if the bill was introduced by a Liberal administration.

Hon. Mr. Grossman: We can hardly wait that long.

Mr. Nixon: You wouldn't then be fooling around with amendments.

Mr. Breithaupt: The minister says we can hardly wait. I don't think it would have taken all that much time. The curious thing is that after six goes around we now have further amendments today. I suppose it is a never-ending process. However, I will take the minister, obviously, at his word when he says that these amendments will be dealt with further in committee. In spite of the 23 pages just handed to me—

Mr. Nixon: Rather voluminous.

Mr. Breithaupt:—they do not, presumably, deal with particular matters of principle within the legislation.

Mr. Nixon: They were put in our hands at the very moment we rise and comment. That's completely unfair, if not irresponsible.

Mr. Breithaupt: If it is only lawyers' stuff, as the minister says, then perhaps we can

indeed proceed to refer to the bill itself and not worry about them.

The government has had the benefit of time, certainly, in this first draft, which went back to 1972. The government has had representation from the industry in the form of numerous briefs. Fortunately, it has also had the benefit and expertise of two very knowledgeable men in their respective positions as chairmen of the Ontario Securities Commission.

Having watched the progression of these bills, I do feel that the new Act, as redrafted and reintroduced under the overview of Mr. James Baillie, our new superintendent of the securities commission, is really quite fair legislation. It would appear from the comments which we have received that the industry as such, those who are involved particularly with the administration of the securities market within the province, are also generally quite content with the legislation.

I would like to impress upon the minister that I think this does demonstrate the value of seconding one of the most credible persons within the securities industry, namely our new chairman, Mr. Baillie, to look over the proposed legislation and to give it the benefit of his own personal experience. Many of the smaller items in previous drafts which had concerned us have been patched up and corrected. I commend him for his involvement in this.

However, at this point I would like to briefly comment on some of the main areas which still remain points of concern that are no doubt going to be dealt with at the particular stages when this bill goes before the standing committee on justice. The proposed registration of financial institutions, such as banks, loan corporations and insurance and trust companies, with respect to their involvement in securities transactions, has definitely been clarified in Bill 7. The registration is now only going to be required where a financial institution buys or sells to a client, as a principal, from its own inventories; or secondly, if it is an underwriter. Banks and other financial institutions, however, may continue to transmit unsolicited orders on behalf of their clients to registrants for execution. This is vitally important because it provides a service for the public in areas of the province where there simply is no alternative but to deal through the local office of a bank or a trust company in a smaller community.

But at this point I think we should appreciate the nature of a bank's role in a

small town in the province, that it plays a very key role in the financial affairs of such a community. If that role is such that a bank might deem it desirable to be registered, then we would have to consider some of the problems which would arise from this registration. Not only would the situation have to be registered, the personnel dealing in securities would also have to conform to the basic educational requirements as set out by the Investment Dealers' Association in order to be registered representatives. The problem here is that banks have a very mobile population, each member of which would have to become registered; which would make the whole procedure, in effect, unworkable.

More important, however, if this concept was to be made law and some financial institutions had to become registered, we would still have some distance to go in attempting to adopt the OSC regulation system as it presently stands to this new category of registrants. It appears there will have to be some further discussions on that particular section.

The continuous disclosure program provisions have been clarified to specify when the responsibility is triggered to make such a disclosure, and this was a concern previously. Another detail that has definitely been corrected is the replacement of the term "trade" with the words "purchase or sell" in respect of an underwriter dealing in the securities of a reporting issuer.

This, hopefully, will rectify a situation that could have involved breach of that section 75 by the mere act of the trading department of an investment dealer dealing in securities of a reporting issuer, for which the underwriting department of that investment house may have been aware of a material change without disclosing it. I'm confident that the discussions on that particular section, as they will deal with the in-house difficulties, are going to be interesting when this matter goes to committee.

The new list of exemptions from prospectus requirements has been structured on the expanded timely disclosure provisions. This new pattern of exemptions is detailed in the Act to replace the term "to the public," which previously had to be defined whenever it was referred to. I suggest this latter is a more logical approach and is one which is to be commended.

I do feel that the financial disclosure requirements of the registered advisers and dealers have been clarified to some extent in this new legislation. However, there is still some room left for discussion on the

onerous reporting that may result for this group on circulars, pamphlets, advertisements, letters, telegrams, or other publications issued by them.

If we are dealing with the reporting of inventories held by dealers, there is a danger of misrepresentation of those holdings. Dealers maintain inventories in order to better service their clients and their stocks are constantly changing. To have to report a position of financial interest on one particular day would be superficial in nature, since that position in all likelihood will have changed by the following day and therefore would involve constant revision.

Obviously, the intent here is to catch some who would like to dump a large inventory of a particular security, but surely we can come up with a better way to handle this than to overburden every dealer with a tedious reporting job such as the one which may result from this type of proposal.

In this portion of the Act, section 40 particularly, a technical change may be desirable in that the definition of underwriter goes back to the definition at the beginning of the Act, as opposed to the sectional definition. This would prove to be far too wide in nature, since "underwriter" would then even include members of a selling group. Would it really be worth the benefits of the extra disclosure from so large a group and would the information be useful if we did get it?

In the same section 40, a technical change may be desirable in that further definition could be developed; particularly as I said, in relation to the problems which may arise because an overburdening of additional information may simply not be worth the result.

Many of the proposed changes for the mutual funds industry have been deleted from this bill. This is because the entire mutual funds industry has contracted, having experienced many changes itself in the past few years. Previous changes that would have imposed excessive administrative costs for this industry have been removed. I feel that the new proposals are much more in line with the present operations of the mutual funds industry.

[8:15]

Perhaps the most major renovation of this bill is in the area of takeover bids. The private agreement that had been removed from previous drafts has been reinstated in Bill 7. This is a very important element because there has been a general feeling of uneasiness about the government's removal

of the public's right to do something. That private deal with fewer than 15 shareholders is once again being permitted, with the trailer that where there is a change of control at a premium over market prices, the purchaser must make the same premium available to minority shareholders within 180 days. This may not be the ultimate solution for the protection of minority shareholders in take-over bids, but it is an attempt at a workable compromise for everyone affected in a take-over situation.

We are concerned at this point at a number of the details contained in this trailer that should be clarified. For example, is the offer to purchase all of the additional securities of the same class intended to include an offer to holders of securities that are convertible into securities for which the offer is made?

Secondly, does "consideration for security at least equal in value to the highest price paid" necessarily mean that the value is to be reflected only in the dollar price being offered, or could it in fact be reflected in another way, such as additional holdings of the companies shares?

We feel, therefore, that while there is a definite need for the protection of the minority shareholder at all times, we would like to be certain the specific details of the proposal in this section will guarantee that all parties, both majority and minority shareholders, will be treated fairly and equitably.

I believe that this new Securities Act is coming into force at a good time for our economy. All three levels of government are said to be practising restraint in their spending. This should free up more dollars for private sector investment. The Treasurer (Mr. McKeough) has announced his intention of redirecting some government pension fund surpluses to the open market-place, which will open up an entirely new source of funds for investment in Canadian securities. Indeed, even the Minister of Consumer and Commercial Relations (Mr. Grossman) has received certain press coverage in this last while, encouraging various of our insurance companies to do the same in their development and changes with respect to their investment policies.

Our economy will be greatly strengthened if we can direct the savings of so many Canadians into the market-place and redirect as well a portion of those government-supervised pension funds or those pension funds available to our insurance companies through our new Securities Act.

In 1976, gross new financing by Canadian governments and businesses through securi-

ties markets amounted to some \$24.5 billion. This was made up of \$15.6 billion from Canadian savings and some \$8.9 billion from non-resident sources. This proportion undoubtedly reflects our ability to save, to create new capital, and to attract capital from foreign sources. However, the application of these funds is still a somewhat disturbing factor.

Sixty-nine per cent of the total amount was used to finance the three levels of government. Twenty-eight per cent went to debt and preferred financing, and a mere three per cent was directed to new equity for new businesses. That latter figure is down from 11 per cent a decade ago and it simply must be increased for a healthy growing economy.

It may be that government should play a role in the education of the public towards investing. What people don't understand they tend to shy away from, and this is certainly reflected in the vast amounts of money Canadians will deposit in bank accounts, whether savings or even in some cases current, before they will in effect invest in securities markets. If we are to have a healthy, functioning Canadian economy, then that role of the government to educate the public in investing may well become a necessary role for this ministry in the future.

The Securities Act also comes along at a time when the investment industry has experienced a great deal of adjustment from the painful stock market situation of the last five years. The personnel involved have now shrunk by some 20 per cent and the number of investment firms is down by almost a third. However, as a result of this, the president of the Investment Dealers Association last year said, "We are now leaner, better managed, more innovative and smarter than ever before." And that industry is in a good position to grow and face the challenges of some of the major financing that lie ahead, particularly with respect to energy-related projects.

There will be a great need for capital in the near future and there is a job to be done by the investment industry in directing the flow of capital to the desired growth areas of our economy. We certainly hope that this bill will play a role in fostering the investment climate necessary for the future prosperity of our economy.

We are committed, in this party, to the high standards of disclosure and investor protection which will be afforded through this new Act. We're especially interested in encouraging and protecting the small investor, and we certainly look forward to the ensuing debate, and the amendments which

will result when this bill goes to the justice committee.

Mr. Renwick: I have a strange sensation. I feel I know this bill backwards and forwards since it's been around for so long in draft form. Perhaps with tongue in cheek, I want to congratulate the minister for having disgorged this piece of legislation finally and having it before the House for actual debate. I think the major drawback has been that it has been such a continuously long-drawn out, in-house discussion among the ministry, the industry and the commission that one has a sense of immobility in the commission and in the ministry with respect to matters affecting the securities markets.

If one were, for example, to look at the bill which is presently before us, the predecessor of the bill and the predecessor of that bill, even for a few minutes, one would recognize that the provisions which were necessary for the protection of the markets in securities, assuming that they were necessary, have been missing from the marketplace for a long period of time. I think that raises extremely serious questions about the entrenched nature of the commission and about the entrenched nature of the vested interests represented in the securities industry.

I don't think there is anyone using any indices with respect to those markets who can today objectively evaluate whether or not they are serving the public interest at a cost consistent with the benefit we derive from this type of overall regulatory authority. I am quite aware that the securities industry has a long history of requiring supervision by government. I know there is a long history involved in the development and evolution of the Securities Commission in the province of Ontario. I know it is bolstered by a very competent staff who have a very real interest in extending the authority of the commission in the field of regulation of the securities market. I know there is a kind of a love-hate relationship between the industry and the commission that prevents the industry from making any onslaught on the commission because they are constantly involved with the commission.

We all know that the industry itself, particularly the special pleaders through my profession, the accountancy profession and others, have long since in the pressure of day-to-day business, lost any sense of an objective reappraisal of what role the commission is supposed to fulfill. It does seem very strange to me that a government which professes now to embrace a fashion of the day related to sunset laws and deregulations

should, in a ministry fraught with regulations and with wide powers of regulating all kinds of industry, introduce to us tonight this bill and also Bill 8 dealing with the commodities futures market, which represent an immense extension of the power and authority of the Securities Commission.

I understand that they will tell me that it's really a rationalization of the process, that the whole purpose of it is to make the impact on the industry less, that the whole purpose of it is to remove the hindrances which the commission imposes on that industry. But when we examine historically the nature and structure of the Securities Act, which is again before us tonight, we can see very clearly that through a combination of regulatory requirements with respect to registration and with respect to disclosure, an approval of the existence of the Toronto Stock Exchange in a supervisory role in connection with the rules and regulations of that exchange in the way in which that market accomplishes its purpose, as well as the wide power of regulation granted in the latter provisions of the Securities Act and the power of exemption in various areas related to the securities industry, we can see that the Act is devised in such a way to make the securities industry in Ontario beholden day in and day out to the commission. They are either there trying to find that they fit within the requirements of the registration provisions or that the prospectus meets the requirements of the regulations and the forms which are required by the commission, or they are there seeking to expand and enlarge upon one of the areas of the exemptions so that they can see whether they can escape the net of the Securities Commission, or they are there begging the Securities Commission to exercise the extremely wide discretionary powers vested in that commission.

I just want to say that I am glad the bill is here. I am glad it is going to be passed. It's late; it's too late in relation to the evils which many of the provisions were directed towards. It will be helpful in the future, I am not denying that, but I am saying that I have the sense that many people in this ministry and in the commission feel that this is somehow the culmination and the end of the road and that we now have a fine Securities Act which is going to guide us for a long time into the future.

I want at least to implant in the minister's ear, and in the ears of those members of the commission and its staff who may have occasion to hear or read what I have had to say,

that I have a strange suspicion that there are so many questions left with respect to the securities markets in Ontario that it may well be that it is time for an independent body—not the advisory body; an independent, carefully selected, small group of persons, either as a task force of the ministry or as a commission of some kind—to investigate it and to ask a number of very pertinent questions about the commission and its role.

I have tried to make some effort to write down what I think that body should try to direct its attention towards. The questions I would like to ask are these: Is it not now time to redefine the purposes and objectives of a corporate disclosure system? Is it not time to assess the present system in the light of those objectives? Is it not time to assess the costs of the present system? Is it not time to weigh those costs against the benefits it supposedly produces? And is it not time now to think about recommending any changes which may be necessary or appropriate in the light of the answers that may come out of such an objective consideration of the role of the commission?

I am not particularly sanguine about any commission, let alone this commission, that has such a wide ambit of authority, a continually expanding ambit of authority and one almost consecrated in the history of Ontario by its existence for at least more than 40 years if not longer. It does seem to me that the minister has an obligation to require the kind of study of that commission towards which I have, at least in very general outline, directed my attention.

[8:30]

I am always struck, when I have occasion to compare the kinds of lucid statements which are made by way of annual reports, releases and other documents by the Securities and Exchange Commission in the United States. They seem to justify their existence by being right up to date. I don't mean that they've solved all the problems in security transactions, but they certainly appear to be current with the problems that require their attention. They are not bogged down in dealing with the routines of the matters which can be dealt with by an efficient staff in the commission. The commission is directing itself towards very real evils.

For example, I have not seen anything—and I may be wrong—from the commission dealing with the question of the disclosure by issuers of any illegal or questionable corporate payments. I don't think any of us, now, in Canada, after the events which

were disclosed in Ottawa, are so sanguine as to believe that Canadian industry escaped the very kind of illegal and questionable corporate payments which were made by corporations in the United States. A very real facility was provided through the Securities and Exchange Commission for those corporations to come forward and acknowledge the kinds of payments which had been made, what their purposes were, and to in some way or other exonerate themselves for the future. I know of no such questions which have been raised by the Securities Commission with regard to disclosure for prospectus purposes or for timely disclosure purposes by the companies which are listed on the exchanges.

I know, for example, of no consideration which has been given as to whether or not any pressure has been brought to bear on any of the securities dealers in the province of Ontario with respect to the Arab boycott. I have no knowledge or no idea about those matters, other than what I read in the United States press. There were instances, not within the United States but references with respect to issues abroad. I don't know whether or not those are matters to which the commission here has ever addressed its attention. I certainly haven't seen any such current matters.

It is quite fashionable, of course, to say that white-collar crime is very difficult to detect, and very difficult, once detected, to prove in a criminal court. But I do not see any indication that there is any correlative program in the commission here in Ontario, such as there is with the Securities and Exchange Commission in the United States, of an organized crime program to make certain that fraudulent practices do not creep into the securities industry in the province of Ontario.

We have seen no public statements, in any event, of the extent to which this commission co-operates with other enforcement agencies within Canada or abroad in respect of the detection and elimination, to the extent possible, of white-collar crime in the securities field.

I know of no list published in Ontario which is equivalent to what is called the "foreign restricted list" which is published in the United States. I find on that list a number of companies which are designated as Canadian companies and which have been listed for evading United States securities laws.

I have no sense, if I may say so, that there is a vitality and life in that commission which is consistent with the obligations which it has if it is to justify its continued existence and its continued role.

It may well be, and we will have an opportunity in committee, as we go through the various parts of the Act and the various specific provisions of the Act, to touch upon some of these matters. Tonight on second reading of this bill my overall concern and that of our caucus—the stock exchange is not at the core of socialist philosophy but our caucus certainly is not going to oppose the legislation—is that it appears essential to us that some group of competent people stand back, take a cold, hard look at the Securities Commission and decide whether or not the cost is equal to the benefit which it contributes to the industry.

I have no problem in recognizing the need for disclosure provisions. I have no problem in recognizing the need for honesty in the marketplace. I have very real problems in deciding, as I read, or try to read, from time to time the weekly summaries and the monthly bulletins of the exchange, the extent to which the commission is alive and alert to the threats that may exist in the marketplace.

I have gone on sufficiently on that particular issue as I know the minister will recognize that perhaps there's some modicum of thought and necessity in the point which I have tried to put forward. It does seem to me that whether one views the securities market in Ontario as an off-shore adjunct of the United States or whether one views it as part of an expanding and national system of securities regulation, whether it's done under the aegis of the federal government or whether it's done by very close and intimate co-operation between the securities commissioners in all of the provinces is not a particularly relevant concern as to how it is done. But if it is going to be part of a national system or if it is going to be simply an off-shore product of the United States, as many people perhaps think it is, then it does seem to me there has to be an awareness and an alertness in the commission to the problems which are involved; and an obligation to publish the areas and to announce the areas in which they have concerns or in which they're carrying out their investigations.

I think in some ways the commission is at fault. I repeat what I said at the beginning. I quite understand that it is a competent commission. There is no problem about that. I quite understand that it is proud of its history as a protection to the investing public in the province. There is no difficulty with that. But like all people who are closely involved on a day-to-day basis with an industry which has been regulated in a particular manner and for particular purposes over a

long period of time, it may well be time to stand aside and look at that commission.

I do not think it would be possible to ask the Wiseman committee to look at it. I would say to them that if they could find some way of dismantling the Securities Commission of the province of Ontario, we wouldn't have to have any other boards or agencies or commissions of government. This particular commission is in a very special position, next to, side by side with if not ahead of, the Ontario Hydro-Electric Power Commission as an agency of government which is vested in with its interests to such an extent, and with such a pride in the work which it does carry out, that one no longer has any real sense as to whether or not they are alive and alert to the problems which must be existing in the securities market.

We'll have an opportunity, I trust, in committee, to go through the various clauses one by one and see what wonderful changes have been wrought in this bill which has taken so long to come before the assembly.

Again I congratulate the minister for at least having got it in front of us so we can deal with it in the hope that it will become law.

Hon. Mr. Grossman: Mr. Speaker, I want to acknowledge the remarks of the member for Kitchener. He has well highlighted some of the important changes and conceptual turnarounds that have occurred, particularly over the last period of time. I appreciate both his acknowledgement of those and the importance of those. We look forward to the committee stage for deliberation of these items because, as evidenced by the series of amendments that we are still considering at the present time, we acknowledge the complexity of it and the need, now that this bill has finally got this far, for input and dialogue with all members on the committee in order to finally come up with a scheme which is as current as possible.

The member for Riverdale began by noting the fact that we finally disgorged the bill. I feel obligated to note, especially in the presence of my predecessor, the member for Carleton, that but for the election that occurred last year, regardless of who may have been responsible for same, no doubt my predecessor would have had the pleasure of standing in his place last year and having a bill—I guess it was Bill 30 at that time—passed last spring; however, here we are today.

Mr. Foulds: That was an unnecessary election, wasn't it?

Hon. Mr. Grossman: Of course it wasn't.

In any event, I listened carefully to the remarks of the member for Riverdale. I noted his comments with regard to the fact he was concerned that there had been too close a relationship between the commission, the ministry, and the industry, to permit the full open type of—to use his words—"onslaught against the commission" in order to find out the relevancy of the commission or its aggressiveness.

I have heard his challenge put to me this evening to have a committee get into the study of the role of the commission and its place. I say to him that if I, at the conclusion of a lengthy period of time, share those concerns, then I might consider that. However, I think it would be very premature at this time; for a couple of reasons.

First, I think the bill we are discussing this evening, Bill 7, will begin to open up a new era in terms of the relationships between the public at large, the industry, the investors—small and large—and the Securities Commission. I think we ought to let that develop before we jump to any conclusions that there is too close or too much of a "love-hate relationship"—to use the words of the member for Riverdale—between the industry and the commission.

I also want to say it is premature for a second reason, and that is that we now have on board a very fine new chairman of the Securities Commission. He is someone who comes, as the member for Riverdale well knows, from the streets, from practising law on the other side of the counter, having dealt with, as some would see it, the problems of dealing with the commission, having fought with the commission indeed over a period of years, knowing the administrative problems that have developed.

Mr. Foulds: That proves a love-hate relationship, does it not?

Hon. Mr. Grossman: He is in government and taking this job—not forever as he will be the first to admit—but he reminds me very regularly that he is on a short-term proposition to see just what he can do.

[8:45]

Mr. Breithaupt: Of course you may be too.

Hon. Mr. Grossman: Before he and I are both finished, we are quite seriously determined to make a very careful and detailed study of the entire regulatory process through the Ontario Securities Commission. In other words, I am quite prepared to accept the challenge put this evening by the member for Riverdale (Mr. Renwick), and together with Mr. Baillie, I can assure him

that we are doing that type of scrutiny to ensure that, in the member's words, the cost-benefit angle of it is assessed and noted; and that we are sure that the cost, as he would have it, of the entire process, is worth the benefit we get out of it.

I must say that I think the member, probably mistakenly, referred to the benefit as being the benefit to the industry, when in fact the Securities Commission is structured, and its rules and regulations are structured, to provide the major benefit, of course, to the consumer, the small investor who needs the protection of the registration procedure, and the continuous and timely disclosure procedures, in order to make fully-informed wise and careful business decisions. On that count, I have no hesitancy in saying that the cost of the current scheme is well worth the consumer protection that the Securities Commission and Bill 7 together provide.

The member for Riverdale noted, Mr. Speaker, that he thought it was strange that in this period of time a Conservative government would be bringing in legislation that creates an immense increase in the authority and power of the Ontario Securities Commission. I say that, quite the contrary, I think that the thrust of the new bill is to regularize procedures, to remove some of the arbitrary powers of the Ontario Securities Commission and to take some of the guesswork out of the entire industry. We want a situation where investors, businessmen, their lawyers and advisors, are not sitting in downtown Toronto trying to guess what is about to happen with the particular new issue they may have or the particular transaction they have in mind. Rather than having to guess, and risk guessing wrong, rather than have to come, cap in hand, to the Ontario Securities Commission on a regular basis, making a submission for permission to carry on a transaction, this bill would turn things around so that as much as possible in this very difficult field, the rules and regulations are codified. So that the industry, the people affected, can know what the ground rules are, as much as possible, and so that they may know that whatever the Securities Commission does it will be bound by a certain set of codified rules and there will be consistency out there and predictability. At this point in time the economic problems faced out on the marketplace, and in the economy at large, have been noted by the member for Kitchener, and one of the key problems continually identified by all areas of business and the economy at large, is the need for some consistency, some reliability, some predictability

with regard to what rules are in place and what the future holds.

We think this is what is done in this piece of legislation, and we think that is a very important concept.

The member for Riverdale has reflected that he is concerned that this is treated by us as the end of the road. Indeed, I think I ought to share with the House some of the concerns that I and Mr. Baillie had—I hope that is not another globe falling from the top.

Hon. Mr. Maeck: It's the light-shattering speech you made.

Mr. Breithaupt: Somebody doesn't like you.

Mr. Lawlor: It's your halo.

Hon. Mr. Grossman: It's not slipping again, is it?

The member has reflected that it is not the end of the road, and I wanted to go over what has happened in the last few months with Mr. Baillie and myself. When I first came on board in September, obviously we were just about the stage at which the Legislature was reconvening for the fall session, and I gave some careful consideration to commencing immediately with what was then known as Bill 30—obviously it would have had another number had we introduced it last fall—and trying to get it passed last fall. I consulted with Mr. Baillie—who hadn't yet joined the commission, he was to join on January 1 of this year—at that time we had rather extensive discussions as to whether we would go in-tact with what was then Bill 30 and worry about amending it and updating it at a later time in accordance with what he and I thought about the philosophical changes that ought to be made in the bill, presuming we could get them through cabinet; that is, to do it in a two- or even three-stage process.

