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Jeudi 20 février 2003

**Standing committee on
public accounts**

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Provincial Auditor:
Ministry of Natural Resources

**Comité permanent des
comptes publics**

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Chair: John Gerretsen
Clerk: Anne Stokes

Président : John Gerretsen
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMITÉ PERMANENT DES COMPTES PUBLICS

Thursday 20 February 2003

Jeudi 20 février 2003

The committee met at 1009 in room 151, following a closed session.

2002 ANNUAL REPORT, PROVINCIAL AUDITOR MINISTRY OF NATURAL RESOURCES

Consideration of section 4.13, forest management program.

The Chair (Mr John Gerretsen): Good morning, everyone. I would like to call to order the standing committee on public accounts. This morning we are dealing with the follow-up report relating to the forest management program in which the Ministry of Natural Resources is involved. We have with us today the deputy minister, Mr John Burke. You have a number of other people within your delegation as well. Welcome to our hearings.

You'll be given about 15 to 20 minutes for an opening comment or statement. That will be followed by questions from members of the various caucuses. Go ahead, sir.

Mr John Burke: Thank you very much, Mr Chair, and members of committee. My name is John Burke. I'm the Deputy Minister of Natural Resources. I want to thank the committee for providing me and my colleagues the opportunity to meet with you and update you on the progress we've accomplished within the ministry with respect to the recommendations of the Provincial Auditor and those made the last time we were here, by the public accounts standing committee, dealing with the forest management program. We value and appreciate both the work of the committee and of the auditor as valuable contributions to improve the effectiveness and efficiency of our efforts in managing the province's forest resources.

Joining me this morning are Mike Willick, the assistant deputy minister of our forests division; Bill Thornton, the director of the forest management branch; and Frank Kennedy, the director of our science branch. Following my opening remarks, my colleagues and I will be happy to respond to any questions you may have on these various matters.

As you know, the Ministry of Natural Resources is the steward of Ontario's provincial parks, forests, fisheries, wildlife and mineral aggregates, petroleum resources, crown lands and waters, which make up 87% of the

province. The responsibility for managing crown forests rests with the ministry. This is a responsibility which we of course take very seriously. After all, there are over 40 communities in Ontario whose economies are largely dependent on the forest products industry as their principal source of employment. The Ontario forest product industry in 1999 had shipments of forest products valued at nearly \$16 billion, with exports accounting for more than half of that number.

We at MNR strive to achieve the balance between the economic, environmental and social considerations. This is what we call sustainable management of our resources. For example, each year in Ontario only about one third of 1% of the total forested areas is harvested for timber. Most importantly, all areas harvested on crown lands must be regenerated by the industry itself.

Forest management is all about managing natural ecosystems, and as you know, these systems are subject to many natural disturbances far beyond harvesting; things like fire, insect damage and weather.

The balance has also been achieved through Ontario's Living Legacy. This is an historic initiative that builds on Ontario's long tradition of outstanding outdoor recreation, while providing security and business benefits for forestry, mining and resource-based tourism. As many of you know, Ontario's Living Legacy will result in the creation of 378 new parks and protected areas. The province, through Ontario's Living Legacy, has already regulated 171 of these new parks and conservation reserves to date. Regulating these areas ensures their natural, cultural and recreational features are now protected, and of course protected into the future.

I would now like to turn attention to the reason we're here today and provide you with some additional background. In the spring of 2000, the Provincial Auditor reviewed the forest management program and released a special report outlining 10 basic recommendations for business improvements. As a result, MNR developed an action plan to address those recommendations.

Additionally, in March 2001, we had the opportunity to appear before this committee to discuss the findings and actions taken to this point in time. The committee subsequently outlined 13 other recommendations on top of those outlined in the Provincial Auditor's report. We responded to those in a report tabled in the fall of 2001.

In February 2002, about a year ago, the ministry provided the Provincial Auditor's office with a progress

report detailing the status and actions taken to address the recommendations and the matters raised in the audit. MNR's progress was included and is well documented in the Provincial Auditor's follow-up in his 2002 annual report.

Recommendations in the Provincial Auditor's annual report often provide us with an opportunity to see how we can improve our current practices and implement these changes. We have taken the same serious approach with the recommendations made by this committee now almost two years ago.

To provide you with an overall picture of MNR's progress, I'll begin by reviewing the recommendations in the Provincial Auditor's 2002 report, the standing committee's report of about two years ago, and a brief status as to where we stand on all of this as of January this year.

Let me take you through each of those recommendations of the Provincial Auditor.

Recommendation 1 dealt with the completion of annual reports on a timely basis. This has been implemented completely.

Recommendation 2, on assessing forest renewal, was implemented.

Recommendation 3, on forest information, was implemented.

Number 4, on planning and harvesting, was implemented.

Number 5, regarding sustainable management and optimization of economic opportunities, was implemented.

Recommendation 6, on forest renewal and maintenance, was implemented.

Number 7, regarding compliance inspections, was implemented.

Number 8, on enforcement activities, was implemented.

Recommendation 9, regarding forestry trust, was implemented.

The 10th recommendation, about maximizing revenue, was implemented.

Let me now turn my attention to the 13 recommendations from this committee which we were directed to act on two years ago.

Number 1 dealt with the scheduling of the release of annual reports. Those have been implemented.

Recommendation 2, regarding the independent forest audit process, was implemented.

The third recommendation, regarding the reporting of harvest area renewals and annual reports, was implemented.

The fourth recommendation, regarding forestry information, was implemented.

Recommendation 5, on planned and actual harvest levels, was implemented.

The sixth recommendation, regarding mill licensing procedures, was implemented.

Recommendation 7, which deals with the review of the new compliance reporting system, is in progress, so it's partially implemented. The resulting enhancement to

the system will be fully available and functional in fiscal 2004-05.

Recommendation 8, about providing historical compliance information to the forest industry, was implemented.

Recommendation 9, on provincial standards for compliance inspections by the forest industry, was implemented.

As for recommendation 10, we carefully considered what the committee had requested but have not instituted a third party review of the ministry's risk-based strategy for compliance monitoring at this time. We've indicated that to the standing committee.

Mr Gilles Bisson (Timmins-James Bay): This is in regard to licensing?

Mr Burke: Mill licences, yes. We have, however, instituted a risk-based approach, as was recommended by the Provincial Auditor.

The 11th recommendation, to complete a follow-up review on compliance and enforcement—this relates to 1999—was implemented.

The 12th recommendation, to review record keeping on enforcement, was implemented.

The last recommendation, number 13, regarding monitoring forest renewal trust accounts, has also been implemented.

I'd like to take a few moments now just to elaborate on the progress made on these recommendations in the following areas: forest information and compliance, reporting, auditing, forest operations and efficient management.

With respect to reporting requirements, the Provincial Auditor pointed out that the ministry should report annually on the management of crown forests, as required under the timber class EA, so that the public is informed in a timely manner. The ministry renewed its efforts to produce these annual reports on forest management, tabling three outstanding reports shortly after the audit recommendation, and has kept all subsequent reports on schedule. I'm also pleased to report that the five-year State of the Forest Report was completed as planned in 2001, tabled and then released to the public in March 2002. Timeliness was a concern of the standing committee, and certainly ours, and we remain committed to maintaining that more timely schedule.

MNR has also undertaken several communications initiatives to ensure that both forest industry partners who are required annually to submit field information and MNR staff who review and approve the field information are aware of the importance of the timely submission of reports.

An internal MNR protocol, which we call the annual report preparation and review protocol, was revised in November of last year. It has been developed by MNR to assist us in the forest industry in clearly understanding the full reporting requirements and associated deadlines and the review process. Training, which is an essential piece of this, was provided to forest industry and MNR

field staff last fall, when the revised protocol was implemented.

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The ministry has also taken steps to ensure that forest managers for each management unit comply with their reporting obligation and renewal activities. In addition to the forest management planning manual, which requires forest managers to indicate their planned and actual renewal activities and assessments through forest management plans, annual work schedules and annual reports, MNR also completed the forest information manual in April 2001. It documents renewal assessment and reporting requirements. Both manuals are regulated under the Crown Forest Sustainability Act, which of course includes provisions for their enforcement.

Another manual, the Silvicultural Effectiveness Monitoring Manual for Ontario, was released in November 2001, and it describes the requirements and expectations regarding objectives, standards-setting, survey methodologies, compilation, analysis and reporting of silviculture effectiveness.

Implementation and training of both the MNR and sustainable forest licence holder staff in the requirements and use of newer manuals commenced in 2001 and of course is ongoing.

Specifically in response to the standing committee's comments, the annual report on forest management continues to summarize and compare harvest and renewal areas as reported annually by management units for a rolling five-year period. The report also includes results of renewal assessments summarized by administrative regions, a summary of fines and penalties related to compliance monitoring, and a provincial overview of actions taken. MNR continues to require independent forest audits to not only assess how well the forests are being renewed but also the level of surveys that are being conducted. When deficiencies are identified, they must then be addressed in action plans and acted upon within specific frameworks. Furthermore, the State of the Forest Report contains a five-year summary and an analysis of renewal results from annual and independent audit reports. The audit reports are used to evaluate how well the forests are being renewed and the level of survey activities that are being conducted.