After extensive discussion with Mr. Baillie, he and I reached the conclusion that it would be better to hold the bill off to the spring, until today, in order that we might carefully assess all of the matters referred to by the member for Kitchener this evening, and other matters which are reflected in the bill and in some of the amendments members have received this evening. We thought it important, precisely because we don't treat this as the end of the road, but precisely because we treat this as an ever-changing situation requiring careful and immediate attention and modernization on a day-to-day basis. Rather than being bound with a lot of sections that had first been written in 1972 and pretending we were

doing the world a great service by finally passing that into law, we thought that as the bill had gone through a couple of changes since that time, it was now necessary to make sure that it reflected current economic conditions, current market concerns, current consumer concerns and current investors' problems. So we held it off to this spring.

I want to tell all members of the House that while I can't report for the processes carried on in drafting each of the predecessor bills to Bill 7, I want to tell them we have spent an extraordinary amount of time assessing each and every part of this bill. We are pleased with the way it is today, but we are also determined to continue to modernize it, check it out, see how it works, and not to treat this by any stretch of the imagination as the end of the road.

I think proof of that is in the series of amendments I sent across to my friends a couple of minutes ago. Rather than live with a bill, hope that we get it through and then clean it up next fall or next spring, we are determined to continue to follow our consultative process with the public at large, and the industry specifically, and to have the best possible bill we can have at each point in time. We have followed the process right through since the time I came on board, and Mr. Baillie came on board—

Mr. Foulds: What's with these nautical metaphors?

Hon. Mr. Grossman: —of publishing in the weekly summaries all of our current thoughts so that everyone could know exactly where we were. We don't want to close off future options, and we are never going to be in a position in which we rule out any further amendments or changes just because of the hassle, as some would have it, of putting bills through the House. We are going to continue to make it relevant and modern.

Rather than take the time of the House this evening to respond to each and every comment made by the member for Riverdale, many of which will be more appropriately dealt with at estimates when the role and day-to-day activities of the commission ought more properly to be discussed, I did want to close by referring to a couple of things in passing. We want to emphasize at this stage that efforts are in progress now to expand the scope of self-regulation. Draft regulations regarding self-regulation in the area, for example, of portfolio managers' activities are currently outstanding.

The question of illegal payments was raised by the member for Riverdale. I want to tell

him right here that that matter is currently under study by the Securities Commission.

Finally, there was some suggestion that the Securities Commission really is not on the ball, as it were, in terms of investigation. Needless to say, members of the police forces are in constant contact with our staff and our staff is in constant contact with securities administrations, provincial, federal and state administrations, throughout North America. There is close co-operation on a daily basis at that level. Whenever the assistance of local police forces and provincial police forces are required, they are very much available to us.

In closing, I want to refer back to a couple of remarks of the member for Kitchener, because I didn't acknowledge them and deal with them at the top of these remarks. He referred to the matter with regard to banks in smaller communities, and I want to assure him that we have been discussing this problem with the banking community—and these active discussions are under way now—to find a way in which banks can continue to play that important, effective role in smaller communities and still meet whatever the requirements of Bill 7 ultimately are going to be.

Finally, the member for Kitchener also raised some problems with regard to section 40 of the legislation. Right now, I can't say what we might propose at the committee stage, but we acknowledge that some problem may exist with regard to section 40. Discussions are currently under way between the members of the industry who would be affected and the commission in order to see if we can improve that section somewhat while retaining the amount of consumer protection the section is all about.

I might add that I appreciate the co-operation of the House, at least at second reading stage, in order finally to get this piece of securities legislation through second reading and on to the important committee stage.

Motion agreed to.

Ordered for standing committee.

COMMODITY FUTURES ACT

Hon. Mr. Grossman moved second reading of Bill 8, An Act to regulate Trading in Commodity Futures Contracts.

Mr. Breithaupt: Mr. Speaker, I feel that this is a fairly straightforward and reasonable piece of legislation. There is no doubt that this newly developing type of security transaction requires some basic regulation. The bill before us is not unduly complicated and it reflects the changes which the commodities futures markets are now being seen to have within the Canadian context.

I am confident that as this market matures over the next decade or so there may be more revisions brought in. There may indeed be revisions that the minister will give to us tonight; I don't know. But at least this new kind of securities requirement is going to require some basic ground rules, and no doubt we will have bills over the years to come which will also deal with this particular subject as the practice becomes somewhat more refined.

We do share with the persons who are involved in this portion of the securities market a concern over the definition of the word "hedger," particularly in the light of the fact that the American authorities have had very complex legislation on this particular matter for years and they still seem to have definition problems with that word. Perhaps we may be able to come up with some sort of a better and more workable definition in committee; and for that, no doubt, we will have the opportunity of having comments from the members involved in this futures trading operation in the securities market.

There are certainly other mechanical changes which I need not refer to at this time and which can be dealt with at the committee stage. We no doubt will look forward to receiving input from various members of the industry when we have the opportunity to deal with this in the justice committee. We will certainly support the bill on second reading.

Mr. Renwick: Mr. Speaker, we in this caucus are certainly not opposed to this bill on second reading. I don't pretend to have any special or particular knowledge in the field of commodities futures marketing, but I do, as always, find it eternally fascinating when any market is run as an auction market. [9:00]

The bill itself, so far as I can understand it, is modelled for practical purposes on the Securities Act which has just had second reading, and again is part of an immensely extended grant of jurisdiction to the Securities Commission. It's immense in the sense that, as I understand the bill, it will do about half a dozen things. It will require the registration of any commodities futures exchange as a condition precedent to carrying on business in Ontario and will provide for a continuing control over such an exchange when it is established, with the ultimate sanction in the commission of revoking that legislation. It will require the registration of any person that's a dealer or a salesman or floor trader as a condition precedent to trading in futures contracts. It will require the

registration of any person as an adviser as a condition precedent to acting as an adviser in these markets.

Although it's worded as a prohibition, it will require all trades in contracts to be on a commodities futures exchange registered by the commission or recognized by the commission. It will provide for the recognition of commodities futures exchanges outside Ontario for trading purposes. It will require an acceptance of all the forms of contract as a condition precedent to being traded in Ontario and a continuing control over the form of those contracts. So, in a sense, it is modelled upon the Securities Act and is a very extensive grant of jurisdiction to the commission.

I would appreciate it if the minister, in the course of his remarks, would advise the assembly of the intentions of the industry and of the commission with respect to the establishment of the exchange in Ontario, both as to its physical location and the time at which it is anticipated that it will be established.

I had occasion to look at some of the remarks which were made by the president of the Chicago Board of Trade before the House committee on agriculture in the United States and the subcommittee on conservation and credit at the recent hearings. The establishment of that exchange in the United States was done on the basis of a sunset law and the commission has been required to justify its continued existence and its objectives before any further funds will be provided for it.

I did want to quote very briefly from those remarks, because it is clearly the desire of the Board of Trade in Chicago—which, after all, if it is not the oldest is certainly one of the oldest of the commodities exchanges in the United States. He believes that it's not an appropriate function for the Securities and Exchange Commission to regulate this particular industry but that there should be a separate, independent commission having exclusive jurisdiction with respect to that kind of business. In his remarks he said:

"First, let me reintroduce the Chicago Board of Trade. We are the largest of the 10 domestic commodities exchanges and 130 years old."

They say in parenthesis that this is from the evidence which he gave before that committee on February 22 and repeated in some substance when he reappeared before the committee towards the end of March.

"The 23 million futures contracts traded on the Chicago Board of Trade was 54 per cent of all futures volume in 1977. On some

days trading in particular commodities occurred at a rate of five contracts per second; and of the eight most active commodities in 1977, six were Chicago Board of Trade contracts.

"About five million futures contracts of the 23 million traded on our exchange in 1977 were by the ordinary public trader. A similar part of the 1977 volume came from commercial companies hedging in our market.

"But let us not overstate the size of the futures business, as in reality it is a fairly small one, at least in terms of regulatory burden. There are only 10 operating futures exchanges today and all futures contracts, about 60, originate and must be traded there. Clearly the futures business is infinitely more centralized, more easily and inexpensively regulated, than an industry like securities.

"On the other hand, the regulatory task is sufficiently large, and so highly specialized, that it should not become a sideline for another regulatory agency—"

If my colleagues would let me have the attention of the minister, I would really appreciate it.

Hon. Mr. Grossman: If you'd let me have the attention of your colleagues for 30 seconds, they'll be through.

I'm all yours, thank you.

Mr. Renwick: I just want to repeat it because of the point which is being made.

"Let us not overstate the size of the futures business, as in reality it is a fairly small one, at least in terms of regulatory burden. There are only 10 operating futures exchanges today and all futures contracts, about 60, originate and must be traded there. Clearly the futures business is infinitely more centralized, more easily and inexpensively regulated, than an industry like securities.

"On the other hand, the regulatory task is sufficiently large, and so highly specialized, that it should not become a sideline for another regulatory agency, as the SEC has proposed. As the exchange most likely to gain from sound regulation, or to suffer from poor regulation, we offer some observations as well as some specific recommendations concerning the activities of the commission over the past three years."

Well, obviously, because of the study which was made, the choice was made by the government that this should become an adjunct of the Securities Commission. There is some indication that one of the commissioners will be a person knowledgeable in this field, but that in a very real sense it is the belief and intention of the government that this particular industry, distin-

guishable very clearly in its essential features from the securities industry, is going to be managed by a commission which does not purport, as I understand it, to have any specific expertise in the field.

I quite understand that the study director for the report of the interministerial committee on commodity futures trading, which was presented in 1975, is with the commission. I do understand that of the interministerial committee that was dealing with it, in their foreword to the report they indicate quite clearly that the only continuing knowledgeable person available to them was from the Ministry of Agriculture and Food.

It is true that Dr. Mohide, from the Ministry of Natural Resources, was available for consultation from time to time, but in fact there is a very clear acknowledgement that the commission does not hold itself out to be knowledgeable in the field; and I would certainly ask the minister to comment again about the point which has been made by the president of the Chicago Board of Trade, that it should be a separate and independent commission.

The next point I would like the minister to perhaps comment on is why, if the ministry would decide that it could be a separate and distinct commission, and because the great bulk of the commodities futures traded on that exchange are going to be from the underlying agricultural market, why it is not possible in some way to relate that commission to the Ministry of Agriculture and Food, even though there are non-storable items which will be traded on that exchange because of the expanding nature of the market for future contracts.

Nevertheless, it is essentially a device for relating and keeping under control the present cash price and the future price of agricultural commodities from month to month. I would like to have some clear indication as to why it is necessary for the government to feel that the Ministry of Consumer and Commercial Relations, through the securities and exchange commissions, believes that it should be involved in the regulation of the market-place, where the basic control and stabilization factor of agricultural prices appears to take place. And I emphasize again some of the sense I have that it may well be, as was the case in the United States until quite recently, that the Ministry of Agriculture and Food has an extremely important role to play in connection with such a commission.

Hon. W. Newman: We're allowed to look after the agricultural people so that can be

balanced off from the process of this bill. No problem.

Mr. Renwick: No, I think the Minister of Agriculture and Food, as so often, misses the point. He sees that agriculture at the one end is the product of the farm and the food at the other end is what the consumer buys and in between is the process by which the prices are established for the basic commodities in the market-place.

I am not asking the government why the Minister of Agriculture and Food doesn't want the responsibility, I'm asking the government why it doesn't see fit to establish a separate, independent commission for the purposes of regulation of this particular industry, and establish it under the aegis of the most appropriate ministry, the Ministry of Agriculture and Food.

Hon. W. Newman: I appreciate that.

Mr. Renwick: That was the case in the United States until quite recently with the independent commission which has been established. There were substantial representations, again made just this year by the president of the Chicago Board of Trade Clearing Corporation, that from their point of view it should go back to the Department of Agriculture as the appropriate place for the regulation of that market to take place, despite the fact that there is trading in futures with respect to currencies and with respect to mortgages and all sorts of new gimmicks that have come into that market. But the basic underlying part of that marketplace is in fact the agricultural commodities from which and within which it had its origin.

I would hope, perhaps, that the Minister of Agriculture and Food would indicate why he doesn't want to have that responsibility, and I would like to have a clear explanation, which is not available as far as I could tell in the report of the interministerial committee, as to why the appropriate place is not under a different ministry rather than, if I may use the phrase, cluttering up the Ontario Securities Commission with this new responsibility so far as that particular market is concerned.

[9:15]

I was, of course, very interested to look at the figures as I tried to get some sense of the size of the market. The latest figures I have on the 10 commodity exchanges in the United States show something of the volume and the range of the commodities which are subject to trading in those exchanges: The Chicago Board of Trade, about 19 million contracts traded; the Chicago Mercantile Ex-

change and International Monetary Market, about six million; the Commodity Exchange Incorporated, about 5.5 million; the Mid-America Commodity Exchange, about 2.2 million; the New York Coffee and Sugar Exchange about 1.175 million; the New York Cotton Exchange, the wool associates about 7,000-odd, and the citrus associates about 1,958, for a total of something over one million contracts. The Kansas City Board of Trade Incorporated about 688,000 contracts; the New York Mercantile Exchange about 640,000 contracts; the New York Cocoa Exchange about 334,000; the Minneapolis Grain Exchange about 228,000 and the Pacific Commodities Exchange about 1,512.

The total of all the exchanges in 1976 was some 37 million contracts. Presumably, from the evidence of the president of the Chicago Board of Trade in 1977, there was a substantially higher number of contracts in 1977.

It does seem to me that with the experience and the expertise in the United States there may well be a good reason to establish a separate commission. From the point of view of the adequacy of the marketplace to protect not only the person who enters that marketplace, but also to protect the ultimate interest of the consumer in the price of agricultural products, as they reach him through all of the various intermediaries in the agriculture business, at his table, perhaps the proper place is to repose the responsibility in the Minister of Agriculture and Food.

There are a number of other matters which undoubtedly we can deal with in the committee, but I would appreciate the minister's comments on those particular points which I have raised.

Hon. Mr. Grossman: I think it's fair to say that the essence of the member for Riverdale's remarks relates to the reasons for not following the route of having a separate apparatus entirely for the regulation of commodity futures contracts. I think a good point of beginning is indeed the Report of the Interministerial Committee on Commodity Futures Trading, 1975, to which the member referred. I'd refer him to page 85 of that report, paragraph 8.21. I think a reading of that section directly is relevant because it sets out quite straightforwardly the reasoning which went into that committee's deliberations, and which we have adopted and accepted.

Starting at 8.21, and we'll read all of it, it says: "Three briefs, including that of the Investment Dealers Association of Canada, recommended regulation of commodity

futures trading through a separate Ontario commodity futures commission. The OSC itself recognized that the Securities Act was not the vehicle to bring this type of trading under regulation. However, it is questionable that the size and scope of the problem, particularly in the absence of a commodity exchange in Ontario, coupled with the fact that much of the trading is presently done by existing security dealers, warrants a completely new bureaucracy."

Paragraph 8.22 goes on: "We have concluded that the task of establishing and supervising this regulatory scheme and administering the new legislation should be given to the OSC, utilizing, so far as possible, their present staff. The proposed legislation involves a scheme of registration and supervision. Many of the potential registrants and advisers presently hold registration from the OSC as securities dealers and salesmen. The commission has in place administrative machinery which, it might be suggested in light of the existing securities market, has the capacity to undertake additional licensing tasks."

I go on then to paragraph 8.25.

Mr. Renwick: I take it that the government has accepted the report of the interministerial committee holus-bolus without any independent consideration of the problem.

Hon. Mr. Grossman: My friend, the member for Riverdale, then presumes that because we have accepted paragraphs 8.21 and 8.22 and 8.25 out of a 127-page report it means we have accepted the entire report, holus-bolus.

Mr. Renwick: I am asking the minister is that what he has been telling us? Is that government policy?

Hon. Mr. Grossman: Specifically, I am pointing out that we have accepted the reasoning set out very well in the three paragraphs I am referring to; and I am picking those three paragraphs specifically because those emphasize the pattern of reasoning which we have accepted and followed in our legislation.

It goes on, in paragraph 8.25: "To duplicate the administrative machinery available through the Ontario Securities Commission's existing registration program would seem wasteful. The commission and its director would be charged with the administration of the new Act . . ." and so on.

That is the essence of the case. We feel that in view of the scheme we feel is necessary at this time for the commodities futures contract business in Ontario, that the Ontario

Securities Commission is the best and least expensive and least bureaucratic type of system we need at the present time.

The member for Riverdale has referred to the United States' example. I should point out to the member that in the United States the scope of regulation over futures trading—and by the way cash transactions—is much greater than is intended in the bill before us this evening.

The sphere of regulation in Ontario, on the other hand, will be limited to areas in which the OSC has a vast store of experience, such as registration of dealers and advisers.

That is the thrust of the legislation tonight and that is the exact area in which the OSC has its confidence and experience.

Mr. Lawlor: You should develop a commodities market.

Hon. Mr. Grossman: As to the regulation of the most important exchanges in the United States on which contracts are traded, this is left to the CFTC, the Commodity Futures Trading Commission, a federal regulatory body in the United States.

Mr. Lawlor: I am only interested in one thing.

Hon. Mr. Grossman: The scheme we have opted for on the other hand avoids the establishment of yet another level of bureaucracy when we feel the job can be done by an existing body.

The member has also questioned why the Ministry of Agriculture and Food is not handling a commodities future exchange. First, the emphasis in this legislation, as is the case in our securities legislation, is protection for the small investor, the person who is going to go into the market and buy and trade these contracts. That is the proper role for the Securities Commission, whether it is dealing in the securities as we've always known it or commodity futures contracts.

Hedgers as defined in the legislation are the people who genuinely need the advantage of this sort of market in order to level out fluctuations in prices and to have some consistency and reliability with regard to what their future position is going to be in the very commodities and products which they grow and make their living from. They are properly the subject matter of the Ministry of Agriculture and Food, whether it be through marketing boards or whatever. They are taken out of this legislation, hedgers are not in it. This legislation deals with those people, essentially, who are advising and participating in the speculative angle of commodities transactions.

Mr. Lawlor: You notice the minister has left. He thinks hedger is somebody who jumps over a hedge.

Hon. Mr. Grossman: No, he thinks a hedger is an opposition party which jumps on both sides of every issue.

Mr. Warner: Look who's talking. Claire Hoy's favourite.

Mr. Samis: That's not what Claire Hoy said.

Hon. Mr. Grossman: In any case we see our role as very important as the ministry, and as the vehicle—that is the Ontario Securities Commission—which has historically protected the small investor when he is dealing in securities as we've known them or an item called a commodity futures contract. We think that this is the appropriate point at which the regulation should occur.

I acknowledge and note the support, at this stage in any case, in this assembly for the need to regulate the commodity futures market.

I urge this bill upon the House as a very efficient, simple, easy mechanism to provide consumer protection, to look after the people who really need disclosure, full information and the protection of the Ontario Securities Commission type of scheme. We think it will work and we think it will do the job without another layer of unnecessary bureaucracy; indeed without the type of duplication that the member for Riverdale was concerned about in the previous bill, Bill 7, without the type of cost benefit concern that may emanate if we set up a separate regulatory scheme on top of the Securities Commission scheme. I urge this type of system on the House.

Motion agreed to.

Order for standing committee.

BUSINESS CORPORATIONS AMENDMENT ACT

Hon. Mr. Grossman moved second reading of Bill 9, An Act to amend the Business Corporations Act.

Mr. Breithaupt: Mr. Speaker, the Business Corporations Act is being amended in a number of ways.

First of all, all elements of investor disclosure, the matters of insider trading and reporting, and the other things which I referred to in my comments with respect to Bill 7, have been deleted from this Act and are now incorporated in that Bill 7.

There are some other changes, such as certain provisions with respect to contents of financial statements for corporations offering

their shares to the public, which are as well deleted from the Business Corporations Act and will be incorporated into the Securities Act. We think certainly it is most appropriate to have those particular items all in the Securities Act, where we believe they belong; we certainly support the bill as a companion item to Bill 7.

Mr. Renwick: Mr. Speaker, just as a complementary bill, we would support Bill 9.

Hon. Mr. Grossman: Mr. Speaker, there is obviously nothing to add to this. It's a complementary piece of legislation. We'll deal with it in the package in committee.

Motion agreed to.

Ordered for standing committee.

VITAL STATISTICS AMENDMENT ACT

Hon. Mr. Grossman moved second reading of Bill 1, An Act to amend the Vital Statistics Act.

Mr. Breithaupt: Mr. Speaker, we had a lengthy statement from the minister on February 28 when this bill was introduced. It is certainly an interesting item of legislation, particularly as it proposes to deal with several items that have developed concerning registration under the Vital Statistics Act.

The minister has commented with respect to the hyphenation of certain names. I presume there are persons who wish to do that. It is difficult at times to understand how people do get the names they receive; and as I had suggested to the minister, to think of some child having to suffer with a hyphenation such as Grossman-Breithaupt or Breithaupt-Grossman, would be almost cruel and unusual punishment I would think for any small innocent young person.

Hon. Mr. Grossman: Unless they got Renwick in the next generation.

Mr. Warner: Perish the thought.

Mr. Cassidy: I've heard of a marriage of convenience, but it is happening between your parties right now.

Mr. Breithaupt: Well at least it doesn't have the incestuous relationships which are seen in the third party.

Mr. Renwick: It is like Progressive Conservative Party.

Mr. Cassidy: Right; Liberal Conservatives.

Mr. Breithaupt: In any event, Mr. Speaker, the legislation is, I suppose, useful with respect to those persons who wish to enter into this hyphenation situation.

Mr. Cassidy: A bit of a bastard union, I would say.

Hon. Mr. Grossman: How about CCF?

Mr. Cassidy: Now you are talking.

Mr. Breithaupt: So far as the second item is concerned, with respecting to completing certain proposals as a result of medical changes, that certainly appears to be entirely in order and most proper.

We certainly will support the bill. I note that an amendment is to be placed by the New Democratic Party with respect to a change in the bill, and that also appears to be in order as a reasonable modification in wording to that particular section.

[9:30]

Mr. Davison: Bill 11 contains in it two separate and completely different sets of changes to the Vital Statistics Act. Section 1 of the amendment deals with the question of hyphenated surnames, as the Liberal critic has pointed out, and section 2 deals with changes resulting from transsexual surgery.

In regard to the first half of the bill, which resolves a problem with surnames, I would like to extend both my support and my party's support to the principle. The amendment arises to a large extent out of recommendations made by the office of the Ombudsman and, as such, stands as evidence of that office's capacity to influence government to act on behalf of citizens with problems.

In October 1976 an individual complained to the Ombudsman's office because the Registrar General had refused to register the name of a newborn child in the hyphenated surname of both the parents, with the name of the mother preceding the father. On page 533 of the Ombudsman's report, the complainant's status is described as follows:

"Upon her marriage in 1974, the complainant had chosen to retain her maiden name and incorporate it with her husband's surname preceded by a hyphen. In the ensuing year, her name had been recorded in that manner in the deed as co-owner of a house with her husband, on her social insurance card, driver's licence and transfer vehicle permit." Knowing the government's fine relationship with big business, I might have suspected that if it was good enough for Chargex it would be good enough for the government. But at the time, of course, it wasn't.

The child was born in January 1976 and the appropriate forms were submitted in March of the same year. The couple was refused in April and they secured the services of a lawyer and finally, in October of that year, of course, went to the Ombudsman's office. The then director of research at the Ombudsman's office reviewed the

legislation in Ontario, the new legislation in Alberta, the debates of the Ontario Legislature and the Ontario Law Reform Commission report on changes of name.

In November 1976 the Deputy Registrar General was advised of the complaint and then the Registrar General informed the office of the Ombudsman that they would not object to a change in the legislation. Consequently, the Ombudsman recommended that an amendment be made so that the choice would be optional in Ontario.

In December 1976 the Deputy Minister of Consumer and Commercial Relations advised that both he and the then minister agreed with the Ombudsman's recommendation and proposed to introduce legislation in the next session. The legislation, however, was not forthcoming.

On September 27, 1977, the Deputy Registrar General, Mr. N. A. Vetere, appeared before the select committee on the Ombudsman, and after questioning Mr. Vetere explained that the amendment had not gone forward saying that he felt it was a matter of priorities and that it was his understanding that the legislation had received priority from the ministry now and expected that the legislation would be coming forward in the upcoming session.

On November 25, 1977, the select committee tabled its third report with you, Mr. Speaker, and through you to the Legislature, recommending on pages 50 and 51 as follows: "The committee perceived some urgency to amend the Vital Statistics Act in this way. Accordingly it recommends that the minister table during this current session the amendment as described by the Deputy Registrar General to the committee."

By December 15 of the same year the Ministry of Consumer and Commercial Relations had still not vet tabled the legislation. That night in the House, as you will recall, Mr. Speaker, we debated the select committee's third report. The minister addressed certain comments to the recommendations of the select committee. If I might quote them from Hansard of the day on page 3060, he said: "Those reports raised issues of concern to my ministry and I wanted to inform the House of the action taken to date on these recommendations and to assure the hon. members of the House of the continued concern of my ministry. At various times, the ministry has made its position clear on the issues raised. I would like to summarize the commitments we have made to the recommendations outlined in both the recent third report and the earlier second report of the committee which I was pleased

to sign, I might add. One major set of recommendations concerns changes to the Vital Statistics Act. My ministry has indicated it will proceed with amendments to this Act."

With the session scheduled to end in only a number of hours, the minister had rejected the select committee's recommendation that the amendment be introduced in that session. However, we all have the legislation before us now in spite of fact that the ministry committed itself to the legislation of December, 1976, and it has taken us until April, 1978, to get it into the House for debate. It's also hard to understand that delay because this particular amendment is a rather uncomplicated, half-page affair, so I really can't see why it has taken so long to bring it forward.

Now that we finally have it before us, I think it does show one thing that is quite useful, that is that the Ombudsman institution, the Ombudsman process, can work effectively in the province of Ontario when all parties make an effort to make sure it does so. Perhaps in the future, the process can be speeded up, though not all the speeding, it is clear, needs to be done at the Ombudsman's office. If this ministry and other ministries of the government would move a little more quickly and keep up with the commitments they freely make in terms of bringing in legislation, then the process can work even better for the people of Ontario.

Hon. Mr. Grossman: They can operate as efficiently as the Ombudsman.

Mr. Davison: The Ombudsman finished his investigation in remarkably short order and brought forward a remarkably good recommendation. If the ministry had worked with the same speed, we would have had this amendment before us, debated, voted on and passed some long time ago.

Mr. MacBeth: Maybe the House should move at the same speed.

Mr. Breithaupt: Even half an hour ago.

Mr. Warner: It is too reasonable.

Mr. Davison: The second half of this bill, sub-entitled Changes Resulting from Transsexual Surgery, is a matter on which I am a bit more concerned about the ministry and the minister's approach. This part of the amendment also arose in the Ombudsman's office and from the Ombudsman's work. It is a case which has evidenced even greater delay and that has caused much more severe and direct hardship to a rather small number of the people in our province.

If I might, as I think it is important, I would like to take some small amount of time to outline the events involved in this issue, as I recall them. The question personally came to my attention only in January, 1977, when I read the Ombudsman's first report, where it is referenced as a complaint, complaint 31 on pages 403 and 494. This particular man was trying to get a birth certificate which would show his sex as it had been changed by surgery. The individual had been successful in having his name legally changed from a female name to a male name but had been unable to obtain the birth certificate that he sought.

I imagine that all members of the House can quite easily see the difficulty that not obtaining that proper birth certificate presented to the particular individual involved. At the time of the Ombudsman's report, the Ombudsman pointed out that four provinces in Canada had already moved forward with legislation that permitted these changes in birth certificates. The Ombudsman's findings were as follows:

"We concluded that since there was no provision in the Vital Statistics Act which would allow a change in the sex designation on the complainant's birth certificate to bring it into conformity with his present sexual status, the ministry had acted properly and in accordance with the law when it refused the complainant's request. However, in our opinion, it was apparent that the decision not to change the sex designation on the birth certificate was made in accordance with the law or Act that, in the words of section 22(1)(b) of the Ombudsman's Act, was unreasonable, unjust, oppressive or improperly discriminatory."

The Deputy Registrar General and the Assistant Deputy Registrar General, at that time agreed to the suggestion of amendment being put forward by the Ombudsman's office and the Ombudsman then took it upon himself to write to the Deputy Minister of Consumer and Commercial Relations. The deputy minister, by return mail, informed the Ombudsman's office that a policy submission was being prepared for the justice policy field, and if approved an amendment would be drafted. These events took place prior to the end of the year 1976.

During the early months of 1977, the select committee on the Ombudsman looked into this matter. The Deputy Registrar General informed the committee that there was at present proposed legislation within the ministry providing for sex designation changes by a person on application, accom-

panied by proof from a duly qualified medical practitioner that the sex change operation procedures had in fact been successfully completed. The legislation is the bill we of course now have, more than a year later, before us in the House.

On March 28, 1977, the select committee on the Ombudsman reported the following recommendation to this Legislature in this matter:

"The committee therefore recommends that the Minister of Consumer and Commercial Relations introduce legislation as soon as possible to amend the Vital Statistics Act to provide authority to the Registrar General to make such a sex designation change containing the appropriate safeguards to ensure that the effect of the sex designation change not be retrospective."

On July 14, the Ombudsman submitted to the Speaker, and to the assembly, his second annual report. The Ombudsman took that opportunity, because he thought, I guess, that it was a very important and serious matter, to further reference developments in the case. In his report, he quoted in total from his earlier report and he quoted the full comments of the select committee. He then concluded his restatement by saying that:

"As of this report there has been no change in the legislation to the Vital Statistics Act, and the fact that there has not is working a continuing hardship on the complainant mentioned above because he wishes to marry but is prevented from doing so until the necessary amendment is presented to the Legislature and passed."

As members will recall, the select committee had, in March asked the minister to introduce legislation as soon as possible, and therefore when the committee met again in September to consider the Ombudsman's second report, the matter of the Ombudsman's recommendation and the committee's recommendation again come up for debate and consideration in the select committee on the Ombudsman.

On September 28, 1977, Mr. Vetere again appeared before the committee, on behalf of the ministry. Ms. Cooper appeared before the committee on behalf of the Ombudsman's office. At that point, she again informed the committee of the individual's further problem as he was trying to get married and could not because of the sex designation on his birth certificate. The Ombudsman's office had not considered provisions of the Marriage Act other than that of the sex designation on the birth certificate, and Ms.

Cooper said that there may be further legal problems which would have to be dealt with. [9:45]

Mr. Vetere reported that it was intended to bring the amendment forward at the upcoming fall session which, by the way, also did not happen. This perhaps was because of a conflict in attitudes on the issue between certain people and the minister and the then Minister of Consumer and Commercial Relations, because on July 27, 1977, the then minister had written to the hon member for Carleton East, who had been involved in the original complaint—

If I might, Mr. Speaker, it's a rather short letter, and I would like to read it into the record of this debate.

Mr. Lawlor: You know it takes so long you could change their mind faster than their sex.

Mr. Nixon: Which are you working on?

Hon. Mr. Grossman: Or for your member to make his point.

Mr. Davison: It's addressed to Ms. Evelyn Gigantes, MPP. It reads:

"Thank you for your letter of July 20 in connection with our proposal to amend the Vital Statistics Act to provide for recognition that an individual has undergone transsexual surgery. The legislation is ready for introduction. Scheduling is of course a matter for the government and will depend greatly on the agreement between the House leaders as to the time allotted for the legislation in the fall session. I understand that only 25 hours will be set aside for the debate on legislation. If that is the case, it is hardly likely that other higher-priority legislation will be set aside in favour of minor amendments to the Vital Statistics Act. Your comments would be appreciated."

Mr. Vetere, still on September 28, 1977, and again at the request of the committee members, outlined the situation in regard to the legislation from the ministry's point of view. He was asked if the ministry had given any thought to whether it would be possible for the person concerned to marry after the sex designation on the birth certificate had been changed. The Ombudsman, in his second report, had put forward the information that in this particular case, from which the recommendation had arisen, the individual did, in fact, want a new birth certificate so as to be able to be married.

Mr. Vetere replied that the position of the ministry was that if they were aware that an individual who had had a sex designation change was making an application for

a marriage licence, they would refuse the licence.

I can recall that at least myself, and I think most or all of the members on the committee, were shocked or at least quite surprised by the information as it was put forward by Mr. Vetere, because in the entire process this was the first we had heard of this position on behalf of the Ministry of Consumer and Commercial Relations.

Mr. Vetere, under rather close questioning, said that the change in sex designation was simply to accommodate the needs of the person for documentation, but that it was impossible for the person to legally marry as the change was considered to be anatomical but not biological.

I and other members of the committee argued that there was a substantial change not being recognized by the ministry, that in effect a third sexual category of people in Ontario would be created by the provision of these proposed changes to the Vital Statistics Act.

These people, in this third sexual category in Ontario would not be allowed to marry among themselves, would not be allowed to marry women and would not be allowed to marry men. In short they would not be allowed to marry and in that sense they would be denied some of what I consider to be basic human rights in our society.

Therefore, in my opinion, the proposed legislation did not either meet the needs or solve the problems of the people concerned and in the process limited their rights.

On November 25, 1977, the select committee in its report to this House wrote and recommended as follows:

"The Deputy Registrar General informed the committee that legislation satisfying the committee's recommendations and the concerns of the Ombudsman, would be tabled in the current session of the Legislature. However, the ministry does not intend the legislation to grant a person the status to marry in any circumstances. In the committee's opinion, this legislation will create an undesirable result by establishing a third category of individuals who, at least in the area of marriage, have no status in law. The committee has not considered any further ramifications of this legislative change. However, it is certain that the legislation will place the legal status of such persons in doubt in other areas.

"Accordingly, this committee recommends that the minister introduce legislation clarifying and defining the status of persons affected by the sex designation change so as

to avoid the creation of a third category of persons in the province of Ontario."

On December 15, 1977, the Legislature, as I have said earlier, debated that select committee's report and that particular recommendation of the select committee, and the minister's response is found on page 3060 of the Hansard from December 15, 1977. If I may I'll partially quote areas that I have already quoted, so that we can get the full sense of the minister's response; it's rather brief:

"At various times the ministry has made its position clear on the issues raised. I would like to summarize the commitments we have made to the recommendations outlined in both the recent third report and earlier second report of the committee." Which I was pleased to sign on my part.

"One major set of recommendations concerns changes in the Vital Statistics Act. My ministry has indicated it will proceed with amendments to the Act to allow for sex designation changes."

A bit further down the page we find this sentence from the hon. minister, "We feel this flexibility will deal with the concerns raised by the report and will assist individuals in having the records they desire."

I thought that the minister had said that the legislation would deal with the concerns raised by the report. But having had some experience in this House, I knew that things are not always as they sound or seem. A short time later that evening, when I was participating in the debate, I asked the minister for clarification, or what I in my mind considered clarification. I'd like to read that short exchange from Hansard of that night, from page 3066:

"Mr. Davison: In regard to the Minister of Consumer and Commercial Relations, I hope the minister when he responded favourably to recommendation No. 18 understood the committee's concern about the proposed legislation and the possible consequences of creating a third category of people in the province of Ontario when he responded favourably. I hope he responded with that in mind." The record of that night then shows the Hon. Mr. Grossman saying, "Have we ever let you down before?"

Mr. Foulds: Every time.

Hon. Mr. Grossman: Four bills tonight; have we ever let you down?

Mr. Davison: Have they ever done anything right?

Mr. Davison: "Have we ever let you down before?" I guess in my lack of experience, I understood that to mean that the minister

understood the recommendation of the committee and agreed, and was not going to let us down. I didn't think at the time that it would have been possible that the minister may have been involved in some kind of gamesmanship—

Mr. Davidson: No sensitivity.

Mr. Davison: —twisted or otherwise. To this day, although I have often disagreed with the minister, I have always found him to be a decent human being who has always been, with me at least, straightforward and strictly honest—

Hon. Mr. Grossman: Have I ever let you down?

Mr. Davison: Now we have Bill 11 before us; and I really wonder what all that work was worth and all that talk was worth and about, in the past several months in regard at least to this aspect of the bill. It was to me as if they had never existed.

In my opinion, this bill should not be before this House in its present form. All things considered, the minister should not put before this House this amendment to the Vital Statistics Act containing this second section. While I'm going to support it on second reading, when this bill, and particularly this part of the bill, goes to the committee stage, I will at the very least make sure, as well as I am able, that the minister in all fairness to the recommendations of the select committee will do something to clarify and define the status of people affected by sex designation changes.

I'm quite concerned about this matter. I have given notice of an intention to move two amendments to the bill which I believe, without the benefit of a constitutional lawyer or an historian on common law, may—

Hon. Mr. Grossman: You should have asked Renwick; he'd tell you.

Mr. Davison: I don't want to engage in a discussion with the minister. My opinion of his credibility has suffered somewhat in the past 24 hours.

Mr. Swart: It was pretty low before that.

Mr. Davison: In my opinion, those amendments to this bill will, if they do not solve the problem for the people who will now find themselves in this unfortunate position, at least be a recognition on the part of this House that those people do in fact have a real problem and that some members in the House aren't interested in playing games with them.

As chairman of the select committee of the Ombudsman, I don't think that this case shows a particularly useful relationship be-

tween a ministry of the government, the Ombudsman's office and a select committee of this Legislature. I think this is an example that we should not be very quick to follow and it's an example of behaviour I would personally not like to see again.

I think the minister in this case has shown an unfortunate attitude towards the select committee. I think perhaps he misunderstands the way in which the people of Ontario will best be served by an Ombudsman institution that works with the Ombudsman, the committee, the Legislature, the ministry or the government agency to give people in this province the kind of Ombudsman institution they have every right to deserve and expect.

As an individual member of the House I am offended by the games-playing of the minister. Finally, just as a man and as a member of the human race, there are times when we're saddened and sorrowed by some people's disregard for human rights. This, Mr. Speaker, is one of those times.

Mr. Deputy Speaker: Does any other hon. member wish to participate in the debate? If not, the hon. minister.

Hon. Mr. Grossman: Mr. Speaker, I would have hoped that the member would have been a little more thoughtful as he wrapped himself in purity on this piece of legislation. The relationship between the member and myself —up until right now, as a matter of fact, I didn't become disillusioned with him in the last 24 hours but just in the last few minutes —has been pretty good, but when he gets into the junk that he got into in the last few minutes with regard to his corner on the market with regard to human dignity, virtue and human decency, that is, I think, where I became a little bit offended by his remarks.

He may suggest that we are playing games with this legislation. Of course he knows that is not true, he was in the House for the estimates last fall, he knew that the dialogue was going on and that it was a general exchange of views with regard—really it was a question asked whether we were going ahead with the legislation, and I responded.

He may have refined what he now understands to be the full scope of the Ombudsman committee's recommendation in one way and more completely, after he has obviously had a chat with some people, than he did last December, but that wasn't my problem. My problem was that I was always aware of the constitutional powers that the province has and doesn't have, and where the common law goes and where it doesn't go, and what the role of the Regis-

trar General is. No one ever held out anything different to the member.

He can talk about the delays in bringing in this legislation; and you know, Mr. Speaker, that is fair politics, he can play that game and I am not going to tell him that the election that his party and the other party caused last spring held up the legislation.

Mr. Swart: Who caused? That is the end of your credibility.

Mr. Renwick: You were doing all right until then.

Hon. Mr. Grossman: Far be it from me.

Mr. Makarchuk: You are out of your cotton-picking mind.

Mr. Foulds: You just blew it, Larry.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: But I do think it is fair with regard to the role of my predecessor in the saga that the member felt obliged to roll out should be pointed out; and that is that he, like a lot of ministers on this side of the House, was faced with some problems with regard to timing.

Obviously last spring there was that election; whoever caused it there was an election—

Mr. Makarchuk: Now you are backing off.

Mr. Rotenberg: We know who caused it.

Hon. Mr. Grossman:—therefore, it couldn't have been legislated last spring, I don't care whose fault it was.

Mr. Makarchuk: It cost \$5 million to get you elected, so shut up.

Mr. Swart: Could have started the fall session a month earlier.

Hon. Mr. Grossman: And to move you over there.

Okay, look, I don't care whose fault it was last spring. The fact was there couldn't be legislation last spring, we didn't sit long enough.

Last fall my predecessor quite properly pointed out the problems in estimates, and my House leader, together with the other House leaders, co-operated in providing a maximum amount of time for estimates; no question about it. One of the functions of that decision is that some legislation simply had to be put over. That is the pure truth and those are the facts of the matter.

This happens to be one piece of legislation that was put over, and I have no apologies to make for that. I wish all of my legislation could have been dealt with last fall: indeed where I did see a need that couldn't wait another day, such as the con-

ditional amendment, I did get that through last fall, with the co-operation of the opposition. Where I saw a need for the tax discounters, I did get that through last fall, with the co-operation of the opposition.

I don't have co-operation on the Vital Statistics Act, and members opposite are quite entitled to their point of view. The fact is that one of the decisions made when the opposition wants a lot of estimates hours, this government agrees to that request, is that some legislation doesn't make it.

Mr. Swart: The government could have started the fall session a month earlier.

Hon. Mr. Grossman: Members can argue that amounts to political gamesmanship, and that is part of the political process, and they are entitled to make that argument. I, for my sake, just want to read into the record the facts of last year so that my predecessor's role in this can be shown and mine can be shown.

Mr. Makarchuk: The matter wasn't even raised at the House leaders' meeting. Don't give us that sanctimonious claptrap.

Hon. Mr. Grossman: The member for Brantford may have some more patience than I, in listening to the attempts of the member for Hamilton Centre (Mr. Davison) to bootlick the Ombudsman to show that this legislation, like everything else we do, is purely an outgrowth of the Ombudsman's responsibilities and what he says. I sat here and listened to it, and so be it; if he does a really good job, maybe he can become his driver by next summer. But I don't care; he can do that role, he can play that number, I don't care.

But, Mr. Speaker, where the member moves on to suggesting that we take this matter lightly, that we don't care about the implications, that we don't care about the human dignity elements of this legislation, that is where I draw the line. All the other numbers he has been playing on us tonight are the usual political things, and I forgive him for that; that is the way he sees his role, okay.

Mr. Foulds: You are doing quite a number yourself, Larry, quite a number.

Hon. Mr. Grossman: He can do the Ombudsman number, he can do the gamesmanship's number, he can do the House time number, I don't care.

Mr. Swart: Who do you think you are? God, to forgive him?

Hon. Mr. Grossman: No, you are holier-than-thou over there. The idea that only the member for Hamilton Centre or what-

ever it is cares about the human rights involved in this issue—

Mr. Nixon: Oh, you are holy too.

Hon. Mr. Grossman: —I just want to reject totally and completely. If he had stopped for one second in his knee-jerk desire to make an amendment to any piece of legislation that comes out of this government and chatted for a moment with his adviser, or I would have hoped his adviser, the member for Riverdale, he perhaps would have got a bit of an education into the BNA Act. The BNA Act specifically reserves to the federal government, in section 91, subsection 26, the subject of marriage and divorce. Nothing I can do in my capacity as Registrar General can change that. I can't permit people to marry, I can't forbid them from marrying. All we do is the registration aspect which shows what the registration is. This legislation now permits someone to go in and change the registration. But changing the registration in my ministry, through the Registrar General—I emphasize the word registrar—does not by itself change the legal status of the person making that change.

The common law prevails here. The federal government has seen fit not to legislate on top of the common law to change the situation. There has been litigation resulting from matters such as this, litigation which has confirmed that in the present situation it is up to the courts in most cases to decide whether the change that has been gone through has amounted to a valid change in legal status under the common law. I can't and my Registrar General can't do anything that changes that situation. He registers a piece of information, and whether one carries around a blue card signed by Norm Vetere and Larry Grossman saying one is of whatever sex one has been able to obtain registration for doesn't help one when one goes to get married.

I can't make an amendment to the Vital Statistics Act that helps one do that. I can't amend any other Acts that I have that would help one do that. I never said I could and my predecessor never said he could.

Mr. Lawlor: You can work on the solemnization of marriage under the Marriage Act.

Hon. Mr. Grossman: That is the plain, simple fact of the matter. It is reserved under section 91 subsection 26 of the BNA Act.

Mr. Lawlor: It is not quite so simple.

Hon. Mr. Grossman: If the member for Lakeshore will calm down and speak to the member for Riverdale, who is really silent in

this debate, he'll find out that that consistently constitutionally pure member—

Mr. Lawlor: If you would just stop talking for a few minutes and listen for a while.

Hon. Mr. Grossman: —would have no part of this discussion on his side of this argument.

Mr. Foulds: Nobody is speaking on your side except you.

Mr. Rotenberg: We are with him.

Hon. Mr. Grossman: I have the Attorney General (Mr. McMurtry) and I know he will back me up on constitutional arguments.

Mr. Foulds: You are all alone.

Hon. Mr. Grossman: And he rarely, if ever, loses.

Mr. Foulds: But when he loses he loses big.

Mr. Swart: When he loses he really goes down hard.

Mr. Deputy Speaker: Order.

Mr. Lawlor: Don't get carried away.

Hon. Mr. Grossman: The bigger they are, the harder they fall. In any case, the point is that our interpretation, very strongly backed up by the common law, by case law and by the BNA Act, indicates there is nothing I can do to change the situation. We never held out we could. Whether all of my personal legal background, the government's legal background and the history of this case and all the resources I have referred to—and I know I have the member for Riverdale on my side as well—

Mr. Foulds: No, you don't.

Mr. Lawlor: Just because he is quiet doesn't mean he agrees.

Hon. Mr. Grossman: And when is he ever quiet? Where we are all right or all wrong is not—

Mr. Foulds: Even you are known to be quiet on occasion.

Hon. Mr. Grossman: You two can't get through to the middle of that sandwich to say anything. Whether we are all right or wrong is academic.

Mr. Foulds: That is a very bad image, a very bad analogy.

Hon. Mr. Grossman: He feels that way I am sure.

Mr. Deputy Speaker: Order, please.

Hon. Mr. Grossman: I am sure he is very happy.

Mr. Deputy Speaker: Would the hon. minister address the Chair?

Mr. Foulds: You were doing better on the nautical metaphors when we were on the Securities Act an hour or so ago.

Hon. Mr. Grossman: Whether we are all right or all wrong, Mr. Speaker, is not the point I wish to make.

Mr. Foulds: That's true, you're all wet.

Hon. Mr. Grossman: It's a sincere, consistent, understanding and legal opinion we have held and we have never varied from that. To suggest that because that very strong legal position is held and never been wavered from we suddenly don't care about the human rights or dignities or concerns involved in this legislation doesn't lie well in the mouth of the member for Hamilton Centre. I reject it entirely and completely.

It's a totally different story than to disagree and to have a fundamental understanding of the BNA Act and the difference of jurisdictions and powers that lie in us, and in my Registrar General who's our registrar. That's a totally different situation and I'll sit here on many occasions and listen to the opposition suggest that this government is unfeeling, that it doesn't care—all sorts of allegations like that happen daily in the course of political exchange—

Mr. Davidson: No sensitivity at all.

Mr. Lawlor: Even worse than that. You hide behind the BNA Act.

Hon. Mr. Grossman:—and we understand that, because we have even been known to accuse the opposition of those same faults.

Mr. Lawlor: More devious than ever.

Hon. Mr. Grossman: But when it comes to a sensitive matter such as the one we're discussing tonight, I'm just not going to treat it as in the same area of political give and take, because it isn't. We could have let this matter lie if we didn't care about it, suffer through a couple more reports from the Ombudsman committee—whatever. But we cared about it and we brought it forward and went as far as we are able to go within the BNA Act, within the common law restrictions and everything else.

This isn't one of those times when the opposition ought to be posturing, wrapping themselves in the flag of civil liberties, human rights and human dignity. We all care about it. I respect the member for Hamilton Centre's interpretation, mistaken as it may be, and I respect his concern for the issue. I really do. We're entitled to the same respect from him though, and that has nothing to do with legal interpretations one twit.

Ordered for standing committee.

Mr. Breithaupt: Mr. Speaker, if there is a minor amendment to be placed with respect to this bill, could it not go to committee stage in the House? We're certainly agreed to it.

Hon. Mr. Grossman: Mr. Speaker, I would prefer it to go to the committee on justice. Perhaps the member for Hamilton Centre wishes to look carefully at the constitutionality of it and perhaps withdraw it. He may not, but I'd like to give him that opportunity.

MINISTRY OF GOVERNMENT SERVICES AMENDMENT ACT

Hon. Mr. Henderson moved second reading of Bill 31, An Act to amend the Ministry of Government Services Act.

Hon. Mr. Henderson: Mr. Speaker, the purpose of this bill is to regularize the procedure that's presently being carried out by the Ministry of Government Services.