I'm also pleased, in respect to the recommendations raised in the past, to report that the forest information manual was completed and approved into regulation on April 25, 2001, and builds upon the new business relations adopted with the forest industry in 1996. The manual describes the roles and responsibility of the forest industry and the ministry in relation to the exchange of information and information products between them. The information exchanged is for the purposes of forest management planning and ensuring compliance with the Crown Forest Sustainability Act.

In terms of forest operations, the auditor in committee also commented on the need to address variations between planned and actual harvest levels to ensure that forest management units are adequately and sustainably

managed. The fact that harvest levels have been lower than planned has in part allowed for and reduced the impact of expanding Ontario's system of parks and protected areas through Ontario's Living Legacy. The ministry has improved the reporting and analysis of planned and actual harvests. For example, ongoing training continues to emphasize requirements for a complete report of past forest operations. MNR also requires sustainable forest licence holders to report actual harvest levels each year, as well as to submit an analysis of significant variations in harvest levels at the end of each five-year plan term, through the report on past forest operations. MNR reviews these reports, as well as independent forest audits, to identify variances between planned and actual harvest. A disposition process to fairly distribute the available forest resources, in surplus or deficit wood supply situations, is of course in place.

You may also be interested to know that MNR is currently working on initiatives to allocate surplus wood for purposes of economic development in the province. The ministry has been aggressive in issuing two requests for proposals for the northeast part of the province to improve the utilization of low-quality, tolerant hardwoods and white birch, an announcement back in April 2001. These proposals have the potential to result in an additional \$160 million in new investment and more than 550 new mill and harvesting jobs.

The ministry was also asked to ensure that all operating mills are licensed, that the annual information reports are received in a timely fashion, and also that forest management plans adequately assess market demands of local mills. It was also asked to review its new procedures for the issuance of mill licences, taking into account company mergers and acquisitions and the extension of the licensing period.

MNR committed to providing a status report on the issuance of facility licences and completion of annual reports of annual returns to the standing committee on public accounts by April 2002. For various reasons, that deadline was unfortunately not met, and for that we certainly apologize to this committee. However, we are pleased to report that MNR has recently completed the subject report and has forwarded it to the clerk of the standing committee.

Work is progressing around the development and testing of computerized systems that will ensure the result of the automation of the facility licensing process and the ability to issue licences and track them on all our facilities in Ontario. Implementation is targeted for April 2003. In addition, a new system for submitting annual return information will be tested in April and implemented in September. So from a continuous improvement point of view, the ministry, as a matter of practice, continues to assess, review, fine-tune and refine procedures for issuing facility licences and receiving adequate and accurate annual returns, taking into account company mergers, acquisitions and the terms of the licences themselves.

As a result of the Provincial Auditor's recommendations with respect to forest renewal and maintenance, MNR has taken action to ensure that all sustainable forest licence holders comply with their forest renewal and maintenance obligations to ensure that they will be successfully renewed. The forest management planning manual requires forest managers to indicate their planned and actual activities through forest management plans. The forest information manual, which was approved earlier, includes renewal, assessment and reporting requirements.

The Chair: Are you coming to the end of your presentation, sir?

Mr Burke: I am indeed.

Adjustments have been made to the annual audit cycle, reflecting input received from the 2001 comprehensive review, the Provincial Auditor's report and this standing committee. Independent forest audit processes are now in place.

In conclusion, I am pleased to report that recommendations from the Provincial Auditor's report and those of the standing committee have resulted in the ministry completing a variety of initiatives to improve the efficiency and effectiveness of our efforts in managing the province's valuable natural resources. In closing, I would like to thank you, Mr Chair and committee members, for the opportunity to review and discuss actions and progress associated with this matter. I look forward to today's discussions and to answering any questions related to the forest management matter before us.

The Chair: Thank you very much, sir. We'll start the round of questioning today with the official opposition, the Liberal caucus. We'll have 20-minute rounds.

Mr Ernie Parsons (Prince Edward-Hastings): I'm not an expert on the forest industry. I wish I knew more than I do, because I recognize its key economic value to this province, so some of my questions that reflect forest management will have been brought to me by constituents.

Private landowners in this province can enter into a managed forest agreement, where they retain a professional forester to evaluate, and in return for their commitment to manage the forest they receive a tax rate that is 25% of the residential rate; is that correct?

Mr Bill Thornton: That's correct.

Mr Parsons: I suspect you've had a lot to do with that initiative, and I applaud it. I guess my concern is that over the last year, the Municipal Property and Assessment Corp has basically undone everything you've done. I realize they're a separate body, but they are in fact a creation of this government. I have had a multitude of individuals coming in to see me where MPAC has gone in and increased their assessments by 150%, 275% or 400%. Now, I understand that the premise for the evaluation was that it was assessed as a woodlot, not that it could ultimately grow cottages or be a housing subdivision. But from what I could find out in the last year, MPAC has come in and assessed it at its highest

and best use and not as a managed woodlot, particularly where it has waterfront on it. In my mind, the waterfront doesn't substantially increase the value of the trees on the property. There used to be a banding where they said, I think, that 208 feet was assessed at one rate. I guess my question to you is, given that MPAC is removing every incentive to protect and manage a forest, what is MNR doing?

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Mr Burke: Let me begin by saying that, having spent about 29 years of my public life in local government, I know exactly the issues you talk about, and certainly the issues that have been raised by MPAC's policies and procedures essentially acting somewhat counterproductive to what we want to accomplish. There was a review of this very topic undertaken by government, as you probably know, and the points you have raised, along with many others, were also raised by people.

For those on the committee who may not know a lot about this program, it was really introduced to bring greater fairness to the property tax system by valuing forest land according to its current use. Reductions in property taxes were then available to property owners, provided that they did managed forest plans, submitted those plans and had them properly approved.

There were significant issues raised around tax assessments. We have communicated, through the various people and stakeholders who have indicated to us their levels of concerns as well, our concerns to the Ministry of Finance, which has carriage of this issue insofar as government is concerned. We as staff continue to work closely with the Ministry of Finance to ensure that they understand the level of issues that are being raised, the impact on those owners and the need to have some mechanisms put in place so that those promised savings are in fact realized. It's a bit of a work in progress right now, and I guess time will answer the question for all of us appropriately. But we have certainly carried those concerns forward to the appropriate authorities, and hopefully we will get the resolution we all seek on this.

Mr Parsons: But in the interim, some of the owners are having difficulty paying the taxes. The incentive is to take it out of that. The tax rate reduction is absorbed by the municipality; is that correct? It's not a grant to the community to cover the 75% loss. MPAC, rather than being provincially controlled, is now municipally controlled? Is there a correlation between those two things?

Mr Burke: Having lived that life on that side, I think there probably is. The board of directors, as you properly point out, is made up largely of people who represent the municipal interest, and they certainly will practise whatever it takes to ensure they don't lose any revenue.

Mr Parsons: I think this is a very big issue for rural Ontario. My understanding is that the Ministry of Finance is saying MPAC is at arm's length. I wish you luck, and I appreciate your doing some work on it. I think it is a major, major issue that puts our forests at risk.

The second question: I worked for the Department of Highways many, many years ago, and I learned fairly quickly—

Mr Bisson: When there was one.

Mr Parsons: There was a Department of Highways, and in fact at that time there were highways that were provincially—

Mr Bisson: There was actually staff there.

Mr Parsons: There actually was, yes. I was very proud of that ministry when I worked with it. But I grasped fairly quickly that there is a profound difference between a tree located on Yonge Street and a tree located in the middle of the forest in North Hastings. It's like real estate: location is the whole thing.

There is always pressure on municipalities to bring in bylaws to preserve trees. Some municipalities do in fact bring in their own bylaws that restrict tree-cutting or the size of a tree. It's very tempting to them, sometimes, to restrict tree-cutting based on trunk diameter, strictly stump size and over. I've never actually come across any that also include the spread of the tree, where the regrowth has an effect on the forest and animals in it and so forth.

Your ministry has legislation in place that allows municipalities to bring in their own tree bylaws, and yet there is no restriction on municipalities as to what the bylaw would be. I guess my challenge to you is that if you're interested in the trees in Ontario, you should be interested in municipalities passing legislation that is contrary to the ministry's belief and philosophy.

Mr Burke: I think you're partially right in terms of municipalities being able to pass tree bylaws. But they're no longer required under any MNR legislation to do that. That was changed, I believe, a year ago or so under the new legislation for municipalities. The tree-cutting bylaw permissiveness is now contained in that, not under any legislation that's governed by MNR.

Having said that, MNR is interested in ensuring that the tree cover is well-preserved and well-protected. We have made available to the Ministry of Municipal Affairs our views, suggested policies and the manner in which bylaws can be structured so that they do create the desired result of protection. But that is about the extent of our role right now; it is not as it used to be just a short time ago, actually.

Mr Parsons: The ministry no longer has to sign off on a municipal bylaw.

Mr Burke: That's correct.

Mr Parsons: But they're still free to make it.

Mr Burke: Yes, and the idea of having a bylaw is still, of course, well-entrenched.