Section 16 of the existing Ministry of Government Services Act requires delegation of the minister's powers under the Act to be in writing and approved by the Lieutenant Governor in Council. As a simple example, the minister cannot legally instruct his secretary to purchase for his use a pen or stationery article unless the delegation of the minister's power is by order in council.

During the year the Ministry of Government Services makes thousands of purchases of commodities and services for the needs of the Ministry of Government Services and other ministries as follows:

1. In the fiscal year April 1, 1977, to March 31, 1978, one branch will have issued 11,000 purchase orders in respect of commodities like furniture, furnishings, clothing, police uniforms, business machines, paper and envelopes.

In the printing service division, for the consolidation of statutes, regulations, budget books, and other ministry publications within the Ministry of Government Services and other ministries in 1977-78, purchase orders issued: 6,000 for print, ink, paper, plates and other articles; 1,000 for duplications; 3,000 for government stationery.

In the property management branch, in the fiscal year 1977-78, 24,500 purchase orders were issued by this branch for building materials, moving, repair and maintenance services.

[10:15]

In the same fiscal year, the Toronto head office of this branch arranged 339 contracts—for example, fuel oil, moving and others—of which 207 were signed by the minister and 132 by other officers of the branch. In

addition, there are contract awards by regional offices of the branch. In a year's time, the minister would need to sign approximately 40,000 contracts varying from a few cents to several hundred dollars.

Once again, Mr. Speaker, the bill is to regularize the present procedure that is being carried out.

Mr. Ruston: We would have no objection to this bill, Mr. Speaker. From what I gather, it will kind of streamline some of the work and allow the minister or the deputy minister to delegate authority to sign contracts and so forth.

We all know, of course, that the minister is still responsible for whatever happens in his ministry, and this is a known fact in all government legislation. I think I read in the past year or so that some minister in Ottawa tried to avoid some responsibility for someone in his ministry, but the fact remains that the minister as an elected official is still responsible.

Mr. Makarchuk: They're trying to avoid responsibility for the whole country.

Hon. Mr. Maeck: Be nice now, Mac.

Mr. Ruston: That's probably one advantage that our democratic system has over the system in the United States, where the officials appointed by the President to his cabinet are not elected and yet they have the authority granted to them to conduct the business of the day. Our advantage, of course, is that those officials must be elected. I suppose our system is a little more political and may at times have some disadvantages, but I think it is a pretty good safeguard in our democratic system.

I do notice that a few things have been added in the bill. One of them, in section 1(2)(iii), relates to "collecting fees fixed by the minister for parking in any area set aside for parking in, on or under any public work, and the minister may fix such fees . . ." In the past, they have made some arrangement for this under orders in council, if I am not mistaken.

The proposed change allows the minister to contract out parking areas if he so wishes and to approve the fees that may be charged in these parking areas. I suppose it could have an effect on areas where parking is or may be supplied for employees in some public buildings but, with the parking situation as it is in many cities, I think I would have no objection to this provision. If it includes employees, I am sure they have the bargaining power to make their agreements and so forth, so I have no objection to this part being added to the bill.

There is some very minor wording in section 6 of the present Act and, to compare it to subsection 1 of the new bill, it reads: "It is the responsibility of the minister and he has power, in accordance with section 8, to acquire, lease and dispose of public works . . ." In the present Act, it is the responsibility of the minister and he has the power, so this is just a little tidying up in this case. We will support the bill.

Mr. Davidson: Mr. Speaker, this in all probability is going to be one of the most important bills that comes before this session of the Legislature. I say that not because of the content of the bill itself but because it is the first bill, I believe, that has been presented by the new Minister of Government Services. Because of that, the importance becomes very obvious.

Mr. Foulds: It may be the last.

Mr. Makarchuk: It must be a sizeable bill because the minister isn't.

Mr. Belanger: Great man, great minister.

Mr. Davidson: We, in this party, have had a very serious debate about this bill, believe it or not. There were several things in it that gave us great cause for concern and we had to sit down and debate it most seriously before we could decide that we would support it on second reading. I say this because there are certain sections of this bill that do create serious doubts in the minds of people. What we are doing, even though it is under the direction of the minister and his deputy minister, is giving to clerks and servants of the ministry the right to negotiate and sign contracts.

I had to look at that very seriously and I sought some very expert advice as to whether or not this, in any way, could lead to patronage or pork-barrelling. I'm quite sure the minister is well aware of those terms, being one of the politicians from the old school.

Hon. Mr. Maeck: Lorne Henderson would never do that.

Hon. Mr. Henderson: Never heard that term before.

Mr. Davidson: For that matter, I'm still not clear in my mind as to whether or not it could lead to pork-barrelling and patronage. I could very well see that even though the minister does have to administer the order, some clerk in some office away up there in the northern part of the province who is the only representative of your ministry may negotiate a contract with someone in his given area and phone the minister and say: "I've got a good deal, boss; here it is; can I have your authority to sign it?"

The minister, not even knowing who he or she is talking about, may very well say, "Yes, it sounds good, go ahead, sign the agreement. I give you the authority to do so."

Mr. Foulds: And what's his party affiliation?

Mr. Davidson: It does lead one to think that perhaps this bill and the amendments that are being made to the existing legislation could be abused. I'm not suggesting that it would be, Mr. Speaker. I'm quite sure that knowing the minister, and in his new position, he would look at every item that comes before him with the greatest of sincerity and diligence and would not allow that kind of thing to happen if he could, in any way, possibly get around it. But the possibility does exist and it was one of the things that caused us a great deal of concern in consideration of this bill.

We did seek some expert advice on the matter and they assured us that even if that was the case and that lonely little clerk up there in northern Ontario got found out, the responsibility would fall back on either the minister's shoulders or those of his deputy minister—

Mr. Makarchuk: And they are broad shoulders.

Mr. Davidson: Recognizing the fact that the minister has the capability of handling that kind of situation, we thought, "Okay, let's allow that part of it to go through."

There are other things in this bill that we have given further consideration to. Section 1(2)(a) speaks to "design, construct, renovate, service, maintain, repair, furnish, equip, manage and administer premises, buildings, and structures that are public works." We had to look at that very closely because we were thinking about this building itself. I'm quite sure that this building is one that all of the people in Ontario are very much concerned about. Certain sections of this building fall under the control of this ministry while others are in the hands of the Speaker—

Mr. Foulds: They should all be in the hands of the Speaker.

Mr. Davidson:—and we were almost prepared to come to the minister and negotiate some kind of a deal whereby he would turn his portion of the building over to the Speaker in order for us to give the minister support on second reading. As a matter of fact, I might even take that into consideration at this moment. If this building should be in anyone's hands it should be in the hands of the Speaker of the Legislative Assembly of Ontario.

Mr. Foulds: In fact, we are going to move an amendment to that effect.

Mr. Davidson: But having had a few moments to discuss the matter with the minister privately, I'm quite sure he is of the same opinion. I'm sure he would far rather have the responsibility taken away from himself and placed in the hands of the Speaker, because the minister would take the hassle for all the other 124 members in this House when that problem arises. I am quite sure the minister would gladly sign an order tomorrow, if necessary, turning the building over to the Speaker, which is the proper place for it to be.

We considered that kind of a negotiation but, knowing the minister and knowing full well his capacity as minister and his own personal feelings on the matter, we thought that would come about without having to negotiate that kind of a deal. We are quite sure that the minister in his capacity as minister will make sure that that does happen. If not, we will be after him again, let me assure him. But overall, in looking at it, it is in fact an excellent piece of legislation that amends the existing Act.

The minister says it regulates the existing legislation. I say it legitimizes something that his ministry has been doing outside of the law.

Mr. Foulds: Illegally.

Mr. Davidson: The ministry has been allowing clerks and servants to sign contracts and documents, though certainly under the minister's control or under the control of his deputy minister. The minister has been allowing that to happen. I don't lay the blame on him because he is the first minister who has had the foresight to recognize that the government was operating outside of the law and has brought in a piece of legislation to legalize it.

Interjections.

Mr. Davidson: Having said that, we in this party support this bill on second reading. If we find any serious defects in it, we will reserve the right to raise those on third reading of the bill.

Mr. Speaker: The hon. member for Scarborough-Ellesmere seems to want to comment.

Mr. Warner: Thank you, Mr. Speaker.

Hon. Mr. Norton: Resign.

Mr. Warner: Do you have a better offer? Is that what you said?

Interjections.

Mr. Warner: I might consider it but the people in Scarborough-Ellesmere would be deeply disappointed.

Hon. Mr. Norton: Oh, no, they would be entirely elated.

Mr. Warner: Along with my colleague from Cambridge, I would appreciate very much some comments from the minister with respect to section 1(2)(a) and how that applies to this building.

Hon. Mr. Norton: Sit down and let him comment then.

Mr. Warner: The Speaker may be interested to know that some members of this assembly take the matter of jurisdiction for the building to be quite a serious one and an important matter.

Hon. Mr. Maec: That is not part of the principle of the bill.

Mr. Warner: In fact, this morning in the members' services committee there was a motion that the building be turned over to Mr. Speaker.

Mr. Rotenberg: Speak to the bill.

Mr. Makarchuk: The original motion was to condemn it.

Mr. Rotenberg: The building or the Speaker?

Mr. Makarchuk: The minister.

Mr. Warner: I will wait.

An hon. member: They are going to have the Minister of Correctional Services (Mr. Drea) tear it down like the Don Jail.

Interjections.

Mr. Speaker: Does the hon. member have any further comments?

Mr. Warner: Yes, I have, Mr. Speaker, and I intend to make them when the chamber is in a more sombre mood.

Mr. Nixon: You have every right to speak but we don't have to listen.

Mr. Foulds: We have at least six more speakers lined up. You don't have to worry.

Hon. Mr. Norton: You've got to be kidding.

Mr. Warner: For a couple of reasons, I believe this bill should end up going to committee and it may be necessary to amend part of the bill. It certainly needs to go to committee and we need some explanations.

As I began to say, the motion that was put forward this morning in the members' services committee, which deals directly with this, was that the entire building should be turned over to Mr. Speaker. That motion was tabled for one week.

What applies to the building is section 1(2)(a) which is pretty explicit in what can be done to those sections of this building which at present come under Government Services. What is disturbing to some members of the assembly, and certainly to myself, is that those kinds of changes could take place irrespective of whatever wishes the Speaker has for the portions of the building which come under his responsibility—

[10:30]

Mr. Nixon: What section is this in?

Mr. Warner: —and that surely would not be in the interests of the members of this assembly.

Hon. Mr. Norton: Which section?

Mr. Warner: The other part of the bill which concerns me, Mr. Speaker, is section 2. I really think we need a clear explanation as to the lines of authority that are going to be followed. It's rather vague: "Officers, clerks and servants of the ministry—"

Mr. Speaker: It being 10:30, would the hon. member care to move the adjournment of the debate?

On motion by Mr. Warner the debate was adjourned.

Hon. Mr. Norton: That is the most productive thing I have heard the member say today.

On motion by Hon. Mr. Grossman, the House adjourned at 10:31 p.m.

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Friday, April 7, 1978

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, APRIL 7, 1978

The House met at 10 a.m.

Prayers.

STATEMENT BY THE MINISTRY

BEEF CALF INCOME STABILIZATION PROGRAM

Hon. W. Newman: I am pleased to announce that details of the 1978 beef calf income stabilization program have been finalized for the coming year. Last year the program paid out \$12.1 million to 14,400 producers. Ontario beef calf operators registered nearly 350,000 cows in the plan. This year the support price for calves will be 51.5 cents per pound, as it was last year. The enrolment fee per cow remains the same at \$8. Enrolment forms will be mailed this month to producers who participated in the 1977 program. Additional copies will be available from the offices of the agricultural representatives throughout the province.

There was a federal beef calf stabilization plan last year, but it seems very unlikely there will be a federal plan in 1978. Ontario's beef calf income stabilization program is now four years old. It has proven extremely successful in evening out the income of our producers and is helping to ensure a viable beef industry in this province.

ORAL QUESTIONS

INCO VACATION PLAN

Mr. Nixon: I'd like to direct a question to the Minister of Labour in her capacity as a member of the special cabinet committee dealing with the short-term and long-term problems in Sudbury connected with the nickel industry.

Was she aware that Inco Metals was going to announce an extension of the summer vacation of two weeks, which is going to mean a further loss of \$20 million from the pay packages of the regular employees? Was there nothing that either she or her cabinet colleagues or this special cabinet committee could have done to mitigate this further serious loss of income?

Hon. B. Stephenson: It is my understanding from the information which I have been

given by the company that there will indeed be a minimal loss of income during the extension of the two-week vacation. The plan which Inco has, related to the increased vacation pay availability for Inco staff members, is one that can be utilized by almost all of those who will be given the extra two weeks' extension and they will be receiving full pay for the extra two weeks of vacation if they choose to take it.

Mr. Nixon: Supplementary: Does the minister mean that the union officials are incorrect when they predict there will be a \$20-million loss in pay and that there is an alternative for those people who will have their vacation extended by two weeks so that they will not be losing any money? Since you permit only one supplementary in this connection, Mr. Speaker, I wonder if the minister would indicate the status of the special cabinet committee dealing with these matters?

Hon. B. Stephenson: The hon. member is correct in his assumption that those individuals will have vacation pay available to them and the amounts of money which were announced as potential losses for the community, I think, are grossly exaggerated at this time.

Mr. Wildman: The whole thing is gross.

Hon. B. Stephenson: If all of the steelworkers who are capable of achieving this extra two weeks' pay at vacation time do not take advantage of it, then the loss to the community may be \$20 million, but if most of them do take advantage of it it will be very much less than that.

Mr. Nixon: Where does that money come from?

Hon. B. Stephenson: It comes from a fund established during their negotiations by the company in collaboration with the union. The special cabinet committee on the mining communities is continuing its efforts. As a result of the visit of the chairman of that committee and the Premier (Mr. Davis) to Sudbury today, I think there will be statements made regarding some of the deliberations and conclusions which the committee has reached. We have not limited ourselves, as the member I'm sure very well

knows, to the Sudbury area only. We are looking at a number of other communities as well.

Mr. Germa: I have a supplementary, Mr. Speaker. Could I ask the minister if this further curtailment in production at Inco is as a result of the Treasurer's new approach to the foreign processing allowance? Has the committee delved into that aspect of it?

Hon. B. Stephenson: We have most certainly looked at the budgetary factors which might influence the situation in mining areas. I would have to say that it is my understanding it has nothing to do with the Treasurer's approach. It has to do with the market for nickel at this time.

Mr. Foulds: I have a supplementary. Had the committee been made aware of the impact that the cutbacks were going to have with regard to the Shebandowan mine? I believe they're reducing to one shift for a loss of 50 jobs all told. Had she been made aware of that?

Hon. B. Stephenson: The Shebandowan mine will not close down for the extra two-week vacation. It will continue to function. The plan is, as the hon. member has suggested, to reduce the number of shifts to one and to allow attrition to take care of the extra staff which is there and which will not in fact be necessary. There will be no layoffs at Shebandowan.

Mr. Foulds: Didn't the minister say that the market was a problem? Wasn't there a price increase in nickel some 10 days ago and wouldn't that have a positive effect on the mining in Ontario?

Hon. B. Stephenson: I am informed that it has had a temporary effect, the effect of which on the long term for this year can certainly not as yet be judged with any degree of clarity or expertise. At the moment it would appear that the program which the company has established will result in a minimal impact on the community; that is that indeed there are to be no more layoffs from Inco, a matter which I think was concerning the Sudbury community very severely.

As an alternative to this, they have developed a program which they feel will have a lesser economic—

Mr. Cassidy: No more layoffs; they go on permanent holiday.

Hon. B. Stephenson: —impact on that community and will maintain the company's capability to retain whatever competitive position it has in the world market at this

time. But indeed the impact of that price rise has been beneficial over the very short term. It has been a very short-term period since it occurred and it is hoped that eventually it may have some effect; but it has in fact skewed the market slightly at this time and they don't apparently have enough experience with this to know precisely what the long-term effect is going to be.

Mr. Cassidy: You screwed the workers as well.

SALE OF DIPLOMAS

Mr. Nixon: I have a question of the Minister of Consumer and Commercial Relations. Did the minister read the article in the Globe and Mail this morning that reports on an organization called the Association of Commonwealth Universities in London indicating that there are six university degree mills operating in Canada and that the most effective and lucrative ones are operating in Ontario with such impressive names as the National University of the Dominion of Canada and the Royal College of Science and the Earl James's National University College; and is the jurisdiction of Ontario going to take action to stop the fraudulent issuance of university degrees, such as a PhD upon the payment of \$300?

Mr. Lewis: How much for an ordinary B.A.? What is the cost for an ordinary B.A.?

Mr. Nixon: The former leader of the NDP might finally achieve his academic goal.

Mr. Lewis: That's right.

Hon. Mr. Grossman: I wish the member who asked that question would show the same amount of respect for real law degrees, as we are entitled to—

Mr. Worton: They're not worth very much.

Hon. Mr. Grossman: —rather than categorizing us with the ones that are purchased.

Mr. Nixon: They cost more than \$300, and they give a bigger return too.

Hon. Mr. Grossman: You have to learn the difference between real law degrees and purchased ones.

Mrs. Campbell: What is the difference?

Mr. Wildman: All lawyers are unreal.

Hon. Mr. Grossman: I hope the member for Riverdale (Mr. Renwick) heard that.

Mr. Breithaupt: Like beauty, it is in the eye of the beholder.

Mr. Speaker: Order.

Hon. Mr. Grossman: There have been two specific cases where my ministry took some action. The first case involved a firm in Mississauga, as it happens, and as soon as we—

Mr. Nixon: Why is the minister pointing to the member for Mississauga North (Mr. Jones)? Is he a graduate?

An hon. member: He is well dressed. It doesn't matter.

Hon. Mr. Grossman: Because I was protecting his constituents.

Mr. Breithaupt: Well, someone does.

Hon. Mr. Grossman: In the case in Mississauga our investigators got in there and as soon as they started to nose around, the firm closed down and disappeared. The other case was a so-called sex therapist who had a wall full of the phoney diplomas and was treating patients. I don't want to say my investigators started to "nose around" there—as soon as my investigators started to investigate around there, those people also closed down.

The fact is that in the case of an actual sale of these phoney documents—the whole endeavour being rather sleazy, in my opinion—if a person is going in and buying a piece of paper to display on his wall to kid his friends with or whatever, then that may not amount to a fraudulent transaction—that is the transaction between the person selling a joking piece of paper, as it were, to a person buying it, knowing it to be that.

In the specific case in which someone is selling a diploma suggesting that it has more behind it or carries more authenticity than it in fact does and thereby gets money that he or she is ordinarily not entitled to because the goods aren't what they are held to be, then there's action that we will take; and we are investigating each incident brought to our attention to see if that's the case.

[10:15]

The other area where we may come in is when a person has foolishly purchased one of these bogus diplomas and then goes out and misrepresents himself to another consumer as being qualified, for example, to perform some therapy or to deliver some quality-type of product. In that case, in holding out to another consumer that this diploma makes him qualified, then he would be guilty of an unfair business practice under the Business Practices Act and we would prosecute that specific case.

Above and beyond all of this, of course, is this whole type of sleazy transaction is replete with instances of probable fraud—

Mr. Warner: But you haven't done anything.

Hon. Mr. Grossman:—and in those instances, of course, charges should and would be laid under the Criminal Code of Canada.

Mr. Warner: The toothless tiger attacks again.

Mr. Nixon: Is the minister aware that his director of investigation indicated that no action could be taken unless there was evidence of fraud? That is a safe thing to say, but surely there is evidence of fraud if, as it states in this article, the degrees, while they may not be of much use in Ontario, are of use in other jurisdictions. It is indicated, for example, that there is a great trade with the United States and Italy. It says, "Usually Canadians buy degrees from Singapore and Australia." So I suppose if they get them far enough away they mean something. Where is the minister's degree from?

But my point is that surely there is evidence of a probable fraudulent activity here, and we should not be permitting these organizations to be selling these pieces of paper. They may be useless here, but evidently they are of some use elsewhere where the great reputation of our education system is highly respected—probably more there than here.

Mr. Breithaupt: They will be looking into honorary degrees next.

Hon. Mr. Grossman: I might consider a study mission to Singapore over the summer break in order to look into that aspect of it.

Hon. Mr. Davis: It is the wrong time to go.

Hon. B. Stephenson: A terrible time.

Mr. Breithaupt: The Ombudsman's committee will cover it.

Hon. Mr. Grossman: No doubt, no doubt.

Mr. Nixon: The Premier is due for another trip to Italy. Maybe he can look into it.

Hon. Mr. Davis: I may go and study that.

Hon. Mr. Grossman: I can only repeat that the facts very much depend on what the purpose of the transaction is in each case.

To take an analogy from the Criminal Code—a person can be walking down the street with a screwdriver and provided he is just going to fix his house rather than break into yours, he is not breaking the law.

Mr. Nixon: There cannot be any facts that substantiate that.

Hon. Mr. Grossman: But if that screwdriver is in his pocket as he breaks into a house and he uses it, that—as my friend from Kitchener will tell the House—then becomes possession of burglary tools and becomes a criminal offence. And it's not that much different—I

might say I'm giving the member this legal lesson with my real law degree—that same item may or may not become a subject matter of a criminal offence. So very much depends on what the transaction involves.

Mr. Nixon: The minister is not going to do anything about this?

Hon. Mr. Grossman: Specifically, I want to assure the House that those instances—there were two of them in which we had very real evidence that the fraud was occurring here in Ontario—our investigators got in on the act and simply by turning up on the scene the people disappeared. Where there are any other instances of a fraud occurring in Ontario, then I can assure members we will be on the scene. In fact, we are investigating each of those instances to see if any of them are fraudulent transactions or offences under the Business Practices Act. Where they are, we are there and will be there.

Hon. Mr. Norton: Aren't you sorry you asked the question?

Mr. Nixon: Point of clarification: Did the minister finally say that they are investigating each of these institutions listed?

Hon. Mr. Grossman: I couldn't talk about each one of those institutions listed. I know that where specific ones have been drawn to our attention we have been looking into them.

Mr. Bolan: Why don't you investigate them all, Larry?

Hon. Mr. Grossman: We have looked into each specific complaint.

Mr. Nixon: The minister will consider them all.

Hon. Mr. Grossman: These having been brought to our attention in the last 24 hours, I have asked my people now to go in and investigate the others that have been brought to our attention. Where there is the slightest shred of evidence that they are carrying on a fraudulent endeavour—

Mr. Mancini: Don't tell us any more than you have to.

Hon. Mr. Grossman: —we will be there.

FOREST REGENERATION

Mr. Cassidy: I have a question of the Minister of Natural Resources: According to the ministry's figures, there is going to be a 20 per cent increase over last year's figures in the amount of Crown timber harvested this year. In fact, this year's will be the largest harvest since before the First World War. Can the minister tell the House what,

if any, the corresponding increase has been in the amount of Crown land receiving regeneration treatment?

Hon. F. S. Miller: I had the opportunity last week to meet about 150 foresters in Thunder Bay for three days on that very topic, and had perhaps one of the best meetings I've seen. I think the NDP critic, who was there for part of it, would say we made no attempt to hide any problems we had. In fact, we allowed the press to sit through the whole thing and listen to our problems.

In the years since the government got involved, I think from 1962 until this year, we've gone from virtually zero to about 170,000 acres a year regenerated. That still is nowhere near good enough, and the purpose of last week's meeting was to find out what, in fact, were the limiting factors in improving that rate. Currently, it's more likely to be our ability to produce seed and trees from our nurseries than anything else.

In the last two years' budgets—last year's and the one I'll be discussing with members very shortly—we've been given all the moneys we asked for for improved regeneration, simply because that was all that could be meaningfully spent improving the base in the operation. We can't suddenly plant trees until we have nurseries in place, and that's where we had to focus our attention first.

Mr. Cassidy: Supplementary: Will the minister agree that, in fact, the ministry is shifting more and more to aerial seeding rather than the use of seedlings and that this is, in fact, a less effective means of regeneration and, therefore, the prospects of getting forests on those lands which he counts as being regenerated are less than they were before?

Hon. F. S. Miller: I wouldn't even agree that seeding from the air is necessarily less effective. We drop about 20,000 seeds per acre when we do aerial seeding. They tell me nature drops about 80,000 seeds per acre under its own mechanisms when it does it, but before we do aerial seeding we generally do something that nature doesn't and that's site preparation. The seeds are dropped in and have somewhere to root a little better than they would if we simply dropped them on the top of the soil and they were subjected to the usual problems of taking root or animals eating them, for example, birds and so on.