Mr Parsons: I'm wondering if I could suggest that, at the very least, you prepare a template of some form for municipalities to follow. If they have the latitude to do it, more power to them, but perhaps you could provide some direction and, as I said, a template for them to follow.

Mr Burke: I will certainly take that matter up with my deputy colleague at municipal affairs and see what can be developed for that purpose.

Mr Parsons: I think my third question falls within your area. I'm going to give you a brief synopsis as I understand it, because it is a very complex issue: the Grassy Narrows native band. We have a band that was unfortunate enough to initially be located on land that contained gold. It being crown land, they were moved from there to an area on a river. They did not have access to or claims on the gold or mineral rights to it. They moved them to a river—now, this is a band that hunts and fishes—that is full of mercury, as you will recall from 20 or 25 years ago, when we had the mercury poisoning.

Interjection: Minamata.

Mr Parsons: Right. That precluded the fishing part, but it left the hunting part for them. As a ministry, you now are approving all of the trees being cut down around them. Now, if you hunt and fish and there is no water and there are no trees, it makes it pretty tough.

Mr Richard Patten (Ottawa Centre): Yes, I guess.

Mr Parsons: They have their area, but all around them the trees are being wiped out, and for some reason animals don't like to live in open fields; it's a peculiarity on their part.

Mr Bisson: Humans do.

Mr Parsons: Humans don't want to live in the clear-cut where this has gone.

Mr Bisson: Some cottagers cut all the trees. That's what I would think it is.

Mr Parsons: It may be a native affairs issue, but I think it's an MNR issue: that there's no recognition of the effect on a native band; that you're party to destroying their way of life.

Mr Burke: There certainly have been some issues associated with Grassy Narrows First Nation, and I'm sure you're well aware of some of the blockades that have taken place, I guess to express their point of view around this. I should point out that, in the area in which forestry operations are taking place, they're taking place appropriately. The area is under licence. There were forest management plans put in place. Forest management plans, by their very nature, include an extensive amount of consultation, discussions, more rounds of consultation. Those included those First Nations communities. So to block, on the basis of a protest, a legal activity that's taking place on those lands is a practice that we have seen carried out, but I think it's important to recognize that indeed those are legal activities that are taking place there.

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Despite all of that, MNR does work closely with all the affected stakeholders. Abitibi-Consolidated is the licence holder and does the work on that particular licensed area. We have tried to broker some peaceful discussions between the band and industry, which is our normal role under those circumstances, and we continue to do that. Sometimes that makes us a bit of the meat in the sandwich, as they say; nonetheless, we think that's a legitimate role for MNR to play and be involved in.

We can't turn back the hands of time in terms of what has taken place in those communities, and I certainly say that acknowledging the points you've raised, but we are working with all of the stakeholders there to try to resolve the outstanding issues. We believe the forest management planning that has gone on there is sound and appropriate.

Mr Parsons: You are continuing to consult with the parties, but at the same time the trees are continuing to be cut down.

Mr Burke: Legally.

Mr Parsons: Well, because you granted a licence for it. Consultation in the form of, "We're going to cut down your trees. How do you feel about that?" isn't consultation.

Mr Bisson: Especially if you're the tree.

Mr Parsons: Well, I find this far more serious than the bureaucratic, "We're going to meet and discuss it."

You mentioned, I believe, in the beginning that the trees that were cut last year in Ontario represented one third of 1% of the trees?

Mr Burke: One third of 1% of the total forested area.

Mr Parsons: What is so special about the trees around Grassy Narrows? If we're only doing one third of 1%, it would seem to me there have got to be an awful lot of trees in other parts of Ontario that could be cut without destroying this way of life. Granted, it may be more haulage; granted, it may be a nuisance. But for the people of Grassy Narrows, if the trees are gone before your consultation is finished, how many years are we looking at for their way of life to return? Five or 10? No. A couple of generations? Yes.

I don't believe consultation is meaningful if you've already started the process. The licence is granted, the trees are coming down: "Let's talk about it."

Mr Burke: If I can just clarify our process, we don't start cutting trees down until there is a forest management plan in place, and that, by its very nature, includes consultation up front. We don't cut the trees down while we talk to people about what the forest management plan ought to look like. We do this in advance of starting those operations. While it's true that circumstances can change, so do forest management plans change. They're not static forever and a day. They are renewed; they are revisited. New situations, new circumstances are taken into account. I'm sure in this particular case, when this plan is due to be renewed, we will go through this same cycle that we started with in the establishment of a licence and operations in that area.

I don't know if any of my colleagues here want to answer anything further to what I have said on that subject.

Mr Michael Willick: Maybe I could just add that I want to make sure all the members understand that we are not cutting all the trees around Grassy Narrows. There's a plan that has patches being cut around the community of Grassy Narrows. There are also plans that are renewing previous cutovers around Grassy Narrows.

So it's an ongoing management process. There's a vibrant forest out there around that community now.

Mr Parsons: I agree, and I think you should have left them alone.

You're not suggesting that they agreed, in your initial consultations, to the plan? You're saying you consulted with them. Are you saying they agreed initially?

Mr Thornton: No. In the process of preparing a forest management plan we have a duty to consult, and that duty has been fulfilled there, but that's different than seeking the agreement of any party, whether it's a First Nation or a cottagers' association or a resource tourism outfit or whatever the case may be.

Mr Willick: Or a forest company.

Mr Thornton: Or a forest company. We ultimately make that decision based on a variety of sources of input on how a plan should be carried out, and ultimately it's the Ministry of Natural Resources that considers all those elements and approves a forest management plan.

Mr Parsons: You consulted one party 100% and another party 0%. To me, that's not consultation or compromise. There are an awful lot of trees in Ontario, and I'm dismayed you picked those particular ones that had that effect. You would not have cut down the trees around Rosedale in Toronto. You would have consulted, and you would not have done it. There are two tiers. I'm sorry; I believe there are two tiers in Ontario now.

A quick question, Richard?

The Chair: You have two minutes left in this round.

Mr Patten: Deputy, I'm going to ask you to look into something on the wildlife side. On September 12, conservation officers raided an urban wildlife centre in Ottawa and went away with ferocious baby raccoons—34 of them—and a skunk or two. They went in Gestapo-fashion, with protective gear. They isolated the media from looking at the area. There were three women and one man in there—volunteers and two staff. They took away these animals on the basis that they were vector animals and a major threat to the public health of the citizens of Ottawa. It was the most embarrassing thing I've ever seen, Deputy, and I think you would have been embarrassed had you been there. It was a big story in Ottawa.

I've made representations to the minister and to people in your ministry, and got no satisfactory answers at all. There's never been one case of rabies in the Ottawa area at all—never one case. They took these babies and off they went. They're now in research labs. They divided them up. It's not the way to go.

They imposed certain restrictions that essentially meant this 15-year-old centre, which received no money from MNR—it receives money from the city of Ottawa and from citizens in the area to sustain helping out with animals, mainly orphans, tiny animals. The regulations that have been imposed now obviously say the ministry doesn't welcome that kind of partnership with people and effectively shut them down. There are many, many people who were totally dismayed at that.

Knowing your interest, I believe, I think you would want to take a look at that. I would welcome a report on the rationale and the position the ministry would take in further working with the private sector, which it is, partnering with people. It doesn't cost you anything. Here is a ready-made situation of people dealing with animals in the urban environment in the most responsible fashion, with veterinarians, etc—at no cost to MNR—destroyed, closed down. Our people are dismayed. If you want to comment today, that's fine, but I ask that you please look into this and provide some kind of report on just why this would happen. It is most embarrassing.

The Chair: Do you have any comments?

Mr Burke: Yes, I do, Mr Chair. I'm actually quite familiar with the centre, having spent some of my life in the Ottawa area, as I'm sure the member is aware.

I can't discuss the specifics of the enforcement matter. There have been charges laid. Those matters are before the courts and, I assume, will be disposed of by the courts in due course. So I have no choice but to say that we really can't talk about anything to do with that particular activity. However, I can make some general comments.

I can tell you that the ministry never has any intentions about shutting down wildlife rehab centres. They're an essential fabric of what takes place in various communities. Ottawa, along with a couple of other communities, has invested through the community, mainly through the municipal council, to provide some assistance.

The decision to close the wildlife centre was not made by the ministry; it was made by the centre itself.

Mr Patten: Forced by the ministry.

Mr Burke: They chose to do that. In that particular case, we did remove some vector species, mainly skunks, raccoons and foxes, but they made up less than 20% of the total animals that were in that rehab centre. The rest of the animals were in no way affected.

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Mr Patten: That's not correct. That's not true.

Mr Burke: Rabies, just so everybody knows, is potentially fatal, and we're taking the necessary steps to protect the public in that community and indeed in any part of Ontario where we feel there is a threat to the safety of our communities and the spread of those deadly diseases. Our approach is designed to spread; it's a preventive measure. I don't think we'd be thanked very much if we simply allowed rabies to spread, took no action to prevent that and then all of a sudden we had major health risks in our community.