I would suggest one of the things that came out loud and clear last week was the emphasis that any one route of regenerating the forests will not work across Ontario. We have to adapt our techniques to suit the site we're dealing with.

Mr. Cassidy: In view of the fact that there has been a recent study by Environment Canada entitled Forest Management in Canada, which found that the forest resources inventory in Ontario has serious weaknesses and that it over estimates the volume of available timber by as much as one third, has the ministry made any effort to determine if the allowable cuts now being permitted are not too large and to ensure that this year's record harvest won't result in over-cutting that is too great to sustain for the future?

Hon. F. S. Miller: I would welcome the member to come along some time, because he's repeating some of the things that I even came into this ministry with as beliefs. It takes a little experience in talking to the foresters to discover, for example, that one of the major problems we face is over-mature stands in this province, which if not harvested are not only going to be worthless but are also an impediment to future regeneration.

Mr. Nixon: Supplementary: The minister has indicated that perhaps the hon. leader of the NDP should come along with him on one of those trips. Does the minister not agree that there may be a number of members, including myself and many others in this House, who have not had a recent opportunity to look at the programs that he is bringing forward—

Hon. B. Stephenson: Sorry, Bob, you can come too.

Mr. Foulds: Why didn't you send your critic to Thunder Bay?

Mr. Nixon: Mr. Speaker, I'm sure that you at least would be interested in this, because there are many matters of urgent public policy, including the blooming trees or not-blooming trees. For example, my colleague here says that if they are preparing the ground why don't they plant the trees while they're doing it? Why doesn't the minister use his eminent position and his influence with his colleagues to make an occasion when this Legislature can go into northern Ontario for the first time in four or five years as a non-political body?

Mr. Havrot: Will you pay your own way?

Mr. Nixon: Let's look at the Reed tract. Let's look at Onakawana, and for heaven's sake let's go to Moonbeam and do some fishing.

An hon. member: I want to go to Minaki.

Hon. F. S. Miller: I would be happy to. I am willing to do anything that would educate the chaps opposite.

Interjections.

Hon. F. S. Miller: One of the things I think we seriously should consider is the statistic I recently saw that says it now takes four and a half hours to catch a pickerel instead of four.

Mr. Nixon: We are going to cut that down.

Mr. Foulds: Supplementary: I wonder if the minister has thought through the proceedings of last weekend enough to give us an idea when he can expect the ministry and/or the companies involved to achieve a sustained yield basis of forest management in Ontario. Would he not think that the first step in getting his own credibility solid with the forces at that conference would be to repudiate the silly and irrational promise of the Premier of two trees for every one?

Hon. F. S. Miller: That is not as silly as a lot of people think it is. The truth is we plant a lot more than two for every one cut, and that is a statistic we can justify.

Mr. Foulds: They don't survive though.

Hon. F. S. Miller: People like to make fun of catch phrases. I would suggest to the member that one of the problems I face was evidenced by the fact that the only members of the press who were there listening to a discussion about a vital resource in this province were those from Thunder Bay.

Mr. Foulds: It got regional coverage.

Hon. F. S. Miller: That justifies then, from time to time, the use of a phrase that is easily understood by a lot of people not normally connected with the forest.

Mr. Foulds: Not if it is misleading.

Mr. MacDonald: It is like 28 acres an hour of lost farm land.

Hon. F. S. Miller: If those who want to make fun of it, make fun of it, then fine. We are trying to get a message across to people who like to talk about other things.

Mr. Lewis: We have tried that ourselves. We are not beyond using the same tactic.

Mr. Cassidy: We will pursue this question of forestry again.

SALE OF MORTGAGES

Mr. Cassidy: I have a question to raise with the Minister of Housing which follows up on some questions which we exchanged yesterday on the HOME mortgages which are now being sold off by the government. I want to pursue this because it appears, from what the minister said inside and outside the House yesterday, the government intends that every OMC mortgage holder will have to move up to paying market rates at the end of the mortgage, and that this could

apply as well to those people who took mortgages back in 1974 at 8.75 per cent and who will then be forced, it appears, to go into the private market—

Mr. Speaker: Is that a question?

Mr. Cassidy: —at 10.5 and 10.75 per cent at the termination of their mortgage in 1979. Can the minister confirm whether that is what the government intends or whether the government will honour the moral commitment made to those borrowers four years ago when the term of their mortgage expires next year?

Hon. Mr. Bennett: The leader of the third party should start to realize that there is a difference between amortization and a term. The amortization period of some of the loans or mortgages is for a period of 25 or 35 years, but the terms have been set in five-year phases.

Just to clear the situation, the government very clearly said at the time that the mortgages were being put out, when we were trying to be helpful in supplying mortgage funding, which the federal government as well as the private sector had refused to do at that time, that there would be some mortgage interest advantages for five years or the first term. We expected that, as a result of increased income and as a result of increased equity positions in housing, people would be in a position to move back to market interest rates.

So that there is no misunderstanding, in the first \$40 million that is presently on the market by Ontario Mortgage Corporation the interest rates vary, if I can correct the leader of the third party from yesterday, from 9.75 to 10.25 per cent. There is no one who will be affected in going back to the private market position for a minimum of two and three-quarter years and the lengthiest period will be about four and a half years from this point.

It is very clear. The government has said that the mortgage will go back to the free enterprise system, to the mortgage companies in this province, and that the terms and conditions, as we have entered into them, will stand. They will negotiate the terms of interest that will come in the second five-year term of their mortgage, if that happens to be the case, with the private lender.

Mr. Cassidy: In view of the fact that the government has made a decision to renege on the moral commitment that had been made to those families when it helped them to get financing in the last five years since OMC, the mortgage corporation, was set up in 1974, did the government give any thought at all

to the impact on the families concerned by this budgetary sleight-of-hand before it was implemented in the course of the budget? [10:30]

Hon. Mr. Bennett: First of all, let me just correct the leader of the third party: The government has not reneged on any of its promises or obligations under the mortgage corporation, to any of the people of this province.

Ms. Gigantes: Read the fine print.

Interjections.

Hon. Mr. Bennett: We have honoured the five-year commitment—

Mr. Swart: Five-year?

Hon. Mr. Bennett: Yes, that's correct. Most of them were for five years and the amortization was over a period of 35 years.

Mr. Germa: The old shell game.

Mr. Foulds: Did you say clearly in the fine print that after five years they were going to get gouged by the private sector?

Hon. Mr. Bennett: Very clearly, we have not reneged and we are putting these back on the free market. There has been some assessment made, as I have already said in the first portion of my answer. We have taken into account, as they have under AHOP and various other programs where the loans have been made through government agencies, the equity factor in the real estate held by the individual and the rise in his income position over the next few years; and, I suppose taking into account that the federal government's financial and monetary policies work out as they say, there should be no difficulty in these people meeting the new obligations.

Mr. Cassidy: Supplementary: Since it now appears that the government put a hooker in the fine print of the contracts in order to attract people in the same way as a used car salesman or something like that—

Hon. Mr. Henderson: A hooker?

Mr. Eaton: There's no hooker; that's what the contract says. Every mortgage has that.

Mr. Cassidy: —can the minister say whether the government is taking any steps at all to inform the families who have OMC mortgages that it is breaking a commitment to lower their market financing that helped to entice them into home ownership in the first place?

Hon. Mr. Bennett: First of all, there is no hooker. It was very clearly spelled out, and I am sure each mortgage holder understood exactly what he or she was entering into.

Mr. Breithaupt: It is right in the Mortgages Act.

Hon. Mr. Bennett: Secondly, the mortgage holders will be advised of the transfer of their mortgages in this case as they would be in any other private transaction.

Mr. Handleman: The same as anybody else.

CLOSING OF SCHOOLS

Mr. Bradley: My question is of the Minister of Education and it deals with declining enrolments and the closing of schools.

Hon. Mr. Davis: How many children have you got? I did my bit for declining enrolments. Have you people done your share?

Mr. Kerrio: He wants to be prepared.

Mr. Ruston: He hasn't started yet, Bill.

Mr. Kerrio: He could do something about it.

Mr. Bradley: Taking into consideration the fact that trustees in many boards of education feel that the amount of money being provided by the provincial government in this particular fiscal year is less than perhaps they anticipated, and taking into consideration the fact that schools have to be closed in many areas to meet the obligations of declining enrolment, is the minister giving active consideration to permitting the boards of education to realize the profits—call them that if you will—from the sale of these buildings? I understand they get the profits from the sale of the lands, but I'm talking about them getting the complete profits from the sale of these buildings so they can channel these moneys back into the education system in that area.

Hon. Mr. Wells: My friend is quite right; we have made the arrangement where they can get the profits from the sale of the land. I would be happy to look at the matter of whether they should get complete profits or complete moneys received from the sale of the buildings. In a lot of cases, of course, the money comes back to the province. We pay a very large grant towards schools and towards sites, and we feel that if those facilities are sold that the taxpayers of all Ontario should really enjoy the proceeds, and not just the taxpayers of one particular area. But we have made exceptions in the case of sites for specific purposes, and we'll look into the other.

Mr. Bradley: Supplementary: Recognizing that what the minister has said it true to a great extent, but also recognizing the cost of relocating students and of transportation—because they are taking many students from the schools that have closed and then perhaps transporting them by bus to another school—and taking into consideration the fact that

there are certain fixed costs no matter how many schools you have, when the minister receives the report of the Jackson commission and if this is one of the recommendations from the Jackson commission, would he give consideration to making those payments retroactive to this particular fiscal year?

Hon. Mr. Wells: I would doubt very much that we would be able to make them retroactive to this fiscal year. I don't know what would be involved. Of course, we could take a look at it, but I just caution the hon. member that it would probably be very difficult to make them retroactive.

FORD LAYOFFS

Mr. Mackenzie: A question of the Minister of Labour: In view of the minister's statements of December 5, 1977, concerning layoffs at Ford Oakville, is the minister aware of the continuing additional indefinite layoffs at Ford? Can the minister report, for example, on 33 additional indefinite layoffs two weeks ago on a Thursday, when on Friday the employees were required to work a 16-hour shift in the truck plant, or on the 30 more who were laid off indefinitely last week with the 48-hour work week still intact? Does the minister not agree that there's something wrong with industry requiring overtime and 48-hour weeks against the wishes of both the union and employees while there is a weekly decline in the work force occurring? What does the minister intend to do about it?

Mr. Makarchuk: Nothing.

Hon. B. Stephenson: Mr. Speaker, I'm not sure that I can say I agree with that. We are attempting to get the detailed information from Ford about the requirements for overtime.

Mr. Germa: He just gave it to you.

Hon. B. Stephenson: There are, of course, as the hon. member knows, two lines there, and apparently there is not sufficient flexibility to permit the shifting back and forth between the two lines, which might overcome some of the problem. I am still trying to get the detailed information for the hon. member, which I shall pursue and which I shall bring forward in the House.

Mr. Warner: He just gave you the details.

Mr. Mackenzie: Supplementary: On December 5, the minister was asked what portion of the 6,000 Ford Oakville workers were working the 48-hour week, and she has never responded to this, other than to snarl back that only 4,000 worked in the doggone plant. Is it the minister's intention

to respond to this and correct her statement, or does she intend to wait until it's down to 4,000 so she can say she was right?

Hon. B. Stephenson: The hon. member knows that I am the soul of sweetness and light, and I never snarl.

Mr. Foulds: The soul, but not the body of.

Hon. B. Stephenson: I am aware of the fact there is a discrepancy in the two figures which we have mentioned, and the computation of the figures obviously was different from the member's point of view than it was from the information which I had received. I do not intend to wait until there is a decreased staff at Ford. We are trying diligently—

Mr. Lewis: Oh, God.

Mr. MacDonald: You've waited three months already.

Hon. B. Stephenson:—to get the accurate information, which is very difficult to get.

Mr. Warner: How many more months?

Ms. Gigantes: Four months?

Hon. B. Stephenson: As soon as I have it I shall report to the House.

Mr. Lewis: They toy with you; you let them.

Mr. B. Newman: Supplementary: Would the minister consider the large numbers of unemployed in a community and the index of unemployment in that community; and ban overtime in communities where the index of unemployment is beyond a given number?

Hon. B. Stephenson: I would have to tell the hon. member we are looking at a number of factors related to overtime in a number of areas.

Mr. MacDonald: You've been doing that for years.

Hon. B. Stephenson: I haven't been doing it for years, if I might say.

Mr. Lewis: Oh sure you have.

Mr. Cassidy: You and your predecessors.

Mr. Foulds: You have been minister for quite a long while.

Mr. MacDonald: We were raising this issue 10 years ago.

Hon. B. Stephenson: Because of the situation at the present time, we have already made some recommendations regarding overtime for government employees, and we're hoping that indeed we will be able to sell this kind of idea to the private sector as a means of improving the present unemployment situation.

Mr. MacDonald: What do you mean, sell it?

Mr. Swart: Go cap in hand.

JAILING OF YOUTHS

Mr. G. Taylor: Mr. Speaker, in absence of the Attorney General, I will direct this question to the Solicitor General. I noticed, from an article in the newspaper and correspondence I have received, that two young lads in the Bradford area were sentenced to 30 days in the Barrie jail for what was a charge of mischief flowing out of egg throwing on Hallowe'en. Would the Solicitor General—

Mr. Mancini: What do you think of that, Frank?

Mr. G. Taylor:—be instructing his law officers to appeal that decision, since the boys have no money to afford lawyers to appeal?

Mr. Ruston: What is the matter with Legal Aid?

Hon. Mr. Kerr: Mr. Speaker, the information which I received from a newspaper report is that the complaint is the length of the sentence rather than the conviction. I wouldn't want to comment about a report of the trial in a newspaper article.

Mr. Bolan: Was the judge a defeated Tory candidate?

Hon. Mr. Kerr: However, I'm quite willing to get a copy of the transcript and any information about this matter. I understand that both young people had counsel at the hearings. As the hon. member knows, there is the right of appeal, but I will get what information I can and get back to the hon. member.

Mr. Bolan: Frank, why don't you give them a pass?

Mr. MacDonald: Supplementary: Could the minister confirm to the House that there were undoubtedly actions in his own youth on Hallowe'en night that would have put him in jail in the same way?

Hon. Mr. Kerr: More than eggs, too.

Mr. Bolan: He'd still be there.

FRENCH COURSES

Mr. Conway: My question is to the Premier and it concerns the recently issued report of the federal Commissioner of Official Languages. Given the commissioner's comments about our universities and secondary schools, and I quote very briefly from one of his comments, that these institutions "should reflect on their responsibility to provide their students with the best possible tools with which to enter future careers, and

at this time they are doing their student population a great disservice by not insisting on the acquisition of some fluency in the second official language of the country"; and the accompanying chart which demonstrates that in Ontario in the past eight years enrolment in French-language courses has dropped from 48.9 per cent of the secondary school student population to 34.5 per cent, which gives this province, Ontario, the second lowest percentage of students taking French-language courses in Canada; what are the Premier's responses to that kind of statement and what is he, on behalf of his government, prepared to do in so far as reversing what appears to be a shocking trend?

Hon. Mr. Davis: As far as it relates to the universities I think the hon. member is fully aware of the responsibilities of those institutions. If the hon. member is asking me in general terms, do I feel there should be more French being taught in our schools, the answer to that is very simply yes. The Minister of Education (Mr. Wells) has already made that point quite clear. If he would like to find out in a more definitive fashion what the Minister of Education might have in mind, I would suggest the hon. member might ask him.

Mr. Conway: Supplementary to that, I would prefer to deal with the Premier since he has had certain relations with the Ministry of Education in his time. Considering that the federal government is phasing out its program of teaching its employees French, is the government giving consideration to making French a compulsory subject at the secondary level in order to assist any students coming from Ontario's educational system in seeking jobs within the federal civil service?

Hon. Mr. Davis: I know there are some who would recommend that French be made a compulsory subject in the secondary schools. I will revert to my brief experience as the Minister of Education and point out to the hon. member, while I fully support increases in French in the secondary school program, to suggest that as of September 1, 1978, we would have compulsory French in the secondary schools throughout the five-year period really would mean we would have many thousands of youngsters moving into grade 9 who may have had a variety of French in terms of the amount at the grade 6, 7 and 8 level. We also face the somewhat difficult problem, for instance here in Metropolitan Toronto, where traditionally we have had young people moving into the

school system from other countries, say at the grade 11, 12, or even 13 level, with no facility in French. Would it be expected that this would become compulsory for somebody who has had no former experience in the French language?

I think this is something the universities, too, consider when they determine their admission requirements, because of the great mix of the population. I would say to the hon. member he should also assess this as we discuss what should be and should not be compulsory, particularly for university admission. One can have students—and I have met some in my limited career, as perhaps the hon. member has—who have had great ability in science and mathematics but who have some, shall we say slight disability even in English as it relates perhaps to their mother tongue, because they are fairly recent Canadians. Do we prejudice them by saying they must have certain academic requirements when they show a really great facility in some subject areas?

I think there still has to be a certain measure of flexibility. We can't become too rigid. We can't say everybody must do something, necessarily. I think this applies to French. The member will not get me saying I don't think students should take French. I try to encourage my own children, even though they have some difficulty. One has to be careful before one says: "Sure, this would be a great thing. Let's have compulsory French for everybody in the secondary school program." That might not be the right thing to do as it relates to their own academic abilities or experience or future.

Mr. Conway: Supplementary to that, would the Premier comment then upon government policy as it relates to the university situation, since that does seem to be very pertinent to people coming onto the job market. Has his government given any consideration to making some French compulsory for people who are going to graduate in, let us say the arts field, having full regard to the problems that might be confronted by people in a science area; has the government any policy on making some fluency in the French language a requirement for graduation in university at the arts level?

[10:45]

Hon. Mr. Davis: I really haven't time this morning to refer to the volumes behind the Speaker's chair, but I think I could get the member some very relevant statements made by his former leader and now House leader. I could get some very relevant statements made by the member for York South (Mr.

MacDonald) in the days prior to the present discussion, which reminded me with great vigour, with great relevance, with enthusiasm, and almost some knowledge, of the need to retain the autonomy of our universities. They spoke about how this was crucial in terms of the functioning of the universities of this province.

Mr. Nixon: I feel another one coming on.

Mr. Conway: But there is no language policy.

Hon. Mr. Davis: I can't speak for the Minister of Colleges and Universities (Mr. Parrott), but I don't think that we have decided to pass legislation that would say to any university of this province, "before you grant a degree, you must give to a student a particular qualification in a particular subject area." I think it is also true that this is the policy in most democratic societies; but if the hon. member has information that would change this, I'd be delighted to hear from him. I hadn't heard, prior to this morning, that the Liberal Party of Ontario wants us to legislate the degree qualifications for our great universities in this province.

Mr. Breithaupt: Can the member ask a question? The Premier hasn't heard it today either.

Hon. Mr. Davis: No, I don't think I did.

BEEF IMPORTS

Mr. Wildman: Mr. Speaker, I have a question of the Minister of Agriculture and Food. In light of his statement this morning, is the minister aware of the exchange that took place in the House of Commons this week, when apparently the federal Minister of Agriculture was unable to give a definite assurance that the import restrictions on oceanic beef would remain to protect the beef industry in Canada?

Hon. W. Newman: Mr. Speaker, I'm well aware of everything that he says, and I'm well aware of the fact that we've asked for a beef import law in this province. We have been pushing for it for three years. We have said that we should do the same thing that the US has done. All they do is by negotiation at this point in time. If we had appropriate legislation in place we could deal with it much better.

Mr. Wildman: A supplementary: Has the minister, since that exchange this week, had any contact with the federal minister to again put the position of the Ontario government and the argument that the Ontario beef producers need protection through legislation?

Hon. W. Newman: The hon. member is saying that we need protection through legislation and I'm just saying that the legislation should be in place. No I haven't contacted the federal minister, but I can tell him that I brought it up in three federal-provincial conferences. I guess there's a file that thick. I don't think I have to say any more to him than I've already said.

Mr. Mancini: You are a weak Minister of Agriculture and Food.

Mr. Lane: Mr. Speaker, I have a supplementary question of the Minister of Agriculture and Food. In view of the fact that producers were asking for a greater guaranteed price this year—and going back to his statement of this morning he indicated that he is not prepared to do that—can he tell us, at this time, what the total payout has been from this program over the past three years by this government; and secondly by the federal government?

Hon. W. Newman: Yes, Mr. Speaker. The total payout by the province of Ontario to the cow-calf producers in the last three years—1975, 1976 and 1977—is approximately, give or take a few dollars, \$55 million. The payout to the province this year by the federal program is approximately \$1.4 million.

Interjections.

Mr. MacDonald: That was a nice setup.

Mr. Riddell: A supplementary: Just for the sake of curiosity, why will there not be a federal subsidy this year?

Hon. W. Newman: Quite obviously the member didn't hear my statement this morning. I said that it is unlikely that there will be a federal program this year.

Mr. Nixon: Why?

Hon. W. Newman: Because the price of calves is up. The hon. member knows the answer to that. Why does he ask?

Mr. Nixon: Because the price is going up. Does the minister regret that?

Hon. W. Newman: Not a bit. So it should be up. There's nothing wrong with that at all. Why doesn't the hon. member buy a few calves?

Mr. Nixon: Mr. Speaker, in answer to the minister's question, I'm in the business of selling them and I just sold them at a good price.

Mr. Havrot: And that's a lot of bull.

Hon. W. Newman: As long as you don't have a conflict of interest.

Mr. Nixon: What do you think about Gene Whalen? Gene Whalen is doing a darn good

job. The farmers think so whether you do or not.

Interjections.

An hon member: The only way he'd get into trouble is if he listened to you.

METRIC HIGHWAY SIGNS

Mr. Eakins: Mr. Speaker, in the absence of the Minister of Industry and Tourism (Mr. Rhodes), I would like to ask the Minister of Transportation and Communications a question. In our desire to increase tourism in Ontario, and to create good public relations with our American friends, what action is his ministry taking to alert the people in the United States as to the change to kilometers per hour from miles per hour?

Mr. Kerrio: There's a sign in Niagara Falls.

Hon. Mr. Snow: I recall we had some lengthy discussion on this at the time we passed the legislation changing to the metric system. We do have signs at all the border points entering from the United States to advise people that the road signs and speed limits are metric in the province of Ontario. All our road distance signs have for a period of time contained the small km sign tagged on to remind people that it is kilometers.

The new road maps that were developed last year are all in metric measurements. The 1978 map, which will be available in a few weeks' time, is also modified to more adequately show the metric system.

So I think we have done about all that we possibly can do. What the Minister of Industry and Tourism is doing in addition to that, I can't say.

Mr. Eakins: I have on my desk a copy of a summons which one of the distributors at the Sportsmen's Show received because he was not aware of the change and I just want to ensure that the minister is working closely with the Ministry of Industry and Tourism, especially at the shows which Ontario is represented at in the United States.

Hon. Mr. Snow: I am not aware of any presence that we have at those shows, but I will certainly discuss that with the minister.

SPECIAL EDUCATION

Mr. Lewis: A question of the Minister of Education: What precise plans does the minister have to deal with the transfer of children who are in the special education program at Surrey Place Centre; and what undertakings is he giving to the several hundred families who now feel dislocated,

since he has indicated termination of staff at Surrey Place, but absolutely no specifics around the alternatives?

Hon. Mr. Wells: I am sorry there appears to be a misunderstanding about the situation at Surrey Place Centre. What is happening is that the services available at Surrey Place Centre are going to continue to be available. They are going to be provided by teachers based in Thistletown; there will be at least three or four teachers who will be available on the same basis.

There seems to be some misunderstanding about exactly how that service is going to be provided. I have told my people that the same kind of service that was available before, service that involved not only assessment but also visitations, with in-classroom programs that could assist teachers to develop those programs and help them to carry them out, will continue to be available. We all agree on that and we are now working towards that kind of accommodation there.

So that really the service at Surrey Place Centre is not being phased out. It is going to be handled in a different way; and although there will no longer be a complement of, I think it is nine teachers attached to the Surrey Place Centre, there will still be educational teachers available to do the job with the patients and people who come into that centre.

Mr. Lewis: May I ask why it is that the person in charge of special education at Thistletown has had nothing in writing from the ministry, has had no consultation about the cases to be transferred, has as yet formulated no program, and that all the families involved have not as yet been given any direction as to where they should turn? A number of these children being in quite intensive contact with the counsellors at Surrey Place, is there no way of doing these things without leaving everyone in limbo?