On the issue of rabies management, Ontario is recognized not just as a leader in Canada but as a world leader. We have done a lot of research in this area. We know how those species migrate, we know how quickly they move from one place to another and we know about how long it takes to get from one location to another. The manner in which we designate new areas is really based on where we found the last one that had traces of rabies, and we put a circle around that. In this particular case, it started to include the new boundaries of the city of Ottawa.

But we have worked not just with our partners here, but we—

Mr Patten: That's not correct. There was not—

The Chair: Just a minute, Mr Patten. The deputy has the floor, and I think he should be allowed to answer.

Mr Patten: There's not one case in Ottawa, not one case.

Mr Burke: Our expertise has been recognized in New York, which is an adjacent state to the province of Ontario, and indeed there have been numerous cases reported there. Vermont, Pennsylvania, Ohio and West Virginia, as well as the province of Quebec, have all come to our ministry to help them deal with these particular matters. So although I can't speak about the details of the case before the courts, I can tell you that we take our role very, very seriously and it's all motivated around health, public safety—not just to people, but to the animals as well, all of the animals.

The Chair: You've gone a couple of minutes over, and we'll take that off the next round that the Liberals have. Mr Bisson, you're next.

Mr Bisson: Thank you very much and welcome to our workplace. First of all, just for the record, often the MNR is much-maligned, and I just want to say that I deal with MNR staff throughout my district on a regular basis, in my own riding and other ridings, and you have some pretty professional people working for you who do a really good job, considering how short-staffed they are. That's one thing I am going to talk about a little bit later, but I just want to say up front that you really do have some people who really give two hoots about what they do and they really try to do a good job, so pass that back on to them. They are valued employees. They do good work. We're not always happy with decisions of the MNR, but we understand that you're sometimes boxed into a position of having to be the stewards of the forests, and that means to say that there are a whole bunch of people who would like to have end use, if you know what I mean. Often, we may not be happy with the final outcome, but I just want to say that in dealing with people like Dave Scott, whom you know quite well—I think he's an outstanding manager, and I think he does a great job. He's good at consulting with the community. People like Mr Galloway and others—you really have some good people.

The other thing is that I would also like to give my condolences for the tragedy that happened last month. I knew some of those people. That was hard to take for the families and those people associated, but I know within the family of the MNR that it was pretty difficult to take. So our condolences go to you.

Boy, I'd love to take our time today to deal with a whole bunch of issues other than forestry, because there are a whole bunch of other issues I'd love to go into some detail on, but we have the forestry experts here, so let's deal with that. I'm going to start in maybe a bit of a reverse order. I want to talk a little bit about one of the changes that has happened to the way we dispose of

wood off of private land, with regard to a change that I think was made through one of the red tape acts.

There used to be a process where if there was patented land—for example, vet lots, private lots—and a contractor wanted to get access to that wood in order to cut it and sell it to whatever mill, the contractor would identify private land that was possibly available, either for sale or some sort of contract with the owner of the land, to cut the trees. If they came to an agreement, the contractor would go to the ministry, make application and then you would do a release of pine. Normally, that's the way it went. You didn't release all trees; you just released the spruce itself or whatever it was the person was trying to cut.

That process of being able to go into the ministry office in Timmins or Hearst or wherever it might be, make application and actually have a licence used to get done in one day. I remember when I was first elected back in 1990, we used to do a lot of that. Often people would go in, they'd make their application and they would get the release to cut the trees the same day. It has become a little bit more onerous over the years because of the reduction of staff. It took up to two to four weeks in the past. Now what's happened, because of the changes to the red tape act, people have had applications in there for over a year and a half and are unable to get their releases, which is a heck of a problem.

What I'm being told by your staff is that part of the problem is that the regulatory change puts the ministry in a weird position because they have to release all trees, as a question of liability, to the ministry, as to its other responsibilities vis-à-vis the forest.

Mr Thornton, you're director of forest management; you're probably on top of this. When can we expect that there's going to be a resolution to the issue of the release of trees off private land, considering where we're at? There are a lot of people out there who are pretty upset about that.

Mr Thornton: It's a good question; it is one that we're familiar with. Just to give the committee some sense of the unusual situation that we're describing there, this is a situation where although the land is privately held, the trees on that land may belong to the crown. Even more strangely, only certain species of trees on that private land may belong to the crown—pine trees, for example. This goes back to the days of the settlement of the province, where pine trees were reserved for the masts in the sailing ships of Her Majesty's fleet.

Mr Bisson: I'm glad you know that. Not a lot of people know that's where it comes from. Good for you.

Mr Thornton: Those conditions have carried forward for many years on those properties. To make it even more complicated, even though the crown owns some or all of those tree species on this private land, in some instances we do—in others, we do not—have permission to enter into forestry and undertake forest renewal activities once those trees are harvested. So that's the hodgepodge that we've inherited, and you're correct: those are largely on veteran lots, as they're called.

The Chair: Could I just ask a question here? Do I understand that in effect the crown excluded these trees from the grant that was given to the private owners?

Mr Thornton: In many instances that was the nature of the grant itself. These were grants made to war veterans, usually of the Boer War, and those conditions have perpetuated. So that's the very unusual nature that we find ourselves in.

You are correct. It is taking more time to get those releases and that's something we need to put more effort toward. What we would like to do is, frankly, in many cases, get out of the business. We think it's a very complicated arrangement where a landowner owns land but not the trees. We would like to see a situation where increasingly those trees are released from the crown—in essence, purchased by the property owner—and then we also dissolve ourselves of the obligation to undertake forestry and to renew those areas once harvested. So that's, in general terms, the direction we're moving in.

Where we do have in some instances a high concentration of crown timber on private land, there is an effort to try to manage that in a more comprehensive fashion to provide a wood supply for the local areas, and I think particularly of the Kirkland Lake area, where we have higher concentrations of this.

So that's the dilemma we find ourselves in. In one instance, where these are isolated parcels of land, they're not contributing in a more comprehensive sense to a crown wood supply, we would like to get out of the business and have the property owner own those trees. In others, there is an argument to be made to provide a more comprehensive approach to managing that crown timber resource on the private lands.

What I will do, Mr Bisson, is get in touch with our staff in Timmins district, and I know some of the—

Mr Bisson: I've met with some of them already.

Mr Thornton: We'll try to put some further effort toward this.

Mr Bisson: There are some policy questions I have around your response, but let's first of all deal with the request. I have companies like Timmins Forest Products, Nadeau enterprises and others that I've been dealing with that have this problem.

Here's my problem. I understand that we're drafting a new policy, for the reasons that you've explained. But what's happening is that these particular businesses are caught up in the transition.

Mr Thornton: Yes.

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Mr Bisson: Whereas before, they used to be able to get the release, they're now not able to get the release on this land because of what you just explained. Is it possible, at the very least, to allow the releases to happen under the old policy until such time as you have actually done the work you need to do, to where it is that you're trying to be as far as releasing all the trees to the private lands, so that we can at least unstick these release requests? Is that a possibility?

Mr Thornton: I can't say for certain. I, like you, want to expedite this process, but at the same time I want to operate within the law in doing that. I will commit to put some additional resources towards trying to resolve this situation.

It's further complicated in issues of payment of crown charges associated with that crown timber as well—

Mr Bisson: We're going to get to that.

Mr Thornton: —and whether or not crown charges should be paid on those lands if the crown timber is being released. It's a complex piece of business. As I say, I'll undertake to follow up on that.

Mr Bisson: There's something I'm a little bit unclear on. Aside from the policy—we'll deal with that afterwards with regard to stumpage fees; we'll come to all of that later—what I'm having a bit of a hard time trying to understand is, how would the ministry be in contravention of anything if it followed its own old policy that was in place for a number of years? Is that the issue? Is there something that makes it that if you release the pine while you're developing a new policy, somehow you're not in compliance? I don't understand why you can't do that.

Mr Thornton: Some of the changes we are trying to bring forward will expedite that. It's a question of now being in this transition from old to new that seems to be slowing things down. As I say, we will put some additional resources to try to—

Mr Bisson: Can I ask you this, and what I'm looking for is a yes answer, by the way: can we at the very least give the releases as per the old policy for those people who have applications before the ministry now, until such time that you actually finish your policy?

Mr Thornton: I can't say categorically yes, because I don't know the peculiarities of each individual circumstance.

Mr Bisson: From a policy standpoint, what would prevent you? That's what we're having a problem trying to get our heads around. What prevents you from doing that?

Mr Thornton: I really can't give you a detailed answer right now, because that situation is so peculiar to the actual terms of a patent for the private land. That's the issue; we can't make a sweeping generalization as to how each individual case is going to—

Mr Bisson: Can I ask you this favour, then? This committee is going to be meeting for a while. Can you go away and talk to your people and come back and give me an answer for that?

Mr Thornton: I probably can't do it today. I'll certainly endeavour to do that within the next few days.

Mr Bisson: I'm sure you can make anything happen today if you want. I remember how it works.

Mr Thornton: I'd be more than willing to follow up within a few days.

Mr Bisson: You understand what my concern is. My concern is that these people have been in business for a long time and they've got an impediment now because of this policy change. The government's intention on the

Red Tape Commission was to facilitate the release quicker. The effect has been that it has blocked the release. So it's kind of hard, from their perspective, to go on and do what they've got to do with their own business when it comes to forestry activities. Where I'm having a problem—and in talking to local ministry people, they've been pretty good about this; they've been working with us to try to find a solution—is that I'm not sure if it's a question that if they tried to follow the old policy, somehow they would be in contravention. If that's the case, I don't understand why. It doesn't make any sense. Directly, what I'm asking is if you can get back to me. I'll leave you my number—

Mr Thornton: Sure.

Mr Bisson: —and you can get back to me. Can we unstick those applications that are there now? That's the thing.

Now, from a policy perspective, as I understand it on those vet lots, there is no requirement for reforestation. Am I incorrect in understanding that?

Mr Thornton: I can't say categorically without looking at the individual property itself.

Mr Bisson: There are a number of those privately owned lots that are owned by individuals, or vet lots, or old mining claims where there might have been a release needed for trees where, if the contractor goes in to cut, there's no obligation to reforest. Am I correct?

Mr Thornton: Yes. There are some situations as you've described.

Mr Bisson: And the sustainable forest redevelopment act does not require a forest management plan and reforestation as per the act. It doesn't include private land. So my question is, I'm correct in understanding there probably has not been any work done with regard to looking at legislation that would deal with good forest practices on private land because of the property rights issue?

Mr Thornton: Yes. To answer that question more fully, it's really a question of whether or not we have jurisdiction for privately owned timber on private land. The answer is no. To the extent there is any authority, it is authority, as the deputy has described, that passes through municipalities for bylaws.

Mr Bisson: I'm just going to walk this through the three different types of scenario. For the individual who owns the land outright, I understand why the ministry doesn't have a policy, because it would step on the person's property rights. But in those instances where a mining company has a claim and that claim has come to patent and you still own the trees, what prevents us from making sure that in those cases or in the case of vet lots there isn't some requirement to make sure good forestry practices go on on those lots? Is there an impediment?

Mr Thornton: This is the situation we've described in Kirkland Lake. We have some authority to do that under the crown forest act, I believe, because those are considered crown—

Mr Bisson: For the patented lots?

Mr Thornton: Yes, because I believe those are considered crown timber. I'll turn to Mr Kennedy here. I believe that is the coverage that the act provides.

Mr Frank Kennedy: It does provide for coverage for crown timber on crown lands, yes.

Mr Bisson: The question of lands that are owned by mining companies, they would also be viewed as crown land because you never release the wood, right?

Mr Kennedy: No, I believe that's incorrect.

Mr Bisson: I just want to make sure I understand, so help me out here.

Mr Kennedy: Just the crown trees.

Mr Bisson: That's right. So I did understand it correctly. Where I'm going with this is that one of the complaints you get from the people who do the cutting of the trees is that they're charged a full stumpage by the ministry. In fact, I think they're charged a bit more than you would be if you had a licence on crown land, if I understand correctly, right?

Mr Thornton: I don't know why they would be charged any more. If it's crown timber, the rate for crown timber applies equally on whether the land—

Mr Bisson: If there is no reforestation going on, the question is, why are we taking that part of the stumpage as revenue when there is no requirement for the ministry or that individual to do reforestation? Either we have a policy that we do the proper planning and reforestation—and take that charge and do as we do with current people who have a licence, which is, take that money and put it into a trust. If they do the job, fine, they get it back, and if they don't, we have the money to go out and fix the problem. Why don't we do that with those private lands if we're going to be taking that money into trust or taking that money as revenue?

Mr Thornton: Those are exactly some of the changes we've contemplating now that haven't made it through the system yet. We do agree that there are circumstances where a person could be paying a forest renewal charge for an area that would not be renewed. We need to examine the utility of doing that.

Mr Bisson: A whole bunch of policy questions come out of that. I think I understood what you said as being a little bit further than where I thought you were at the ministry. You're saying that the ministry, through this policy of releases—or is this a separate process?

Mr Thornton: It's all part of the same issue—

Mr Bisson: The same thing? OK.

Mr Thornton: —the question of whether it is reasonable to continue to charge a forest renewal component. Actually, it's more precisely the forestry futures trust component of that crown charge, where in fact there may not be renewal work or they may not be eligible for some of the monies they would pay into the trust.

Mr Bisson: So you're looking at having a separate stumpage fee for those types of forest activities based on whether you decide, yes or no, to force those contractors to live up to the Crown Forest Sustainability Act?

Mr Thornton: That's right.

Mr Bisson: So you may very well decide to reduce the fee.

Mr Thornton: That's under consideration. I can't say that will be the result.

Mr Bisson: No, no, it might go one way or the other. By when do you expect to have that decision made—ballpark? I'm not going to hold you to it to say May 2 or something.

Mr Thornton: It will be measured in months, not weeks.

Mr Bisson: That's what I'm asking.

Mr Thornton: Yes.

Mr Bisson: Is it not over a year?

Mr Thornton: Is it not over a year since—

Mr Bisson: No. Within a year you expect to have that decision made?

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Mr Thornton: I will do my best to do that within a year, yes. Remember, not all of this is within my control. Obviously if we're considering changes to either the act or its regulations, those require the involvement of—

Mr Bisson: I can report that back. I'm not putting words in your mouth. I just want to be very clear that the ministry in those cases is reviewing the whole policy of stumpage. You will either (a) come back and say, "We will reduce your stumpage fee by the amount that would normally go toward reforestation" or (b) "We will collect it and you will be treated like somebody who has a sustainable forest redevelopment licence." It will be one or the other.

Mr Thornton: Those will be among the options we will examine. There may be others.

Mr Bisson: Oh, really? What others might there be?

Mr Thornton: The status quo may be the other.

Mr Bisson: I would hope that we wouldn't do that, because, to me, it's totally unfair and is not a sustainable prospect. Either we take responsibility for that crown forest and we treat them just as we would somebody who had a licence or, if you take the position that it's private land and we don't want the trees any more, then it seems to me the ministry has another decision to make, which is to reduce the stumpage, which will be quite interesting when it comes to the little argument we're having with our friends south of the border. That's a whole other issue.

The other question that flows from that is, in the past the ministry went out and surveyed the area before they disposed of areas that were allowed to be cut so that you knew just how many trees were in that block. You will remember that you used to go into the ministry and they would have those maps, and you'd look at it and they'd tell you that you had so much percentage of trees of certain diameters, so that when you gave the licensee the go-ahead to cut, you guys used to know how many trees were in those blocks you were giving them permission to cut on. Over the years, that has now become the responsibility of the forest company because we've basically transferred that all over to them.

My understanding is that if you're a licence holder, such as Tembec or Abitibi, if you look at a block of wood you're going to cut, you have to go in and do a survey to determine how much wood is in there. So you walk in and take a look at how much wood is there, you make a report and you sample—I think it's 2% or 3% of the block you want to cut. If a contractor is cutting on a private lot, the percentage required on the part of the ministry is much higher. Why is that?

Mr Thornton: I'm not certain of the context for the question. I'll begin with the crown land example you gave. Right now, no pre-assessment of the nature you've described is required either by the crown or by the company prior to timber harvesting operations commencing. That information you've described is often available through maps, a forest resource inventory that's prepared that would in general terms describe the size of the area and the tree species involved. There would be some assumptions made based on historical understandings of what volume of timber to expect from that area. For our purposes, we don't track the volume of wood by individual block. All wood, though, is weighed or scaled in some fashion to collect crown dues.

Mr Bisson: That's right.

Mr Thornton: So that's the situation on crown land. On private land, how they assess the volume of wood and therefore the value it may represent in the market is really a matter that's up to the land holder.

Mr Bisson: I'm going to go back through my notes and get the actual term, but as I understand it, there's a different onus of requirement on how you assess how much timber you have on a block of wood for a forest company like Abitibi versus how you would deal with the private contractor. It's adding to the overall cost of their preparing their applications for release of trees. I'll go back and get the details. I may not be explaining it quite right, so I'll come back to that.

How much time?

The Chair: You're at 20 minutes.

Mr Bisson: You're kidding. I was just warming up.

The Chair: You'll get a chance to continue shortly.

Mr Bisson: It's hardly fair.

The Chair: Oh, I think we're trying to be fair.

Mr Bisson: I think the Conservative caucus wants to move a motion that I just continue.

The Chair: I don't hear such a motion. I'll turn it over to the government caucus.

Mr AL McDonald (Nipissing): We're happy to let Mr Bisson ask further questions as we go around again. He did state that he was just warming up, and it's pretty tough to get warmed up in this room, because it's pretty cool. I don't know if that's a nice, warm reception for northerners like Mr Bisson and myself. Mr Burke, you did work for the city of North Bay for a couple of years, so welcome. It's nice to see a fellow northerner.

We too, as a caucus, would like to pass on our thoughts and prayers to the families of those individuals who died in that accident, and also to their fellow employees who worked so hard for us in the north.

Sometimes we take the job they do—I don't think the public understands how difficult it can be at times. They're out there protecting our natural resources, and at times that can be a risky job. We appreciate what these employees do and how they protect our forests and our wildlife. I just want to pass that on to start with.