Hon. Mr. Wells: I agree with my friend. I think that some of the things that he said may have occurred. If they have, they will be corrected and they will not occur again.

Mr. Lewis: Thank you.

FARM LABOUR SUBSIDY

Mr. G. I. Miller: I have a question for the Minister of Agriculture and Food: In view of the unemployment and the need for jobs, and because of the amount of energy or man-hours required to harvest the fruit of our soil, and because prices for many farm products have not risen since 1975—in fact some products have decreased rather than increased—and because the cost of input has increased;

would the minister consider reviewing the guidelines to get assistance of \$1.25-an-hour student help for the farming industry?

Hon. W. Newman: I am not exactly sure of the question. Is the hon. member suggesting that more than \$1.25 an hour should be paid by the province to those who hire students?

Mr. Nixon: It should be easier to get.

Hon. W. Newman: If that's what the hon. member is suggesting, the program has been announced by the Treasurer (Mr. McKeough) whereby there will be assistance of \$1.25 an hour for any of those people who hire students this summer.

Mr. G. I. Miller: Supplementary: I was wondering, does the minister realize that many employers in the farming industry have to stretch the truth to qualify for that particular \$1.25 an hour and that I am asking the minister to review it?

Hon. W. Newman: The hon. member is talking about the form that was sent out by Manpower last year. I believe—maybe the Treasurer could correct me—that the program will be run by the province this year. Is that correct?

Hon. Mr. McKeough: Yes.

Mr. Makarchuk: If the minister is giving away money, I'm sure the Treasurer will correct him.

Hon. W. Newman: I have already looked at the forms from last year, and I realize there are two parts of those forms that do create problems for farmers signing them. We have looked at them and I believe that is going to be corrected. But that question more correctly should be directed to the Treasurer.

Mr. Riddell: Supplementary: The minister has more or less led me into part of the supplementary I wanted to ask; that is, has some of the ambiguity been taken out of the questions on the application form, such as "the jobs outlined above would not have been created without the funding under the program"? Surely the minister is aware that practically every job conceivable exists already on the farm, whether it be this year or 10 years down the road; and that the farmers, in giving an honest answer to this question, were denied funding under the program.

Secondly, will farm family labour be eligible for funding under the program this year? In other words, can farmers hire their sons and get the \$1.25-an-hour subsidy?

Mr. Conway: So much for the family farm.

Hon. W. Newman: That question more properly should be directed to somebody else.

(Laughter)

Mr. Deans: Anybody else!

Mr. Ruston: Why not the Treasurer?

Hon. W. Newman: I understand the question. No, I cannot hire my daughter, or my son or my other daughter under this program.

Mr. Riddell: I am not asking whether the minister hires; I want to know whether they can.

Hon. W. Newman: No, the member can't either. Okay?

Hon. Mr. Davis: You can hire his son.

Mr. Nixon: I just want to ask the minister, in this whole matter about the grant being payable only to jobs that would otherwise not have existed, is he not aware that many farmers, when they look at that, think: "What are we supposed to do? Go out and plant sunflowers in the fence row? Because that's the only job we otherwise wouldn't be doing"? Doesn't the minister agree that money would be extremely useful to the farm community if that requirement were removed? Surely it would be a subsidy to the young people in this province, and to the farmers, to get them working in an area where we need them. What's the matter with the word "subsidy"?

Hon. W. Newman: What the hon. member is saying, I believe, refers to the form's last question about a new kind of work—and on the farm there is no new kind of work; it's all a new kind of work.

Mr. Nixon: That's right. We do everything from sunrise to past sunset.

Interjections.

Hon. W. Newman: I have drawn that to the attention of the member; also, that anybody who hired students last year can hire them again this year. I think this program will be much more flexible since we are running it ourselves without interference from Ottawa.

Mr. Nixon: Oh, well. That's certainly some guarantee. You're running it? That is some guarantee.

Interjections.

TEACHERS' SALARIES

Mr. Swart: My question is to the Minister of Education. Is the minister aware that the administrator under the Anti-Inflation Act, by order dated February 3, 1978, rolled back the salaries of the secondary school teachers of the Niagara South Board of Education by \$264,000 to just under a seven per cent increase; and that he levied a fine of \$100,000, payable to the federal government? This

order has now been confirmed by the federal cabinet.

Does the minister know that the \$100,000 fine was levied against the teachers for the reputed overpayment between the seven per cent and the eight per cent, and the eight per cent had previously been set by the Anti-Inflation Board in April 1977; and that the teachers and the board had complied with it, although appealing it to the Anti-Inflation Board administrator in July 1977?

Because this fine is the only case of its kind in Ontario, because the Niagara South teachers are among the lowest paid in the province and because the fine will come out of the pockets of the taxpayers of Niagara region, will the minister make representation to the Anti-Inflation Board and the federal government that the fine be waived or, if it has already been paid, turned back?

Hon. Mr. Wells: I would be glad to look into this matter. I must say I have not heard about it and I am happy that I have now heard about it from the hon. member.

I would suggest that the teachers and he, and all concerned, should make very vigorous representations to their federal representatives from that particular area, particularly if the federal cabinet was dealing with the matter and upheld it.

[11:00]

Mr. Swart: By way of a short supplementary, could I ask that even if this unjust fine against the teachers is not waived, would the minister not agree that the \$100,000 should come back to the board, rather than go to the federal government; and urge that this be done. I presume the minister will be willing to meet with the teachers and the board relative to this matter.

Hon. Mr. Wells: I don't want to give any assurances that I will become involved in it, because as I say no one has made any representations to me.

Mr. Wildman: He just did.

Hon. Mr. Wells: I'm not sure that it is particularly a matter we should be involved in as a ministry or as a government, since it involves actions of a servant of the federal government in carrying out his duties. However, I'll look into it and I'll let the member know after I have a chance to look into it. But I reiterate that if it's gone so far and as high as the federal cabinet, representations should probably be made in that particular area. The federal cabinet perhaps could by some device of its own decide that the board should get the money rather than the federal government.

FOODLAND ONTARIO PROGRAM

Mr. Kerrio: I have a question of the Minister of Agriculture and Food. In answer to a question by the member for Welland-Thorold, regarding advertising under the logo of Foodland Ontario, the minister answered that he was nitpicking and that there were some mistakes. Is the minister aware of an ad that was in the Niagara Falls Review Tuesday last under the Foodland Ontario logo that advertised PEI potatoes, Arizona oranges, Washington apples, California pears and Florida celery? I want to tell the minister they are six for six. If he thinks that's nitpicking, I'd like to hear his answer.

Mr. Nixon: And nothing else! Is Mr. Wheeler responsible for that?

Hon. W. Newman: Mr. Speaker, you know, I don't read all 600 or 700 newspapers. We do some monitoring across the province. I would appreciate having that, by the way.

Mr. Swart: The minister said there were only four mistakes.

Hon. W. Newman: I said only four that I knew about in the Toronto papers.

Mr. Warner: You're not very knowledgeable.

Hon. W. Newman: I want to answer this question. I think it's very important. We have a foodland promotion program and it has been very successful in this province.

Mr. Conway: Successful for Florida.

Hon. W. Newman: You fellows always want to knock success, don't you?

Hon. Mr. Davis: How much apple juice do they drink?

Hon. W. Newman: I want to keep the co-operation of the food chain, from the producer right through to the final selling person. I will be meeting with all the heads of chain stores this coming Monday night.

Mr. Warner: You tell them.

Mr. Kerrio: Supplementary: Is the minister considering—

Mr. Nixon: Resigning.

Mr. Kerrio: —regulations and possibly penalties for the misuse of the logo?

Hon. W. Newman: I'm not planning any legislation now. I'm planning on co-operation and co-ordination, which we have had, by and large.

Mr. Nixon: Try to get it right.

An hon. member: What if they don't cooperate?

Hon. W. Newman: If the member would send that over I will make sure I will deal with the appropriate people who did that, whatever it was or whatever store it was.

Mr. Deans: Why don't you tell the newspapers they just can't do this?

Mr. Swart: Supplementary: Is the minister not aware that perhaps even more serious than the misuse of the logo—and that is serious—is that in the advertisements and in the display of many Ontario farm products the logo is not used, perhaps in the majority of them? Therefore, this has caused the logo to be discredited and is doing very little to help the sale of the Ontario farm produce. Will he adopt regulations or a program which will provide that the logo be used on all Ontario farm produce?

Mr. Warner: And only on those products.

Hon. W. Newman: As I said, there may be a few mistakes. The member said it's discrediting the sales.

Mr. Swart: It is the misuse of it.

Hon. W. Newman: I'm going to read something into the record. I've had this in my pocket for two weeks and I've been waiting. I'd like to point out on our winter vegetable promotion program—

Mr. Foulds: Is this a ministerial statement?

Mr. Cassidy: Is this from your campaign literature?

Hon. W. Newman: —chain store number one sales during that promotion period for onions were up 121 per cent, carrots, 46 per cent; potatoes, 40 per cent; rutabagas, 40 per cent; parsnips, 50 per cent, and mushrooms 12.5 per cent.

Mr. Swart: Are these from California?

Mr. Conway: Idaho potatoes?

Mr. Warner: How about oranges?

Hon. W. Newman: Just listen.

Ms. Gigantes: Where are they from?

Hon. W. Newman: In chain store number two, onion sales in 10-pound bags increased 1,200 per cent; carrots in five-pound bags—I'm talking about Ontario produce—increased 614 per cent. I could go on and on and on. I have other figures for you.

Mr. Nixon: Yes, you certainly can.

Hon. W. Newman: Don't knock success. You want to save the farmer and then you want to destroy farm land.

COCHRANE-TIMISKAMING RESOURCE CENTRE

Mr. Foulds: I have a question of the Minister of Correctional Services. I wonder if I could ask the minister what happened to his plan, announced in Timmins on the weekend of December 18, to take over two-thirds

of the Cochrane-Timiskaming Resource Centre by Monday, December 19? Did he run into a road-block from his colleague, the Minister of Community and Social Services (Mr. Norton)? Did he run into opposition from the local member?

Hon. Mr. Drea: No, Mr. Speaker. First of all, the difficulty we have in northern Ontario—and I made this quite plain before—is that we do not offer all the facilities to inmates of the correctional centres in northern Ontario that we do in southern Ontario. They are not entitled to assessment and classification.

Mr. MacDonald: Penalizing the north again.

Hon. Mr. Drea: Yes, that is why I am changing it. In order not to strip the resources of the north, and bearing in mind that there are no locked facilities in the two psychiatric institutions at North Bay and at the Lakehead—and I am sure the member is aware of my difficulties in Thunder Bay because of locked health facilities—for the past four months, and as late as Wednesday, we in our ministry have been trying to develop with the federal Solicitor General a program that would allow for assessment classification, partial treatment for our northern Ontario inmates.

Bearing in mind that we are aware of the priority needs for those professional resources by other areas of the community, my friend, the Minister of Community and Social Services, does now have specific plans for some of that building and the Minister of Health (Mr. Timbrell) has plans for it. We are maybe going to tag in on a building—I think it is the old nurses' residence—and we will use inmate labour for whatever conversions we need to bring it up to the professional standards we want.

LIBERAL NOMINATION MEETING

Mr. Mancini: Mr. Speaker, I rise on a point of personal privilege. I wonder if over the weekend, sir, you could give consideration to allowing backbenchers and other members to ask questions of former ministers of the government, because I would like to ask the former Minister of Revenue (Mrs. Scrivener) how she enjoyed the large Liberal nomination in Rosedale last night.

An hon. member: Doesn't mean a thing.

Mr. Ruston: Some people follow the winner.

ORDERS OF THE DAY
ESTIMATES, MINISTRY OF
GOVERNMENT SERVICES
 (continued)

House in committee of supply.

On vote 802, provision of accommodation program; item 4, real property acquisition:

Mr. Chairman: The member for Essex North.

Mr. O'Neil: Mr. Chairman, I have a few comments for the minister. Yesterday he was kind enough to supply me with a notice of some new locations that were opened up in the city of Belleville, one for the provincial family court and the other for the land registry office. I understand that the member for Hastings-Peterborough (Mr. Rollins) tried to make this announcement in the Legislature yesterday. I wonder if I could have some clarification on it.

I think the minister is aware that some time ago in the Legislature I asked a question concerning the tendering for space, and I know that we discussed it briefly last evening, but I wonder if I could possibly have it on the record. At that time I expressed my concern that sometimes when his ministry is looking for rental space in a certain location, the property may not always be tendered for. I think at the time my concern was that if it was under 5,000 square feet it was not always tendered for; and I wonder if I could get some explanation of that, because it is my feeling that no matter what space is tendered for—whether it be 1,000, 2,000 or whatever the amount—a public tender should go out for it.

The announcements were made by the press last evening and this morning concerning this space in Belleville, and I have had a call from one of the other people who tendered on the particular family court space, saying that there were five tenders below the price that was awarded to the Century Place people for the family court space. They were questioning this and I wondered whether the ministry could supply that information for me either today in the Legislature or some time in the future so that I can get back to these people. When the tenders were put out they were asked to supply 25 exclusive parking spaces and it has been questioned whether or not the people awarded the tender could supply that.

I realize the minister was away yesterday afternoon when this announcement was made and he did mention that the circulars concerning the awarding of the space had been

set out to me. Sometimes it can be a little embarrassing for the member of a certain area—in this case Belleville and the Trenton area which I represent—when the announcement is not made to me prior to it being made by another member in the Legislature. It is a matter of courtesy. I know the minister is new in the portfolio but it is something that I would like to see him consider, even though he was very considerate last night in getting it for me.

Hon. Mr. Henderson: Firstly, I explained to the hon. member last night that I had to leave my office at 25 minutes after 12 yesterday. The people sitting here in front of me were in my office at that time. They were preparing the statement that I gave you last night. At that time I instructed Mrs. Smiley, my executive assistant, to prepare the statement, to finish it and to take your announcement and the announcement for the member for Hastings-Peterborough to the post office so that you could both pick them up. Following that, at 5 o'clock yesterday afternoon they were to be distributed to the press gallery.

I have checked with my executive assistant—and I think you were there last night, although she didn't recognize you, I'm sorry—and I asked her if your copy was put in the post office; she certified that she had carried out that responsibility. I realize what happened after that. I spoke to Mr. Rollins. He informs me that he went down to the post office, saw the letter in his box and got it, and as you tell me and as other people have told me, an announcement was made here in the House. I was some 200 miles away at the time.

Taking them to the post office is the usual way of notifying the members. I would agree that I could easily have picked up the phone and phoned either one of the members—

Mr. Wildman: Or come and heard Clarke make the announcement in the House.

Hon. Mr. Henderson:—but then I am sure you would suggest that I would likely phone the Tory member first. You would suggest that. So I felt this was the easiest way, to give it to both of them through the post office and leave it up to the post office to decide.

[11:15]

To get on with answering your other question, I have had calls from three different people who advanced tenders. The lowest tender on this was from an area that was not within the prescribed area. I'm sure the hon. member is fully acquainted with the area that

was defined in the most recent tender. When we sized up all the other tenders, and everything being equal—parking building, main floor, fourth floor and what have you—the tender we chose supplied all the services that were requested and it was the cheapest to tender.

Two or three weeks ago—I don't have the actual date—the hon. member did question me about this. At that time I was not aware that it was this particular project he was questioning me on. I had several in my mind that day. But I answered him at that time that any projects of this nature and of this size were tendered.

The policy of the ministry is that when space of this nature is required, staff are sent out to investigate the supply in the area. When it's found that there is sufficient supply, at that time tenders are called for the supply that has been requested by the ministry concerned—in this case, as the hon. member knows, the Ministry of the Attorney General for the family courts and the Ministry of Consumer and Commercial Relations for the registry office.

I believe that answers the question. If there are further questions, I'll try to answer them.

Mr. O'Neil: Yes, I have some further questions for the minister for clarification, if I might ask them. As I say, I know he is new in the ministry, but I do believe that the minister and his ministry should provide further guidelines for those people who go out looking for space in the different communities.

The minister mentioned that if they go out and find there is sufficient space, they will then tender for that space. What I am suggesting is that I don't believe it should be left up to those individual people who go out into the areas, whether it may be for one reason or another. I would suggest to the minister that what should be done in these cases is that all space should be tendered for.

It is my understanding that when one of these locations was questioned, that it was originally—that the people from his ministry were looking—

Mr. Chairman: The hon. member may continue.

Mr. O'Neil: I just wanted to make sure that the minister did hear me. When these people went out looking for the space, originally they had asked for space of approximately 4,000 to 5,000 square feet; therefore, they did not tender for it. It was awarded for this specific location. Then this space grew from 4,000 or 5,000 square feet to approximately 9,000 square feet, and that was never tendered

for until I raised a bit of a fuss with people from this ministry.

I would say to the minister, as a protection both to himself and to the government, as well as to the people of this province, that any space being looked for by this ministry should always be tendered for, and not awarded on the basis of whether or not some of the people from this ministry feel there is sufficient space. As to whether or not it should be advertised, I do believe, as protection for everyone, that it should be advertised to the public so that all people can look at it.

As the minister has received several calls this morning—and I understand there has been a great deal of lobbying of his ministry on behalf of some of these people who are looking to be awarded this contract—and so that I will have some of this information available when they call me, I would ask whether it would be possible to have some of his ministry officials supply me with information about the basis on which these particular people were awarded the contract rather than the other people, so that I can have a look at it and judge for myself, and relate to these people the basis on which it was awarded.

I should also make it very clear that I have no axe to grind whatsoever with the people who were awarded this particular contract. I think I know most of the people who have applied for the two spaces in particular. I have no axe to grind with the ones who were awarded the contract or the ones who weren't, and I don't intend to solicit support on behalf of any of them, because I am a firm believer in the tender system where everything is put out for tender and is awarded to the people who supply the best terms and conditions for the government to award that.

Hon. Mr. Henderson: Mr. Chairman, let me make it clear that I did not know any of the people tendering. They are all strangers to me. I personally looked on the tenders on the basis of their likelihood of completing the job and on the services that were supplied. I believe I misunderstood you, or my staff informed me that I must have misunderstood you. Did you make the statement that when it was down below the 20,000 square foot mark they did enter into an agreement? That's what I was questioning when you were speaking. You left me with that.

Mr. O'Neil: It was my understanding when I spoke with people from your ministry that in some cases where they were looking for under 5,000 square feet they did not always tender for that space, yes.

Hon. Mr. Henderson: That clarifies it for me, because you left me with the impression that my staff had entered into an agreement and then had to cancel. That was not the case? No, well, then let me clarify it again.

Our people did go to Belleville, did look around with the thought that there would be 4,000 feet required. But after they got into it in more detail it was found out that additional space would be needed, and you know what happened in the tendering system.

We'll accept your recommendation and we'll look at your proposals. However, there are times when it is a small building and there is only one building available in the town and let's say it's an old building and you can rent it at \$4 a foot, and if somebody is going to build a new one that's going to cost \$7 or \$8 a foot, I am sure it would be a waste of money to tender. But we will look at your proposals.

Mr. O'Neil: Again, Mr. Minister, with all respect, I realize there could be a delay and there might be some small cost, but I believe that no matter where it is that your ministry is looking for available space—whether it is new or somebody might come up with something in some other store or upstairs, or they might be able to build a building—that in all cases it should be on a tendering basis. It should not be awarded by people from within your ministry, sometimes even without your full knowledge that this has been done. There could be certain repercussions both to you, sir, and to your ministry and to the government.

Hon. Mr. Henderson: Mr. Chairman, let me correct that. I sign all the leases. None of them is done without my knowledge. The minister signs all leases and the minister makes himself aware of what's happened on all these leases. The minister does have a statement—similar to what I am holding up here at this moment respecting Belleville. When he signs the lease he is aware of all the tenders and knows all the facts, so it is not done without my knowledge.

Mr. M. Davidson: I am given to understand, Mr. Minister, that on real property acquisition your ministry does not normally purchase property without having a definite program for which it is to be used? I am wondering if there are on board at the moment any large property acquisitions taking place. If so, could you tell us which ministry you would be purchasing the property on behalf of?

Hon. Mr. Henderson: Our largest purchase recently—I am speaking since I be-

came minister and I think I could refer back for a year or two years, maybe three years—has been the parkway belt, the green belt around the city of Toronto that we purchased for the highways division of the Ministry of Transportation and Communications—I think we went over that last week did we not, or Monday of this week? We mentioned that we are also purchasing for Hydro in the parkway belt.

Mr. M. Davidson: The point I am trying to make, Mr. Minister, is that Mr. Thatcher during the last estimates made the statement that we don't normally hold land indefinitely without having a specific purpose, without having a schedule to put something on it. I am referring to the Edwardsburgh tract of land and also the 3,000 to 4,000 acres that are north of Cambridge and Highway 401. Those parcels of land have been sitting there for quite some time. They are in the hands of the government of the province of Ontario and yet I see nothing specifically being designated as to what, if anything, is going to happen to those acres. Could the minister give us some idea of what may take place with those parcels of land?

Hon. Mr. Henderson: Mr. Chairman, the Edwardsburgh site was purchased for the Ministry of Industry and Tourism with long-term thoughts of an industrial park.

I do have answers to several questions that were asked the other day. One of them was: "Has the Grandview School in Cambridge been declared surplus by the Minister of Correctional Services (Mr. Drea)?"

The answer is: "Not entirely. Of the approximately 69-acre parcel, the Ministry of Correctional Services has only declared a seven-acre parcel, without buildings, fronting on Highway 24 as surplus. As most of this site is now vacant, this ministry is studying alternate uses with all interested ministries and will make recommendations on completion of the study."

Mr. Chairman, could I have your consent to answer these other questions that we had during the estimates last week? I have five or six.

Mr. Chairman: Certainly, I'm sure the committee would agree.

Hon. Mr. Henderson: The next question—is this the one the member asked me about right now—is: "Are the Ontario Housing lands north of Highway 401 in Cambridge, south-east of Kitchener, surplus?"

Answer: "We have checked with the Ministry of Housing and OHC and have been advised that these lands have not been declared surplus."

The next question is: "Why does the hospital at Aurora require all the land presently owned by the Ministry of Government Services and why is it not developed to a higher usage?" I believe that was one that was asked of me Monday of this week.

The answer: "The total property of the Aurora Hospital consists of 107 acres and is divided into three areas. The front 60 acres is used by the Ministry of Community and Social Services, which administers the institution, and is required for servicing the main institution as well as the recreational facilities. The 24 acres to the immediate rear of that is used for sewer lagoon purposes. The remaining 25 acres at the rear is at present not being used. This remaining 25 acres could not, at the present time, be used for development because of the lagoon site located adjacent to it.

"The setbacks from the lagoon site for the Ministry of the Environment would have left approximately only five acres to the rear which could be redeveloped. It is hoped that in approximately 1990, when the hospital will be serviced by municipal services, it may be possible that the rear 50 acres, including the lagoon site and the portion not being used, could be available for alternate uses."

The next question is: "Why is the government building in Windsor now only six storeys when it was rumoured that it was originally planned to be 11 storeys?" I believe Mr. Newman of Windsor-Walkerville asked that question.

Answer: "The new government building in Windsor was designed to a maximum height of six storeys or 75 feet as per the city of Windsor bylaw covering the urban renewal area in which the site is located. The building was originally planned to go to a site closer to a tourism bureau which was leased to the city for a park site. If this site had been used, because of the smaller area of property, the building may possibly have had construction higher than six storeys. However, with the arrangement with the city of Windsor regarding the exchange of land, the larger land area acquired allowed for a larger floor area building to be of a lesser height to comply with the city of Windsor bylaw."

[11:30]

The next question dealt with the Richmond Hill provincial lease: Are we going to lease space there to be used as a traffic court? The member for York Centre (Mr. Stong), I believe, requested that information. In the new lease program for 1978-79 for the Ministry of the Attorney General, there is a

request that new leased space be found for the Ministry of the Attorney General to be used as a traffic court. Investigations are well under way and it is proposed to occupy space in midsummer.

Question: "How much land does the province of Ontario own?" Answer: This ministry can only advise on how much land is owned by the Ministry of Government Services. At the present time, the ministry owns approximately 3.8 million acres. There are other ministries and agencies which own land and which would have to be contacted for the estimated amounts that are owned by them, mainly Transportation and Communications, Natural Resources, Ontario Hydro, Environment, the Ontario Land Corporation and several agencies, boards and commissions.

Those are the questions that were asked but I did not answer earlier this week.