I was listening carefully to your comments when you came in, and I just wanted to get something clear. Was it one third of 1% of our forests that are harvested every year? Was that the figure you used?

Mr Burke: That is correct.

Mr McDonald: Because sometimes as individuals, in the newspaper or on television, they just see a big thing of trees gone, and you kind of get the impression that we're decimating the forests. But when you said only one third of 1%—that's just a tiny portion of our forests. That's incredible.

As a northerner I'm concerned about northern Ontario, and forestry is very important to us in the north. Maybe you could just briefly talk about the economics of forestry for the province of Ontario and how it relates to northern Ontario.

Mr Burke: Yes, I'd certainly be prepared to make a few comments on that. As I did say in my opening remarks, there are really over 40 communities in Ontario, mainly in northern Ontario, that depend on forest operations as a primary part of those communities' economy. Many of them are quite dependent on that, and the health of that community is extremely important to them as well.

We have about 200 to 250 mills in Ontario. These are various facilities scattered not exclusively in northern Ontario, but certainly mainly in northern Ontario, that provide about 60,000 to 70,000 jobs to individuals. The economic value of all of that sector business is about \$16 billion a year. So it's a big part of northern Ontario, it's a big part of northern communities in Ontario and it's a big part of the economy of the entire province. In terms of indirect jobs, you could probably closely double that number of 60,000 to 70,000 jobs. So it has a major, major impact.

When you consider that at least part of that activity is generated on one third of 1% of all the forested lands—not all the lands in Ontario, just the forested lands; forested lands account for about two thirds of the entire land mass of Ontario—it's really quite amazing that that proportion of resource can result in such a huge economic return for the people in our province. Those are some of the key numbers that we work with every day and we're reminded constantly by people in the northern communities around these various issues, keeping that economy vibrant—and there are threats to that economy, as you know. There are threats, certainly, in terms of our products being sold internationally, particularly through softwood lumber; we know the threats that are associated with that. But I think our ministry does really quite a good job in trying to balance all of those competing interests and at the same time ensure that we get a maximum

return for those Ontario-based assets and ensure the vibrancy of as many of those communities as we can.

Mr McDonald: Just to get back to your one third of 1%, harvesting forests, especially for the forest industry and the logging industry—the fact that we’re managing our forests in such a way, when we go in and cut down certain areas, I guess that helps the forests regenerate, right? It creates an opportunity for the forest to become stronger, because a lot of these trees might just be diseased or die as they get older, and it might cause us problems further down the road. Where is that in the mixture of the harvesting of forests?

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Mr Burke: I’ll just make a couple of comments. The questions on the actual regeneration of the forests and the activities that take place are probably better answered by the colleagues on either side of me. We do have guidelines and we do have forest management policies and practices. I’ve described a variety of different manuals we use. These are all tools in our tool set and our tool kit that assist us in first of all identifying what’s available to be harvested, the proximity to market or the market conditions that run with that, and the licence conditions on the mills that accept a lot of this product that gets harvested along the way. We also don’t just go in and, if I can say this, cut things indiscriminately. There are plans and there are blocks and there are practices and policies that are followed in accordance to what we believe to be the best forest practices available. So we have policies around how large clear-cuts should be, what their pattern of cutting should be in a particular area.

We also have guides around what we call natural disturbances. Just because we don’t cut a tree down doesn’t mean that the forest isn’t regenerating one way or another. That’ll happen through insects, disease, fire, weather conditions like drought and so on—

Mr Patten: Ice storms.

Mr Burke: —and ice storms, as we’ve experienced in some parts of the province.

So there is a whole range of these types of standards, I guess, put in place that guide us and guide the industry as these activities take place. But in terms of specifics, Mr Willick might want to respond a bit more in detail.

Mr Willick: Thanks, John. Just quickly, regeneration in this province is a good-news story. The Crown Forest Sustainability Act commands that all the area be successfully regenerated. The State of the Forest Report that came out in 2001 pointed out that the surveys we’re doing now show that 86% of the land that’s surveyed is making the grade on the first test; it’s being successfully regenerated. The other 14% are not failures; they just haven’t made the grade yet. They will be successfully regenerated shortly. They might not be tall enough yet. There are a number of reasons for not meeting the standard at that particular time.

The good news is that during the period of 1995 to 2000, the area that is successfully regenerated is actually larger than the area that’s harvested. So the trend is in the right direction.

Mr McDonald: I guess the impression we sometimes get as laymen is that forestry is bad. But in actuality, if we could educate the public, not only is it good for our natural resources and good for our forests, it’s good for economic development and it creates jobs, particularly in the north, because it’s very important. Sometimes that message is very difficult to get out, isn’t it?

Mr Willick: It is a very difficult message, and foresters aren’t good at getting that message out. It’s a good-news story that we should spread more widely.

The forests are better. We have a balance now; we have a balance between protected areas and renewed areas. We’re recognizing values in protecting biodiversity and so on, and at the same time growing new forests that are probably of better quality, closer to the mills, with more volume per acre. Things are improving.

Mr Burke: I’d just like to add one comment that Mr Willick reminded me of, and that is that when we think of activities in the forests, we think about the cutting piece of it. You’ve seen the photos that people will sometimes display that may have a message associated with them. I’m certainly not denying their opportunity to get their views across one way or another. But when we look at the crown areas and look at the various land uses that take place, everything from remote tourism, to harvesting of timber, to parks and protected areas, we have decided within what we call the area of undertaking—this is the area that’s been licensed, essentially, and for which environmental rules have been put in place on how to harvest—we’d like to have about 12% of the land set aside as parks and protected areas. These are protected indefinitely for the future and are set aside. They’re just as much a part of the ecosystem-based approach we take around harvesting as is setting aside land for future purposes through parks and protected areas.

So it’s not just about harvesting as a discrete operation with no regard for impact on wildlife and on economy. It’s social, it’s environmental—it’s all those factors taken into account, including social, that to me makes that balance work on a sustainable basis so we’re not just taking today without regard for what this thing is going to look like in the future.

Mr McDonald: I agree that maybe the forest industry could probably get their message out there a little bit more for us. Sometimes maybe the people of southern Ontario don’t really understand everything that goes on in northern Ontario, but it’s being well managed, it’s good for our forests, it’s good for our economy and it creates economic development in the north. That’s kind of the message. I’m glad to hear you agree with that as well.

I just want to touch on something you said about forest fires. We have a plant to build water bombers up at the airport in the city of North Bay, and MNR has bought, I believe, nine water bombers. When I was speaking with the minister, I didn’t realize that forest fires create—what is it?—40% of the air pollution in Ontario. Is that correct?

Mr Burke: I've never heard a number. I can assure you that it's a substantial amount of airborne outfall, but I'm not quite sure about the percentage. I haven't checked that.

Mr McDonald: Having said that, and the fact that we're always concerned about our environment and that we now understand that harvesting the forest is good for us, are we doing enough to protect our forests, particularly in the north, when we consider that if a forest fire goes through, it does more damage than forestry does and, the other part of it, it creates problems in our environment? Are we doing enough to protect our forests?

Mr Burke: Again, I can make a few introductory comments and perhaps my colleagues can chime in.

Forest fire management is extremely important to us. It's one of our core, major activities to protect not just the forest resources that are out there but all the other values that are there: wildlife and, quite frankly, the communities and human side of this as well. In the area of undertaking—the area that has been identified under environmental rules for harvesting—we have a very elaborate, very comprehensive plan of fire protection. As you know, there are a number of First Nations communities within that area as well, so we find the human safety side an extremely important part of that whole program.

We do have some priorities with respect to those areas, so we watch the indicators around what's vulnerable, how much fuel is really out there, what the weather conditions are. All those are taken into account as we develop our fire plans year after year. Last year, for example, we had quite a number of fires, but they were essentially contained, in part I think because of the superior equipment we have to deal with fires. The nine water bombers are state-of-the-art pieces of equipment. They're very fast, very efficient, very quick at suppression and obviously have been effective in reducing the number of losses of these resources to fire. Contrast that with the west, and in particular the US northwest, which has had very severe fire conditions, mostly weather-related, where we in fact have had to send our own equipment to assist some of these communities to deal with the fire situation.

But on balance, I think we have a very well equipped fire service. We've been able to contain many of the fires, although you can't contain the weather, and to a large extent that may determine how extensive your losses are, year over year. We also work with the federal government, mainly through Indian and Northern Affairs, to provide protection to the aboriginal communities, First Nations communities and so on. So on balance, we're very much focused on having a program that protects our values to the maximum extent we can and at the same time have resources available to assist our colleagues when we're able to do that.

1130

Mr McDonald: I know they manufacture or put together these 415 water bombers in North Bay. It's nice to hear we're loaning our equipment to other jurisdictions

that might need it, although they're actually thinking of cancelling that whole water bomber project because other areas of Canada and the United States aren't following the lead of Ontario in updating their equipment. I think that sometimes by helping these other areas, sure it's protecting their resources, but it's hurting us as well in northern Ontario, because we want to market these water bombers not only across Canada but across the world. I hope we're not leaving ourselves open a bit, that when we send some of these water bombers to other areas to help them we're not protecting our province. I might encourage you to talk to your colleagues in other areas of Canada and the world and ask them to consider buying their own water bombers.

I want to switch gears. Chair, do I have five minutes left?

The Chair: There are about five or six minutes left. Mr Hastings wants to ask a question as well. But you work it out; you have the floor.

Mr McDonald: OK.

I spoke with a few of our lumbering and logging companies in the north, like Tembec and Columbia. We've seen some layoffs because of the dispute that's going on. I've written a letter to Minister Pettigrew and have received correspondence back, but it was basically, "Thanks for your letter. We're looking into it." The gravity in the north is huge. We've lost a shift in Mattawa, and there are some problems over in Sturgeon Falls. What is your ministry doing to help this process along, in standing up for Canadians, Ontarians and, more importantly, closer to me, northern Ontarians, because that's having a big effect on our economy in the north?

Mr Burke: I think I'll ask Mike Willick to give you that description, because he has been, as they say, on the front bench in dealing with our sister provinces, the federal government and the US government on the matter of softwood lumber.

Mr Willick: This is a really serious situation. The duties that will be on deposit from the industry in Ontario could be \$250 million per year, so you have to wonder how long the industry would be able to sustain those costs. The position of the provinces from the beginning has been that the Americans are unjust in bringing their charge of a countervailing duty. We are challenging them at the World Trade Organization through the federal government, and we're challenging them under the North American free trade agreement. So we have a full press regarding the litigation side of things.

At the same time, reasonable people would look for a long-term solution. We've had messages from the Department of Commerce that said they think they might be able to work out a way that would provide for a long-term solution. So we're keeping the litigation side going full tilt. At the same time, we're talking to them about what a negotiated solution might look like.

The negotiated solution takes two tracks. We're talking about a changed circumstance review within their system that says, "We've said all along that we charge enough for our trees in this province. In fact, if you don't

believe us, we will compare our stumpage—what we charge for trees—with other jurisdictions and what they are getting.” That would fit within the changed circumstance review. If we say we’re going to make a few policy changes here and there and we’re going to change the way—instead of having the administered pricing system that’s a formula, we were going to benchmark against some other jurisdictions, that might lead us to a changed circumstance review, and it might get us a long-term solution to this problem.

While that is going on, we’re also talking about an interim agreement. An interim agreement would change the countervailing duty to a border tax that would be administered by the federal government. Those discussions just restarted last week and are ongoing this week too, so it’s a work in progress. We take it very seriously, and we are pressing forward on all fronts to make sure the province is properly represented within Canada and with the Department of Commerce.

Mr McDonald: On behalf of the employees who are still employed in the forest industry and those who have just lost their jobs and want them back, I encourage you to be as aggressive as possible to get a solution to this disagreement with the United States. From what I understand, it’s unjust as well. We all, especially in the north, would like to see some agreement so we can get these people back working in this industry, particularly in northern Ontario.

Mr Burke: If I could just add a comment to that, I agree entirely with you, and that’s precisely what our strategy is in working with that. But ultimately what we’re after is unfettered access to the markets. So if we get an agreement—as we got the last time around—that’s simply an agreement to delay an ultimate solution by a few years, you always come back to where you ended just a few years earlier, and we’d like to avoid that if possible this time around. But you’re absolutely right in terms of doing the best we can for today as well as for the future in protecting these jobs.

The Chair: We’ll now turn back to the official opposition.

Mr Parsons: You’ve indicated that there are some things you can talk about on the Ottawa Wildlife Centre. I’d like to go back briefly and touch on it, because I’m concerned that material I’ve seen from MNR may not be the same material you’ve seen from your staff. I’m going to run through it as I understand it, and I would appreciate correction on that.

My understanding is that last year there were about six rabies cases in Ontario. The numbers show 10, but the staff indicated that four of them were from the previous year and were brought forward and reported in the new year. MNR staff have provided me with maps indicating where the rabies cases are, plotted on a map, and showing that rabies is moving south and west from the core area, which is well south of Ottawa. So your ministry made the decision to move the zone north and east from it, although there were never actually any rabies cases in Ottawa.

The wildlife centre in Ottawa had a licence from your ministry providing them with an exemption from the rule that an animal brought into their care had to be released within one kilometre of where it was found. They had this licence because they felt that returning a raccoon to Rideau Street in Ottawa was probably not in the best interests of the raccoon in the long run.

Mr Burke: Baby raccoons.

Mr Parsons: Baby raccoons. They crazily went on the Queensway and really shouldn’t be returned there.

So they had this exemption, which was great. Your ministry revoked that licence allowing them an exemption. Then they went and got a court order to seize the animals. I understand that. Where I’m not clear is, they brought in about 40 to 50 officers of various types to apprehend these three women and one man volunteer. They drew up a perimeter of police officers around the centre so that media could not get in. They then went to the Ottawa Wildlife Centre—these were OPP and Ottawa police plus your own officers—and, rather than knocking on the door and demonstrating the court order, one officer in plain clothes went up with a box with some fur in it and indicated that he had found this animal. The wildlife centre indicated that they were not permitted by MNR to accept the animal. As I understand it, your employee said, “Well, can you at least look at it?” and when the door was opened, they rushed in. The women were threatened with being put in handcuffs. I don’t believe the provincial police apprehended Karla Homolka with the energy and number of people who went into getting these raccoons out.

I visited the site after, and some of the doors had been broken down to get the animals. What I found intriguing was that the doors could not be locked. The doors were not locked. There’s what’s called a “handle” on them, which could have been turned and the door would have opened, but instead the doors were kicked down.

1140

The animals were taken—they’re actually at Codrington right now. Interestingly, your staff has indicated that each of them is in a separate cage. Now, that’s contrary to MNR regulations, to have them in a separate cage. The wildlife centre would have been shut down had they done that, but the MNR is not following MNR regulations and your staff, as recently as two weeks ago, said they’re in separate cages. Being a social animal, that dooms them from ever being able to be released, according to your staff. I’m not a raccoon expert. I’ve hit one or two on the highway, but I’m not a raccoon expert.

So they’re there. We can argue over what the incubation period is for rabies and how long to keep them, remembering they were brought from an area that has no rabies. MNR did question the rabies vaccinations that the animals had been given. They then decided it was OK when it was pointed out that they in fact had provided the vaccine. So your staff did approve their own vaccine on that, eventually.

They’ve been kept there for what is about three times the normal length of time that they would be kept there.

So I guess I'm intrigued by the need to have 40 or 50 police officers. These women are not particularly violent. I'm intrigued that this massive program on rabies and this massive raid occurred at the same time as the funding for that program was about to expire, and I'm going to be quite blunt. I guess you don't get refunding for a program if there ain't no rabies. That's the sense in the community. The wildlife centre has served a phenomenal role for that community, as you have suggested, and have obeyed every regulation, would have opened the door to people if they had knocked on it, would have honoured any court order or injunction. What in the world was going through people's minds to amass officers from all over Ontario to raid this centre? It is beyond my comprehension.

Mr Burke: Let me just restate that all of those enforcement activities you've described and allege were taken against the Ottawa-Carleton wildlife centres are matters before the courts, and I respectfully suggest that I cannot really comment on that. Indeed, I am told that I ought not to comment on it, so I won't comment on it and imperil any of that court matter that's being directed right now.

I can, however, tell you that we take what we do on rabies care and control very seriously. Perhaps the reason we have so few cases is because of the preventive measures we take. If we err on the side of caution when it comes to public health and safety, then we're guilty, and quite frankly we don't mind being guilty of that. I would not want to be guilty of having sat back and done nothing when indeed we could have taken preventive measures. I'm sure you're seeing right now lots of discussion around things like the West Nile virus: are we doing enough, are we doing what can be done? It, too, is a threat to human health, and I'm not hearing too many voices from the public saying, "We think you're doing too much in that area. Could you please roll that back a bit?"

In terms of funding the program, our funding comes to us every year. We have to justify it, just as we do every other funding request we have. I've never heard that there might be a correlation between a particular enforcement action and our theatrics, as one may describe it, around that somehow being associated with justifying funds or resources needed for the continuation of a program. This program is funded because the government understands that there is a serious threat. Our science community certainly understands that it's a serious threat.

It is not just the staff who administer the rabies program, many of whom are in fact not here in this room today, who make decisions around what treatment to apply, what type of vaccination to apply, how the animals ought to be treated or located, how far these concentric circles of protection ought to extend; we in fact are assisted by a very capable and able group of scientists and medical practitioners who work with our staff. They are not provincial staff members. They're not Ontario public servants in the sense that we are. They are people

from the science community who know rabies, know its behaviours, know how it works. They know the pattern of migration of animals that have this particular disease and understand how the disease is transmitted by what we call vector species; these are species that will allow that disease to be passed on from animal to animal.

We have put a lot of thought and effort into what we do, not just artistic effort, very much science-based and research-based effort on our part, in fact doing it so well that jurisdictions in the US and elsewhere come to us asking us for our advice on how to conduct programs in their own communities.