Mr. M. Davidson: With your indulgence, Mr. Chairman, I would like to follow up on the last answer the minister has just given us.

It was my understanding that the Ministry of Government Services was in the process, during consideration of the last estimates, of getting all of the land owned by the government or the province of Ontario on a computer and that that program was supposed to take some six months. We were told at that time that this was being done and that it would take about six months to complete. Are we getting anywhere closer to getting all the land owned by the government on the computer or are we still waiting for that to happen?

Hon. Mr. Henderson: The answer I gave—3.8 million acres—is the land that is owned by the Ministry of Government Services. I am not sure what answer the hon. member was given previously. The answer I have given relates to land owned by the Ministry of Government Services and came about as a result of the fact that we have that information in the computer. The figure of 3.8 million acres is for the Ministry of Government Services—not any other ministry, because I can't answer about their land assembly.

May I go on and reply to the other question now? You will remember, Mr. Chairman, that on Monday someone questioned me about the Bronte sports complex—I am not sure who it was, but maybe you will remember. Anyhow, the answer comes through the Ministry of Culture and Recreation. The Ontario sports training centre, phase one, has involved the following expenditures as of April 4, 1978: 535 acres of land at a cost of \$5,818,000,

legal fees associated with this of \$19,100, surveyors' charges of \$26,100, for a total cost of \$5,863,200. Other items are preliminary site services, access roads and parking lot, \$219,000; architects' fees of \$1,314,700 for the drawings that we have; supervision, \$13,000; and inspection and testing, \$1,900. Total expenditures on the complete project to date are \$7,412,100.

Mr. Bolan: Mr. Chairman, I would like to ask the minister some questions relating to the courthouse and courtroom facilities in North Bay. I am quite certain that the minister is aware of the problems which exist there or, if he's not aware of them, that he has been or will be made aware of them shortly. Briefly the situation, if I might go back into history a bit before asking you the question, Mr. Minister, is that around 1960 the courthouse facilities at the city of North Bay were number one on the list as far as obtaining a new courthouse was concerned. At that time the building was some 60 years old and was in constant need of repair. Since then, I am told we have gone from number one to number two to number three; and that as of last year we were down to around number 10. There are those who are facetious enough to say we don't have our courtroom yet because since 1959 we have continually elected a Liberal member. I for one don't accept that argument of course; I think it is very wrong, and it certainly is not in keeping with the good taste of the Progressive Conservative government over the past—well, since 1960.

In any event, the situation which we have now is quite deplorable. Up until the time the grand jury system went out in the province, every grand jury report condemned the courthouse facilities. This was over a period of some 16 years. These reports were made twice a year. It was the same litany time after time—courthouse facilities were atrocious, working conditions were atrocious. It reached a point where in 1960 the magistrate's court, as it was then called, used to be held on top of the old city hall—in fact, in the city hall chambers.

They changed that in 1970, and the provincial court is now being held in a building outside the courthouse. The courthouse itself has very inadequate courtroom facilities; in fact, it has only one courtroom. When, for example, the Supreme Court is in session and there are other court matters which have to go on, such as in district court or small claims court, the court is transferred to a room on top of a beverage room in one of the local hotels. That, of course, adds an awful lot

to the feeling that not only must justice be done, but it must be seen to be done.

It certainly has come under much criticism over the past number of years. In addition to this, the provincial court facilities are rather inadequate. I was involved in a rather notorious murder case some three years ago. One of the accused was the infamous Donald Kelly. I was not acting for him; I was acting for one of the other accused, who incidentally was eventually acquitted.

Mr. Nixon: Naturally.

Mr. B. Newman: Good lawyer.

Mr. Bolan: However, during the course of the preliminary hearing, something very unusual happened—this is for Mr. Drea's benefit as well. During the preliminary hearing the accused Kelly as well as the other two accused were in the district jail. They were there in custody pending the determination of the trial. During the course of the preliminary hearing, somebody broke in the provincial court and stole the exhibits which had been filed.

Hon. B. Stephenson: Was it your client?

Mr. Bolan: Of course, they couldn't blame Mr. Kelly, because he was in jail; although what with his Houdini-like methods of getting out of jail over the past three years one would not have put it past him to have done the break-in—or break-out, whatever the case may be. This, I think, reflects quite badly on the government when it tolerates a situation like that.

There are also a large number of drug trafficking cases in North Bay which seem to have developed there over the past number of years and I prosecuted a number of those drug cases. At the end of the day we're left in the unfortunate situation where we don't know what to do with about 30 or 35 pounds of hash, because there is no proper place to put it in a lock-up.

Mr. Nixon: Take it home.

Mr. Bolan: Well, the judge has suggested that on certain occasions, but we have managed to dissuade him from it. The end result of it is that the investigating officers who are in charge of the case have to take drugs to their own lockup. This can create some problems in the event of anything happening to something which is already entered as evidence.

I point these things out to you, Mr. Minister, to apprise you of the rather sad situation we have in North Bay.

Some time around 1967, I believe, a positive move was instituted by the ministry at that time to acquire the necessary land to

build the new courthouse, about 10 years ago. As a result of this, the province then spent large sums of money in acquiring about 10 or 12 houses in a block adjacent to the courthouse facilities. All of these homes were torn down and the land right now is more or less lying fallow while the government decides when to build the courthouse.

There have been considerable moneys expended on the existing courthouse over the past 20 years. I don't know the amount of money which has been spent, but I can assure you that it has been quite considerable, and it's reached the point that there is no safety in lockup for an accused person who is in the court room or in the courthouse during the trial. As a result of this they've placed bars on certain windows and a certain part of the building to prevent anyone from escaping. All in all, it certainly is very inadequate.

My question to you, Mr. Minister, is what proposals does your ministry have with respect to the construction of the new courthouse in North Bay? When can we expect this to get under way? What proposals do you have with respect to improving the court room facilities in the event that you don't proceed with the building of a new courthouse? I would appreciate your comments on those points which I've raised.

Hon. Mr. Henderson: Firstly, in response to the hon. member, I'm glad that he cleared up his position. I was beginning to become concerned at his involvement with the court. May I first tell you that some seven years ago the Ministry of Government Services acquired a site for a courthouse. Second, may I tell you that the estimated cost of this courthouse that I have here is \$6.2 million. Third, we do have drawings in the process.

When I get down to the real punch line I would have to remind the hon. member again that it is the Ministry of the Attorney General that schedules projects of this nature. It is not this ministry. This ministry carries out the work, once the Ministry of the Attorney General puts it in the time slot. The hon. member did refer to slots A, B, and C.

He said some of the people in the area suggested there should have been a member of another party elected in that area.

Mr. Bolan: No.

Hon. Mr. Henderson: Oh, you didn't agree there should have been? Oh, I thought you were agreeing that another party should have been represented from that area.

Mr. Nixon: There isn't another party up there.

Hon. Mr. Henderson: I misunderstood that part of the question. That was my under-

standing of the hon. member's statement and I was ready to agree that a member of this Party should have been elected to that area. But of course—

Mr. Bolan: We have more faith in the government than that. We don't believe in blackmail, Lorne.

Mr. B. Newman: The people there can read.

Hon. Mr. Henderson: I was just looking at the area and I note, maybe not completely but within the last few months, we have completed a Ministry of Transportation and Communications building at a cost of \$1.27 million. We have completed a material testing laboratory at a cost of \$580,000. We have completed many other projects. There was one completed in February 1976, \$12,000.

Mr. Bolan: We deserve it.

Mr. Nixon: Brant is the only one you don't spend a nickel on.

Hon. Mr. Henderson: Correctional Services—under construction, \$31,000. The Culture and Recreation one, January 1977, \$33,000, and I could go on and read—

Mr. Bolan: I am not complaining.

Hon. Mr. Henderson: I have four or five pages I can show the hon. member. But if he is interested in projects that we have completed, I'd be very happy to supply him with that information. Have I answered your question? Fine.

[11:45]

Mr. Bolan: One other question: I take it the minister has had no direction from the Ministry of the Attorney General with respect to following up on the implementation of the plans for the building of a courthouse in North Bay, is that right?

Hon. Mr. Henderson: Mr. Chairman, I am certainly part of the cabinet, but it is up to the Attorney General (Mr. McMurtry) to bring his recommendations to cabinet before I have input on the priority of this building. At that level I will certainly have my input, the same as 25 other members of the government.

Mr. Bolan: I take it then as a member of the cabinet, as a member of the government, you are not aware of anything brought forward to cabinet by the Attorney General with respect to the implementation of the new courthouse in North Bay?

Hon. Mr. Henderson: My only response, Mr. Chairman—

Mr. Bolan: Yes or no.

Hon. Mr. Henderson: My response is this. The Attorney General has many projects.

The Attorney General has spoken to me privately about them. It is not one that he has on this year's priority.

Mr. Bolan: Thank you.

Mr. Bradley: My question to the minister deals with some land that has been acquired by his ministry already in the city of St. Catharines for a courthouse. The land known as the Wright property was purchased first from private sources and, secondly, a property on which the public library was located in the city of St. Catharines was purchased when that old library was demolished. It was expected that commencement of construction of a courthouse on that property would begin almost immediately.

I know the minister is very much aware of this. As he indicated to me in the House the other day he has received a lecture on the very great need for a courthouse from the Minister of Culture and Recreation (Mr. Welch), who also represents a portion of the city of St. Catharines. I won't go through the same speech I went through for the Attorney General. I must say to the Minister of Government Services the Attorney General sat and nodded as I went through the description of the old courthouse in the city of St. Catharines, and the fact that it is absolutely a disgrace in terms of a justice facility.

The reason I am asking whether you are going to put this property to use in the very near future by commencing the construction of the courthouse this year is that besides the obvious need for a reasonable justice facility in the city of St. Catharines, a need which has been known for many years, there is also the fact that the unemployment rate in the construction industry is perhaps relatively high compared to some other areas. This would be a distant boost to the construction industry.

Last, it would also indicate—and I think the province has done this in other ways—the faith that the province has in the city of St. Catharines in its desire to boost the revitalization of the downtown area, not only through the excellent program the province is providing, but also through the construction of this courthouse.

So I would ask the minister if he can comment on when he feels the commencement of this courthouse would take place? Second, is he going to be meeting with the task force on downtown revitalization and others, as invited by a resolution of the council of the city of St. Catharines?

Hon. Mr. Henderson: May I respond to your last question first? I am not aware of any

resolution. Maybe I have missed something, but I don't remember getting that resolution.

Mr. Bradley: It probably hasn't arrived yet.

Hon. Mr. Henderson: It's recent, is it? Okay. As far as I know I don't have it.

Next, I don't think the hon. member wants us to use this piece of property for anything but the courthouse; is that pretty well agreed? I did mention in my estimates on Monday of this week that when we have surplus property first we circulate it among all other government departments. Following this we go to the local governing authority to see if they have any use for it.

Respecting this particular piece of property, I wouldn't want to tie it up to someone other than the Attorney General. The Attorney General is actively considering this building; it's not a dead horse by any means. As I mentioned to you a week ago, it seems to me that every week the member for Brock suggests to me, "Mr. Minister, get on with the courthouse in St. Catharines. We need it."

The estimated cost of this project is \$13.5 million. It is active in our list. It is listed at the moment under C, but it is not a dead issue by any means. I just repeat, it seems to me that every week the member for Brock brings this to my attention, as you did a few days ago. But to actually go to another building, I haven't considered anything different.

I did mention on Monday in my estimates that the government is certainly looking at the unemployment situation all over Ontario. I mentioned on Monday the Sudbury building is a result of this. Our negotiations are going on in Hamilton as a result of looking at the unemployment situation. There was the announcement this morning respecting Belleville; it is hoped that this will assist in relieving unemployment. So we are ready to consider any proposals that come forth that will help in the present economic situation.

Mr. Bradley: This is supplementary, I suppose. I was in another committee at the time your last estimates were before the House so I was unable to be present to discuss them, but—and I suppose we are really under capital when we talk about this. The priority seems to shift, Mr. Minister. At one time we in St. Catharines were led to believe that the St. Catharines courthouse was a number one priority, or at least there were no others that had a greater priority in terms of commencement of construction.

Would you care to evaluate where you would place it now? Just looking at court-

houses—not at other buildings, but only in terms of the courthouses to be constructed—is it first, second, third, fourth or 24th?

Hon. Mr. Henderson: Mr. Chairman, the only response that I could give to that is this, that in our department we have, A, buildings going to tender; B, buildings with plans under way; C, buildings that are not scheduled; they are under consideration. The Attorney General is the only one who can really answer your question. I hate to answer you this way as it looks as if I am trying to pass the buck, but I am not. The Attorney General is the only one who can answer your question honestly and fairly.

Mr. J. Reed: With the Chair's approval I would like to bring up once again a subject that we got into debate on late in the afternoon last Monday. It is the parkway belt and the ministry's action there in expropriating land for Ontario Hydro. The debate, of course, was adjourned that day at 5:55. Some questions had been asked and I wondered if the minister had apprised himself of his ministry's actions there since that time.

My particular concern revolves around the evaluation of land within the parkway belt for purposes of expropriation, considering that the parkway belt is in draft plan form and is only that—it is not, as I understand it, legislation although it may be quite legal. But the offers that have been made to the land owners in the parkway belt do not reflect the values of the land just outside the parkway belt which, in this case, is less than a concession road distance, both on the easterly side and the westerly side. The exact location of the property I'm referring to is south of Derry Road and in the ninth concession of Halton. It would appear that the appraisals being made are being made on the basis of this imposed situation that is called the parkway belt.

I wonder if the minister could shed any more light on this very vexing problem and if he considers it a correct action on the part of his ministry to use that kind of evaluation which, as I understand it to this date, has no basis in legislation?

Hon. Mr. Henderson: On Monday we did get into this in a minor way, I would agree. I personally have put a great deal of study into the parkway belt. I'm well aware of the area you are referring to. Let me reverse my answer; you ask, is there legislation or where does the legality for this come from. It comes about as a policy of cabinet, of Management Board, of government. As I mentioned to you last week—or not last week—Monday of this week—it seems like weeks ago but it was

just five days ago—the value which applies is that of a certain date in 1973—in fact, I believe, June 3, 1973—or today's value, whichever is the higher; that is the price that's being used. I believe the hon. member for Halton-Burlington was the one speaking on this on Monday?

Mr. J. Reed: Yes.

Hon. Mr. Henderson: And I believe you were the one who questioned me on Bronte.

Mr. J. Reed: No, it wasn't me.

Hon. Mr. Henderson: It wasn't you? Oh, I'm sorry. You were here though when I gave the answers on Bronte. When we were speaking about this Monday, you suggested that you could take me to properties a mile or two miles out of the parkway. I don't deny this. I've been made aware of some of these things. I'm ready to answer any questions; if you have further questions, feel free.

Mr. J. Reed: I suppose what I'm trying to get at is the question of how property can be successfully devalued by virtue of cabinet policy, rather than by virtue of legislation. We do zone property all the time; we do it in the urban areas, I think I said Monday. But we do it through bylaw. We do it by elected councillors who pass a bylaw and, as a result, certain property is zoned or given a certain designation and the truth is if the people aren't satisfied with the bylaw, at least it has been done by the elected body.

Here's a case of simply the imposition of cabinet policy coming along and saying to all of those people who own that property, "Well, we are declaring you to be thus and so." I don't care what you call it, whether you call it the parkway belt or the utility corridor or the recreation area for some particular municipality. The truth is it's an imposed designation and the result is that the property is being evaluated and appraised on the basis of that imposed designation, obviously a calculated manoeuvre on the part of cabinet in order to provide themselves with some cheap corridors and some cheap land, if that was the case in time.

[12:00]

I am just astounded, if it is so, that a government, which on the surface is so supportive of a free society and exchanges between willing buyers and willing sellers and all of this sort of thing that we are constantly being lambasted with over here on this side, would turn around and make this kind of designation which is tantamount to confiscation of property. These people have no alternative, and they have also been told—at least, I have been apprised by them that

they have been told—that the government may very well need some more of the land in a few years down the road and they can expect probably to get the same 1973 price for it, a little further down.

To make matters worse, the land cannot be used in any other way. It is frozen. What you have done is eliminate from that selective area any of the normal expectations of land values in the future. I am not looking at this from the point of view of whether a speculator got hurt or whether he didn't get hurt or whatever. A lot of those people are individual home owners. They are farmers who have lived there all their lives and farmed all their lives. Now the government has undertaken not only to freeze their property, but also to come along with the final humiliation and expropriate it at this so-called frozen period of time.

Surely, in the name of justice, the government has no business freezing property in this way. If the government wants to designate some sort of thing, why is it not brought to the Legislature and made into a bill? Then we can debate it and, if we decide to support it, we can support it, or, if we decide to vote against, we will vote against it. For heaven's sake, it is pure and simple injustice.

Hon. Mr. Henderson: I believe the hon. member was elected on September 18, 1975. If his memory could go back to 1973, which yours does, Mr. Chairman, he would remember that an Act went through this House, the Parkway Belt Planning and Development Act. That Act was debated on the floor of the House and was carried through the House. Following the designation of that Act the government had authority to act as it did in the parkway belt. On June 3, 1973, the plan, as you know, was filed. I say to you that all members of this House are elected people, the same as your municipal council. In fact, they are a senior body to your municipal council. This Act had every consideration in the House and the House did see fit to give this authority to the government.

I would have to differ with the thought that it was done without elected politicians being involved. I would go on further to speak with regard to the valuation. Again, may I refer to the present policy, which is the value of the land on June 3, 1973, or today's value, whichever is the higher. If the June 3 value is higher than today's value, then they will get that value. I would agree that the amount they get may not have gone up, but it has not gone down. They will get whatever it was valued at the date of the registering of the plan.

Mr. J. Reed: Mr. Minister, I appreciate the information about the Planning and Development Act, but I submit to you that in the evaluation method you are using in this case—you're talking about the higher of the values between 1973 and now—you're talking about the higher of the values within that designated area. You're not relating the values to any normal kind of evaluation, that goes on when land is being appraised.

In this case, that parkway belt is one concession wide and property on both sides in the next concession is trading at much higher prices. It's true that the value of the land has not gone down since 1973; that is very correct. But the truth is that it hasn't gone up either, and it can't go up because of this draft plan, according to policy of cabinet, as you have said.

I'm not as familiar with the Planning and Development Act as I should be and you can be sure that I will apprise myself of the details of it.

Hon. Mr. Henderson: It's a very short Act. You can read it some evening.

Mr. J. Reed: But I would ask you if the Planning and Development Act allows you to make this kind of confiscation. I really would question that the members of this House voted in that Act with that kind of intent. I very much doubt it.

Hon. Mr. Henderson: Mr. Chairman, in responding to the hon. member, the Act is quite a short Act. I'll be honest with you; I read it on Tuesday night of this week, it's that short. I was in a meeting and I read the Act itself. It had nothing to do with other responsibilities that I have. The member has a good argument from his point and from his position, but let me answer him in this way.

We, as the government, have established this position, and I would think that the only way there will be a change is for the courts to establish that we are wrong. You might well be right. We think we're right. You have a good argument, but we felt that when we established this method we were being fair.

On your argument about higher prices a mile away, I'm aware of these prices. I don't argue a bit. My only response is that I think no doubt someone from the Land Compensation Board will establish whether we're right or wrong.

Item 4 agreed to.

Item 5 agreed to.

On item 6, lease-purchase:

Mr. Ruston: Mr. Chairman, I wonder if

the minister has any statement with regard to the lease-purchase arrangements we have.

I mentioned in my leadoff speech that I would be questioning him. Does he have any studies on the method of lease-purchasing compared to owning buildings from day one instead of leasing and then taking over ownership after 25 years? Does the minister have any figures to compare the cost of this to owning at the present time?

Hon. Mr. Henderson: Yes, Mr. Chairman, I have a few words I would like to put forth with respect to this. It will take me a couple of minutes to present it but I think it's very important.

"In times of financial restraint and from a short-term perspective, leasing offers enormous flexibility in these terms—negotiated rates, cancellation clauses and so forth. In most municipalities, facilities can be obtained much more quickly by leasing them than by construction. No capital outlay, building design time nor construction followup is needed for the building itself, although alterations in the interior are generally required.

"Leasing can provide flexibility in space management and inventory which in these days of rapid organizational changes is not possible through construction. The lack of any response to a construction tender or short duration of space need makes the leasing mechanism economically preferable.

"There is little question, however, that when the same space quality is compared, leasing in the long term is the more expensive alternative. Nevertheless, part of our inventory should always be in leasing, in situations where the above advantages outweigh those of construction. The present inventory is approximately 16 per cent in conventional leases.

"Construction, on the other hand, permits the province to design, provide, maintain, repair and operate a facility according to the government standards of quality and energy conservation. In the form of a consolidated office building, the construction mode can provide to the public greater visibility and accessibility. It permits the province to actively support and influence urban renewal schemes and municipal plans by associating the project with them.

"The land on which the building is situated is government owned and the design is carried out by the Ministry of Government Services staff or an associated architect. Construction has the advantage of providing a more immediate and substantial stimulus to the local construction and its employment component, than does short-term leasing.

"The 'hands on' approach that a government owned facility permits can be expected to result in improved internal space management and administration, improved service levels within the building and maintenance of the facility to government standards. In some localities where suitable leased space is unavailable, construction becomes the only viable mechanism.

"The financing of construction projects may come from the government's own capital funds or through a lease-purchase contract. Tendering on lease-purchase projects is very similar to the procedure for tendering on capital construction projects, the major difference being that instead of calling for a lump sum price, the tenderer is required to finance construction of the basic project. The province, apart from initial leasehold improvements and the furniture costs, enters into a lease-purchase agreement under which the province pays rent for a fixed term with the building becoming the property of the province on completion of the agreed form. The agreement on a net lease basis means that the province will pay all operating and maintenance costs and a developer will pay initial construction costs only.

"Use of the lease-purchase mechanism adds greater flexibility to the number of ways in which accommodation facilities can be provided. The use of the mechanism has historically been confined to consolidated office buildings in which the Ontario government is the sole occupant, and comprises approximately three per cent of our inventory.

"Capital construction can generally be expected to be more economical than lease-purchasing a facility in the long run. However, in the short, the cash flow for capital construction projects is very high and in relative terms much greater than the lease-purchase mechanism. Thus, in times of fiscal constraint, it is much more advantageous to use the lease-purchase mechanism which spreads the cost of the construction of the project over 20 years or so, whatever period of time, may be proclaimed on each project."

[12:15]

Mr. M. Davidson: I notice in the booklet which you were so kind as to provide us with, Mr. Minister, under the lease-purchase program you indicate most of the agreements are signed for a 25-year period. Would that vary? Would there be agreements signed for longer or shorter periods of time?

Hon. Mr. Henderson: Twenty-five years is the preferred term. On a small building we reduce it to 20 years, and I believe on

Thunder Bay courthouse we have 30 years. So that's 20, 25 and 30 years.

Mr. M. Davidson: I take it the Thunder Bay courthouse is the one that's slowly sinking into oblivion. In a situation like that, if it is leased property, is there any guarantee in that lease that if a situation such as what is happening to the Thunder Bay courthouse takes place that the government can, in fact, break that lease and get out of it?

Hon. Mr. Henderson: We own the property. The building is on our property. It's a first mortgage on the property and very difficult to get out of. I wouldn't know any way to get out of it. My only other comment is the building in Thunder Bay is not sinking very fast. If you read the report, over the next 20 years, up to 1998, it will sink one inch.

Mr. M. Davidson: It may sink one inch and then again it may, as I said, sink right into oblivion, but at least then you will be left with the property which you own and will not necessarily have to pay the leasing price on the building.

Hon. Mr. Henderson: I don't think the hon. member wanted a response to that. We're not happy with the construction project, and I am sure you are aware of the financial position the company that built this building is now in, with mechanics' liens and what have you. I only say to you that this building was built five years ago and it would be a very cheap building today. It's worth twice as much today. It's going to take a quarter of a million dollars to make it a number one building, but then it will be worth twice as much as it is actually costing us on today's market.

Mr. B. Newman: I wanted to ask the minister about the new provincial public building in the city of Windsor. That is on a lease basis, is it?

Hon. Mr. Henderson: Yes, lease-purchase.

Mr. B. Newman: The purchase is \$1, is that it, after the lease expires?

Hon. Mr. Henderson: Yes.

Mr. B. Newman: What is the rental per annum on the building? While your official is looking for the rental figure is the length of the lease the normal 25-year period?

Hon. Mr. Henderson: Rental is \$7,202 per month for a period of 25 years. I really haven't spoken to the contractor to request why he did that. It is a very interesting figure.

Mr. B. Newman: Mr. Chairman, that is approximately \$84,000 a year; am I correct?

Hon. Mr. Henderson: Quick mathematics would tell me it's about \$86,500 a year.

Mr. B. Newman: It's not as reported in the press as \$500,000 per year for 25 years?

Hon. Mr. Henderson: No. I haven't seen that report in the press. If that is in the press, it is wrong.

Mr. B. Newman: It struck me as being an unusually large figure and I didn't think you, as minister, would come along and tolerate a rental like that, would you?

Mr. Worton: Nobody from Lambton.

Hon. Mr. Henderson: I would have to admit to the hon. member that I have not been in the building, but I take the word of the hon. member that the \$86,000 is a reasonable and fair figure. The \$500,000 that he suggested is out of order. If that was the figure, we would be investigating it. I would hope that the hon. member will be at the official opening.

Mr. B. Newman: It's exactly two weeks from today and we'll see you there.

Hon. Mr. Henderson: Yes. About right now we'll be having coffee.

Mr. B. Newman: You know when that building was originally planned, don't you?

Mr. Worton: About 20 years ago.

Mr. Ruston: In 1955.

Hon. Mr. Henderson: The hon. member last Monday suggested to me—was it a figure of 12 years?

Mr. Worton: Before your time.

Mr. B. Newman: It was really in 1957, because I fought the 1959 campaign on that.

Hon. Mr. Henderson: You used that for a campaign? That is 21 years ago. I was warden of my county that year. That's getting back into history.

Mr. Ruston: It took a long time to build it.

Mr. B. Newman: So you can see you eventually listen to us.

Hon. Mr. Henderson: You and I have been around a long while.

Mr. B. Newman: You're slow learners but you eventually pay attention. We appreciate the building in there and we look forward to seeing you down there and cutting the official ribbon and declaring the building officially open.

Mr. Worton: Are you going to cut a red ribbon or a blue ribbon?

Hon. Mr. Henderson: We will have coffee together.

Mr. B. Newman: I understand that you are also going to expend some \$20,000 on

some internal renovations. Why would not that have been probably foreseen in the original plan of accommodation being provided for various ministries?

Mr. Worton: Twenty-two years is a long time. Things are bound to change.

Hon. Mr. Henderson: Mr. Chairman, I want to correct the record. I have given the member wrong figures. The payment is split between the builder and the company that holds the mortgage. There are two payments and I only gave you one payment. The overall figure is not \$500,000, but it's \$499,368.

Let me answer the balance of your question.

Mr. B. Newman: It's this much less, is it?

Hon. Mr. Henderson: It's not \$500,000. That's all I said.

Mr. B. Newman: Even the figure in the press indicated \$498,804 a year. I would assume that even the figure you're giving me is probably not exactly accurate because your officials probably used a computer in which the battery had run down.

Hon. Mr. Henderson: No. They just put them together. They realized they had given me the wrong information.

Mr. B. Newman: Okay.

Hon. Mr. Henderson: Let me tell you what the payments are again so that they will be corrected. The one figure is \$92,424.

Mr. Worton: Don't worry. Money is only a medium of exchange.

Hon. Mr. Henderson: I've got it right now. Please accept them as being right. These are per month figures I'm giving you. The first one is to the mortgage company, \$33,912 per month and to the owner, \$7,702 per month for a total monthly payment of \$41,614. Multiply that by the figure of 12—

Mr. Worton: That's where we get into trouble.

Hon. Mr. Henderson:—and we get \$499,368. Those are our figures and we think they're right. It's in there.

Mr. B. Newman: It's nice to know. Having had your figures corrected, I think you could probably qualify for one of those certificates that the Minister of Consumer and Commercial Relations (Mr. Grossman) is looking into today.

Mr. Worton: In mathematics.

Mr. B. Newman: Maybe a PhD from one of these exotic universities.

Hon. Mr. Henderson: Could I interrupt the member? You did suggest earlier—and I didn't get around to answering it—the expenditure of some additional \$20,000.

Mr. B. Newman: Yes, that's right.

Hon. Mr. Henderson: I don't want to interfere but I think I should answer that.

In all buildings that we rent—no matter where they are—we put the partitions and the furnishings in. We make the offices to fit our needs. So that is not part of the building. That is the \$20,000 you are referring to.

Mr. B. Newman: I look at it because that is under the new lease-purchase project. So that would fit in just as you explained, Mr. Minister. By the way, who is the owner?

Hon. Mr. Henderson: Some company by the name of Ellis-Don.

Mr. Worton: Oh, they are coming back again, eh!

Hon. Mr. Henderson: Would you people over there know them by any chance? I don't think these people would.

Mr. B. Newman: I don't know him from Adam.

Mr. Worton: We have heard of that one.

Hon. Mr. Henderson: It wouldn't surprise me that you people might know them.

Mr. B. Newman: But I do appreciate you giving me that information. The only other thing I would encourage you to do is to look seriously at the vacant public property that is behind the provincial public building. You will have a chance to see it in two weeks. Its purchase would be an asset to the building, to the officials working in the building as well as to the public.

Hon. Mr. Henderson: I depend on the hon. member personally bringing that to my attention two weeks from about right now.

Mr. B. Newman: You can't help but see it, Mr. Minister.

Hon. Mr. Henderson: Okay, thank you.

Mr. Worton: Take your cheque book with you.

Mr. Ruston: This is a six storey building; what is the square footage of that building?

Hon. Mr. Henderson: It's 69,587 rentable square feet.

Mr. B. Newman: That's 110,000 in total.

Hon. Mr. Henderson: Did I hear the member for Windsor-Walkerville suggest 110,000?

Mr. B. Newman: Yes, the square footage of the building being a total of 110,000. That is from an article that I am reading.

Hon. Mr. Henderson: That is not the record we have. The figure I gave you is the record we have. I doubt it if you would get 110,000 gross building out of a 69,000 feet that we are renting.

Mr. B. Newman: All I can say to you is that in an article of February 1, 1978, Gerry

Glos of Glos Associates Limited in Windsor, architects of the building, said: "The cost would be returned over a few years in air-conditioning savings, as the drapes will stop the loss of cool air in the 110,000 square foot building."

Hon. Mr. Henderson: Mr. Chairman, I hope the hon. member is correct and that we are paying for 69,000 feet and are getting 110,000. I'll accept that as a gift.

Mr. B. Newman: They are counting the roof, Mr. Minister.

Mr. M. Davidson: In any of these lease-purchase agreements which your government has negotiated on behalf of your ministry, do any of them contain a clause whereby the rental fee can be renegotiated after a period of time?

Hon. Mr. Henderson: No, Mr. Chairman.

Mr. R. Worton: Boy, you strike a hard bargain.

Item 6 agreed to.

Items 7 and 8 agreed to.

Vote 802 agreed to.

On vote 803, upkeep of accommodation program:

Item 1 agreed to.

On item 2, repairs, operations and maintenance:

Mr. Ruston: With regard to maintenance, Mr. Chairman. Earlier, I mentioned briefly the Burwash situation—as did the member for Sudbury East (Mr. Martel). You sold some property to the federal government. What is the maintenance cost of that now? In 1975 the maintenance cost was \$108,000; in 1976, \$347,000; 1977, \$380,000; and April 1977 to March 1978, estimated, \$247,000. How much did the part you sold to the federal government decrease your cost of maintenance?

[12:30]

Hon. Mr. Henderson: Mr. Chairman, firstly let me make it clear, one portion of this particular property referred to as Bison Camp has been turned over to the federal government for their use. We got paid for that. That is not costing us any money.

Now, I am not sure that we have the balance of your question here. We'll see in a minute.

Mr. Chairman, the hon. member read out some figures. You will note the last item he read out—or I believe he did; I didn't have these figures before me at the time. Let me repeat it: April 1, 1976, to March 31, 1977, the actual cost was \$380,000. April 1, 1977, to March 31, 1978, the estimated cost when

this was prepared was \$247,450. Those are the most up-to-date figures we have at this time. But I just repeat that the federal government is responsible for that portion that they have acquired.

Mr. M. Davidson: I believe even though the property still is in the hands of the Ministry of Correctional Services that you in fact are responsible for repairs et cetera, to the buildings that exist on the Grandview School property.

Hon. Mr. Henderson: Are you referring to the Grandview School?

Mr. M. Davidson: Right. Not Churchill House, the remaining property.

Hon. Mr. Henderson: It's in the hands of Correctional Services.

Mr. M. Davidson: Yes, I understand that. And are they responsible for the maintenance and repair?

Hon. Mr. Henderson: Yes.

Mr. M. Davidson: Okay, fine. Thank you.

Mr. B. Newman: Mr. Minister, I notice in your public accounts design and construction program for 1978-79 that you list the fire alarm services at the Windsor Jail. When do you plan on starting the installation of those services and how long do you anticipate it will take to complete that?

Hon. Mr. Henderson: We will have to get that, Mr. Chairman.

Mr. B. Newman: While they are looking that up, Mr. Minister, I will also ask you about the installation of standby power for essential equipment at the laboratory building in the community. I have the same questions concerning that. When do you plan on starting and how long will you take to take care of what are contemplated as minor capital projects in the city of Windsor?

Hon. Mr. Henderson: We will have to acquire that. If we don't have it today I will have it on Monday, Mr. Chairman.

Mr. M. Davidson: Under the same listing the member for Windsor-Walkerville was looking at, could you explain the amounts that are going to be spent or the program that is going to be taken in the Kitchener county courthouse—first floor reorganization? And is that the new courthouse that just opened recently?

Hon. Mr. Henderson: We will have to get that, Mr. Chairman.

Mr. Deputy Chairman: Shall item 2, vote 803, carry on the understanding the minister will supply the information requested?

Some hon. members: Agreed.

Item 2 agreed to.

Vote 803 agreed to.

On vote 804, supply and services program:

Items 1 and 2 agreed to.

On item 3, printing and stationery services:

Mr. Ruston: Mr. Chairman, the ministry in the past has been trying in some ways to reduce the number of its forms and, to some extent, the number in government at all levels. A few years ago, I believe the number was around 50,000, and they reduced it to 46,000. I'm just wondering what progress is being made in retiring some forms and amalgamating some others, and whether the ministry is finding that it's making any particular savings in these.

Everyone is concerned about the number of forms that governments use, because it sometimes seems that they multiply by themselves.

This was discussed a few years ago, I believe. I'm just wondering if this is a continuing thing and whether the ministry is making any progress in it.

Hon. Mr. Henderson: I would respond this way, Mr. Chairman: We started this program back in the early 1970s. We are working with other ministries in trying to develop a common form that will serve a group of ministries instead of individual forms for each ministry. We are making progress, but I don't have the figures here this morning to be able to tell the hon. member what the actual reduction is. I would leave it at that except the hon. member requests more information. He knows the number of forms we have; he mentioned it. We have certain people working on this all the time.

Mr. Ruston: At one time, I believe, the Ministry of Health had around 6,000 different forms in conjunction with the study being done in Government Services. I'm wondering if there's anything specific to report on that particular one.

Hon. Mr. Henderson: Mr. Chairman, the only forms I am involved with are the ones where there is a multiple of ministries. The ones the member refers to, the 6,000 of the Ministry of Health, I would not have jurisdiction over. But I do know that the Ministry of Health is also working towards this end.

Perhaps the hon. member will remember the suggestion in the Throne Speech that we're reducing overall our needs, regulations and what have you. Also, I believe there was an announcement a week ago or so about the member for Lanark (Mr. Wiseman), who is the Minister without Portfolio, being appointed as chairman of a committee, with

the member for Humber (Mr. MacBeth) and the member for London South (Mr. Walker) on the committee, to review all forms of this nature in all ministries, and to report back by the end of this year.

Item 3 agreed to.

On item 4, collection services:

Mr. Worton: Mr. Chairman, would the minister describe the collection services? What do they do and what are their responsibilities? Also, what are they collecting?

Hon. Mr. Henderson: For the collection services activity the budget is estimated at \$283,200. The classified staff is 14 man-years. The unclassified staff is two man-years. The goal is to provide a complete central collection service to all ministries for the collection of debts owed to the Ontario government on a profitable basis where collection efforts in the ministries have been exhausted. The activity will provide central collection service for ministries and agencies of the Ontario government, administrative support and direction for special services branch of the ministry. These are some of the significant issues. Due to the existing backlog of 15 man-years of collection service accounts awaiting process in the legal branch, a special committee on collection activities recommended the return to client ministries of approximately \$1.7 million in accounts is uncollectable. This reduction will be offset by an anticipated growth in new accounts of approximately \$1.775 million. The net effect will be a reduction of \$1.5 million in outstanding accounts.

Mr. Worton: You are saying that is for all government agencies, except the Attorney General's department in regard to unpaid fines. Are you collecting for Community and Social Services or is this for debts owing for projects under Government Services? Give us maybe a brief outline of what ministries you are collecting for and some of the things you would be collecting.

Hon. Mr. Henderson: These are uncollectable grants. Student loans are in it. I can think of one that has caused me some concern personally in my own riding. That is the adverse weather grants to some farmers who were not successful and were not able to pay them. Now it's come back to haunt them.

Mr. B. Newman: What about first-time home buyer grants?

Hon. Mr. Henderson: We don't have them. The department concerned goes through a process of collection. When they get to the point they feel they have exhausted the process, they are turned over to our department.

Mr. B. Newman: You're the court of last resort.

Hon. Mr. Henderson: That's more or less the case. Then, as I mentioned, we will turn close to \$2 million back in accounts to the departments to tell them the process is exhausted. They, in turn, will have to write them off. I could list some of them here, though these are old figures: Colleges and Universities, Ontario Career Action, \$1,005.95; Agriculture and Food, beef heifer program, \$24,847; Solicitor General, miscellaneous, \$60.33; Agriculture and Food, IMPIP, \$34,000; Agriculture and Food, provincial-federal, adverse weather—that's the one I referred to—\$8,000. I could go on. If you want it, I will read it. It's a full page. If you want to look at it, that's fine. I don't think we should take up the time now.

Mr. Worton: I mentioned the Attorney General's department.

Hon. Mr. Henderson: That's \$60.33. I can't tell off-hand what it is for but that's all it is. I might say it's the lowest one. No, there is another one from the Attorney General for a few dollars.

Mr. Worton: We have now adopted a program where, if you don't pay your fine, you have a possibility of losing your licence. In fact, you do. You are not involved with that program, are you?

Hon. Mr. Henderson: No, but I don't believe the program you mention is in full effect yet, is it?

Mr. Worton: Quite a few of my residents phone me up and say they are in jail and have lost their licence.

Hon. Mr. Henderson: I thought it was the member who sat down ahead of you who had that problem a few months ago with his licence and his driving activities.

Mr. Worton: No, generally, when my friends go to jail there is some other reason too. I understand there was one family with some \$12 million in fines that were outstanding. They may now pick a driver up for non-payment but I thought that was through the Attorney General's collection agency.

Hon. Mr. Henderson: Apparently I didn't make myself completely clear. The department concerned, whether it be Agriculture and Food, Attorney General or Colleges and Universities, does everything it can to exhaust the process. They go to the dead end. Then when they give up the idea that it can be collected, they hand it over to us as the last post. So we would not be aware of

this \$12 million. We're only aware of through the same sources.

[12:45]

Mr. Worton: When it gets to you it is pretty well like getting blood out of a stone, eh?

Hon. Mr. Henderson: Pretty well. Yes, you've guessed it right.

Mr. M. Davidson: I must apologize to you, Mr. Minister. I was in conversation with my colleague from Algoma (Mr. Wildman) when you read out the student loan portion of that list and I didn't catch the amount that came under student loans.

Hon. Mr. Grossman: You will have to read it in Hansard if you don't pay attention.

Hon. Mr. Henderson: "Colleges and Universities, Ontario Career Action: Original amount of debt was \$835.95. The amount outstanding as of May 31, 1977, was \$1,005.95. Colleges and Universities, Ontario student loans, the original amount was \$7,725.53. As of May 31, 1977, it was \$7,916.26. Colleges and Universities Experience '75, \$23,127. As of May 31, 1977, it was \$23,854.50. Colleges and Universities, student loans, \$54,181.09—I don't have the year here, but the amount outstanding as of May 31, 1977, \$50,415.49. Education, student aid, \$87,172.49; outstanding as of May 31, 1977, \$39,976.88.

That is an example that was handed to us. As the hon. member suggested, it is almost a dead end now. We had \$87,172.49 handed to us. That has been reduced to \$39,976.82, so there was a fair piece of money collected there.

Colleges and Universities, graduate fellowships was \$28,092. The amount outstanding in May, 1977, \$14,332. That was another fair piece of collection. Colleges and Universities student awards, \$1,945,871.06. I'll stay away from the hundreds just so you can digest the bigger figures. The amount outstanding as of May 31, 1977, was \$1,465 million. So you see, we collected about a half a million bucks because it's under \$1.5 million there. So at a cost of slightly under \$300,000, it is paying big dividends.

Mr. M. Davidson: The reason I asked for some of those figures, Mr. Minister, was that in the public accounts committee, it was recommended by the auditor and, I think by the public accounts, that some of these debts, particularly relating to student loans, go back, I believe, into the 1959 area.

Hon. Mr. Henderson: Mr. Chairman, we in our department who are here this morning

don't have that information. It might well be. You would get that through the public accounts better than through our department.

Mr. M. Davidson: But the amount of money that was owed in that category was very considerable and I'm very pleased to see that you are taking some action in this direction and are making some recovery of the money that is outstanding. When you find someone, for example, who has held a loan, say, since 1965 and has made no attempt whatsoever to make any repayment to the government, is interest charged on that money?

Hon. Mr. Henderson: Mr. Chairman, I am only speaking from memory. As I remember the student loan program, the interest starts once school ceases.

Mr. Worton: It is news to me that you have that responsibility, and evidently your ministry is doing a good job under the conditions when it has gone through all other ministries first before it gets to you. However, I always had the impression that somewhere along the line the federal government had backed these loans, and I have had cases where it has also taken action.

The other thing I would like to raise, Mr. Minister, is the fact that last night I spoke with a young lady who had been to both the Minister of Culture and Recreation (Mr. Welch) and the Minister of Colleges and Universities (Mr. Parrott) about a grant she had been given in 1973-74 and they have now asked her for repayment of some \$1,400. The unusual part about it is they have still made another grant to her this year and she has no way of meeting these obligations. Where do you enter into it with the federal government in regard to collections?

Hon. Mr. Henderson: I am not in a position to answer that. Maybe I should be, but I will be very honest with you, I have not been involved in those negotiations. I would suggest that you ask the Minister of Colleges and Universities or even the Treasurer (Mr. McKeough). It doesn't come under our department. I can't answer your question. It is not under our jurisdiction.

Mr. M. Davidson: Regarding the money that the province provides through the student loan programs, would all of the money that was outstanding and that had been owed, say, for two years, be recorded under those figures now, or would the ministry still be attempting to recover some of that money?

Hon. Mr. Henderson: Mr. Chairman, the ministry only gives to us what it thinks is

not recoverable, so again I can't give you a straight answer. I wish I could, but I really can't. If they think there's a chance of collecting some, they keep it until they exhaust their means of collections. I can't give you a positive answer. I think you understand that.

Mr. B. Newman: Is there no fixed period of time in which the ministry attempts to collect the money? For example, say the Ministry of Colleges and Universities might have eight years or so to collect the funds and when it can't collect them, turn them over to you. There's no such period as that, is there?

Hon. Mr. Henderson: Not to our knowledge. You would think that maybe seven years would be a logical time, but I would think that as long as they are able to collect some they will keep it within their department. Some of them turn them over after six months. Some are written off. Where the individual has gone into receivership or something, the department would be quick to realize that it is not going to collect and it turns them over to us immediately. We do get some at six months.

Mr. Worton: You are the chief bill collector of the province, eh?

Item 4 agreed to.

On item 5, vehicle repair and trucking services.

Mr. M. Davidson: I see there is quite an increase in the estimate for this year over last year, and I am just wondering what the reason for that would be.

Hon. Mr. Henderson: Under our present procedures all recoveries from all departments go to the Treasury. And in this particular case, Treasury is getting some of the recoveries. So that automatically puts our expenditure higher. It makes a difference in the total changes of \$59,900; the \$9,900 is increased cost, the \$50,000 is accounting.

Mr. B. Newman: Vehicle repair and trucking services is only dealing with vehicles belonging to your ministry, or do you do some vehicle repair for other ministries?

Hon. Mr. Henderson: There are other ministries associated with this. Not the Ministry of Transportation and communications. There are some others; I don't have them all here this morning. Could we get that to you?

Mr. B. Newman: The reason I ask is that I wonder why this wouldn't have been done under the Ministry of Transportation and Communications rather than your ministry. I

would think that they have so much to do in there, that maybe the necessary equipment plus the expertise would be a little greater with them than it would be with your ministry; unless you have sufficient work there and too much work is being funnelled to the Ministry of Transportation and Communications. Maybe when you concentrate it in one ministry, there is greater efficiency and greater productivity.

Hon. Mr. Henderson: We have a repair and service centre at Mimico. It is very convenient for the people who are downtown to go there for their repair service. I couldn't disagree with your suggestion that it perhaps should be under Transportation and Communications; but it is under our ministry, and the reason is for the availability of it here in Mimico.

Mr. B. Newman: You generally have to carry such an inventory of certain types of parts when you are in the repair business, that if it is concentrated in one ministry I would think it would be more efficient and more practical. I know that you will use your good judgement in deciding.

Hon. Mr. Henderson: Your recommendations will be considered. As I say, I can't differ with you; I couldn't argue with you over the point.

Item 5 agreed to.

On motion by Hon. Mr. Henderson, the committee of supply reported certain resolutions.

On motion by Hon. Mr. Grossman, the House adjourned at 1 p.m.

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- Bennett, Hon. C.; Minister of Housing (Ottawa South PC)
 Bolan, M. (Nipissing L)
 Bradley, J. (St. Catharines L)
 Breithaupt, J. R. (Kitchener L)
 Campbell, M. (St. George L)
 Cassidy, M. (Ottawa Centre NDP)
 Conway, S. (Renfrew North L)
 Davidson, M. (Cambridge NDP)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Deans, I. (Wentworth NDP)
 Drea, Hon. F.; Minister of Correctional Services (Scarborough Centre PC)
 Eakins, J. (Victoria-Haliburton L)
 Eaton, R. G. (Middlesex PC)
 Edighoffer, H.; Chairman (Perth L)
 Foulds, J. F. (Port Arthur NDP)
 Germa, M. C. (Sudbury NDP)
 Gigantes, E. (Carleton East NDP)
 Grossman, Hon. L.; Minister of Consumer and Commercial Relations
 (St. Andrew-St. Patrick PC)
 Handleman, S. B. (Carleton PC)
 Havrot, E. (Timiskaming PC)
 Henderson, Hon. L. C.; Minister of Government Services and Chairman of Cabinet
 (Lambton PC)
 Kerr, Hon. G. A.; Provincial Secretary for Justice and Solicitor General (Burlington South PC)
 Kerrio, V. (Niagara Falls L)
 Lane, J. (Algoma-Manitoulin PC)
 Lewis, S. (Scarborough West NDP)
 MacDonald, D. C. (York South NDP)
 Mackenzie, R. (Hamilton East NDP)
 Makarchuk, M. (Brantford NDP)
 Mancini, R. (Essex South L)
 McKeough, Hon. W. D.; Treasurer, Minister of Economics and Intergovernmental Affairs
 (Chatham-Kent PC)
 Miller, Hon. F. S.; Minister of Natural Resources (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Newman, B. (Windsor-Walkerville L)
 Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Norton, Hon. K.; Minister of Community and Social Services (Kingston and the Islands PC)
 O'Neil, H. (Quinte L)
 Reed, J. (Halton-Burlington L)
 Riddell, J. (Huron-Middlesex L)
 Rotenberg D.; Deputy Chairman (Wilson Heights PC)
 Ruston, R. F. (Essex North L)
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Stephenson, Hon. B.; Minister of Labour (York Mills PC)
 Stokes, Hon. J. E.; Speaker (Lake Nipigon NDP)
 Swart, M. (Welland-Thorold NDP)
 Taylor, G. (Simcoe Centre PC)
 Warner, D. (Scarborough-Ellesmere NDP)
 Wells, Hon. T. L.; Minister of Education (Scarborough North PC)
 Wildman, B. (Algoma NDP)
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