It wasn't that many years ago when the state of New York had over 1,000 rabies cases. New York, as we know, is immediately adjacent to certain parts of Ontario, and it was a very simple trek for some of these animals to move here. We've managed to keep it down considerably because of preventive measures. As I said earlier, prevention may not have the same sizzle as acute care, but I can assure you that I would much rather, as I said earlier, be found guilty of having been overly cautious on this than of not having taken the evidence that was before us seriously.

Mr Parsons: Let's assume you're right on the rabies, and you may very well be. I guess my other challenge to you is, how many police does it take to overpower four volunteers?

Mr Burke: I guess we'll have to let the courts decide on the propriety of that.

Mr Patten: They're not deciding that.

Mr Parsons: That's not the issue before the courts. I'm sure you're aware it's not the issue before the courts.

Mr Burke: I'm sure if there is evidence, that evidence will be submitted.

Mr Parsons: The charges were laid by your ministry, and the charges do not relate at all. There are no charges—I would suggest to you there should be an inquiry. I would suggest at the very least there should be an inquiry to learn why four Ontario citizens were subject to a massive takedown with far greater numbers of officers than have been used on the Hells Angels or on murderers. It's absolutely astounding. I'm sure you would be interested to find out why your officer did not simply knock on the door and present the court order. I think that would have been the very least to expect. Leave the rabies aside, leave the charges aside; there are other issues in there that should be very disturbing to you. I challenge you to revisit that and find out who made the decision to bring that in.

We've been contacted individually by OPP and Ottawa police officers who were embarrassed to be part of it, had no idea why they were there and were embarrassed about it after.

I would like to add to what Mr Bisson said earlier about the quality of your people. I have been impressed phenomenally with individuals who are working for you in the field. The problem is, there aren't enough of them. I have talked to biologists and scientists I think are brilliant who are working for you, but biologists with not

enough budget to buy gas to put in the boat to go out on the lake to do it. The ministry has abdicated a lot of responsibilities not because of a conscious decision on your part but simply because of lack of funding.

I want to go back to an answer you gave earlier that I should have twigged to faster. That comment was that the ministry no longer has to sign off on a municipality passing a bylaw relating to tree cutting. So it is out of your jurisdiction. While I talked about your making a template, it struck me after that for a ministry that has the responsibility of forest management, you've just abdicated part of that. You probably don't have personnel to do it, but you have turned over part of your responsibility to the municipalities, and municipalities don't have the resources, don't have the scientists, don't have the data to do it. You have world experts in your ministry and now there's this area where you're saying you're not going to be involved. I'm dismayed at that.

Noted out of the auditor's report—I guess, quite frankly, I'm a believer that when we go to self-policing, there don't seem to be many offences after that. You're doing self-policing in the forest industry, yet if I suggest we're going to do self-policing for speeding on the 401, I don't think there'd be a lot of people pull in and report that they'd exceeded the speed limit somewhere. I would suggest to you that industry, particularly the timber industry, is having some tough times. They're in a fight for survival. I would suggest that for much of our timber industry, they can't think 20 and 30 years ahead; they're thinking this year and next year and getting through, with the softwood lumber dispute.

1150

Our forest companies are doing the best they can to stay in business, and I applaud that. They have to stay alive. But they may have the need to look at this year and in five years; you have a responsibility to look 20 years, 40 years. The Mohawks of the Bay of Quinte in my riding have an expression that their responsibility is to think seven generations ahead, and I think that's a model the rest of us could go by.

So the recommendation from the auditor has been that self-inspections don't seem to find anywhere near the number of problems as MNR inspections. How many people do you have in your ministry who do the MNR inspections, to audit the private?

Mr Burke: I will have Mr Thornton, who is familiar with that, respond to your questions on compliance.

Mr Thornton: I can't give you a precise number of staff who do compliance. I should point out that that work is normally done by our field organization, where we have foresters and forest technicians and others who participate in that. But what I would like to do to give you some sense of that level of activity is describe to you the number of inspections that are taking place out there. As you point out correctly, there has been a change in responsibility where, since 1998, the forest industry has taken on an increasing role in undertaking these inspections, but MNR continues to undertake spot checks as well.

I'll read to you some of the numbers that are available now to the public in our annual report on forest management, dated 2000-01. In that, on page 74, table 10, are some statistics that describe this level of effort on compliance inspection reports. In general terms for the year most recently reported here, we're seeing the total number of inspections that are undertaken by the forest industry on the order of 6,000, and those undertaken by MNR about 2,300. That's the third year in a row of continuing increases in the number of inspections that have been undertaken by the forest industry. During that same period, there has been a slight decline in the number of MNR inspections, and that's part of that transition that we've described, we've put in place, where the industry is going to take a greater role in self-monitoring, and we will continue our role in spot checks.

During the course of those inspections, which total just over 8,400, a number of instances of non-compliance have been identified. When a company reports to us an instance of non-compliance, we go out and visit that site and confirm it to be in non-compliance, but we also direct our attention toward areas that we consider to be high-risk, and that was again based on direction provided to us by the Provincial Auditor in the 2000 report, to take a risk-based approach to compliance, and we've done that. So we don't just randomly survey and monitor; instead, we direct our efforts to those areas where we believe there's most likely to be a problem, and if there is a problem, it's most likely to have significant environmental consequences.

In the year in question, 2000-01, there were a number of penalties, charges, stop-work orders, repair orders, compliance orders and warnings undertaken. In fact, those totalled 159 different remedies and enforcement actions, with fines of nearly \$300,000 being assessed.

If I glance across the level of non-compliance—if I can use that term—during that three-year period, there really hasn't been a significant change in the absolute number of instances reported, and that's a good sign. That tells us that despite an increasing overall effort in monitoring, we're still seeing no increase in the number of non-compliance reports.

I hope that gives you some sense of the effort that's undertaken out there. We take this very seriously. Again, we're committed to reviewing this particular piece of our work. We're putting in systems to automate the collection of this information so that we can more quickly analyze it and report to the public on it.

Mr Parsons: Your ministry's budget is what, this year, compared to last?

Mr Thornton: Compared to last, it's probably dropped—sorry, I can only speak to the forest program budget.

Mr Parsons: Yes.

Mr Thornton: The forest program budget is down slightly from last year, and we would have been near \$60 million last year. We're probably around \$59 million this year, if memory serves me correctly.

Mr Parsons: How can you be doing more with less, assuming your salary line is up this year over last year just because of negotiated agreements? How do you do more with less?

Mr Thornton: We don't necessarily do more with less; we do differently with less. We work hard on developing partnerships, in this instance with the forest industry, to undertake some of that work. In the past you've seen where we've gotten out of work altogether. Our nurseries that were once operated by tree nurseries that were once operated by the crown have been privatized. They continue to operate in a private scenario and sell those seedlings to forest companies to plant.

That's the business we're in: working with the finances we have in as efficient and effective a manner as we can.

The Chair: OK, that's the 20 minutes. There's been a suggestion made that we continue during the lunch hour; or, if there is a number of other rounds to go, then basically we will adjourn until 1 o'clock and start again. It's entirely up to your wishes.

Mr Bruce Crozier (Essex): Certainly everybody should get the opportunity, but I have just one question, to kind of give you an idea. I think Mr Parsons has said he's done, so we essentially have one more question.

The Chair: What about you, Mr Bisson?

Mr Bisson: I've still got quite a bit more.

The Chair: Is it your wish collectively to continue or would you like to adjourn till 1 o'clock?

Mr Bisson: I've got at least a couple of rounds because I've got a number of different things around sample cruising, some stuff on stumpage in regard to compliances, a whole bunch of stuff. I don't want to delude people that if we stay at lunch, we're gone at 1, because I've got a bunch of questions.

The Chair: All right. We'll recess until 1 o'clock and start again, at that point in time, with Mr Bisson.

The committee recessed from 1158 to 1302.

The Chair: I'd like to call the meeting back to order. We'll commence with the next round of questioning, and it's up to Mr Bisson of the NDP. Go ahead, sir.

Mr Bisson: My question is for Mr Thornton. Again, I want to stay in the line of questioning I had prior to breaking for lunch. Just to recap, we had been talking earlier this morning about the problem of people getting releases of trees off crown land. The policy in Ontario has been for years that if trees exist on what used to be called vet lots or crown land that happened to be patented lots, you would apply for a release of the pine on it, and at the end of the day the pine would then be released to you. In the past, you used to walk into the MNR office and get the release for that wood fairly quickly.

We talked this morning about how, I think inadvertently on the part of the government—I don't think they did this purposely to hurt anybody; it was just the result of not thinking it through when they did the Red Tape Commission bills. We're now in a position where we want to release all the trees off those lots and, because there's no policy to do that properly, applications to

release trees are caught up. As I explained, companies I've been dealing with are waiting up to about a year and a half. I just wanted to be clear for the record, because I know that some of my friends are watching—I'll say "hi" to Oscar and Bruce and a whole bunch of others I talk to—that you'll endeavour to talk to the ministry people in Timmins in order to try to find a resolution to this so we can get those releases done. I'd just like you to comment on that a little bit, because you've had a chance to talk to people over lunch.

Mr Thornton: I have had a chance to talk to some people over lunch and get a little bit more information on this. I should start by saying that it's not in every circumstance where a person comes to the Ministry of Natural Resources and asks for a release that a release will be granted. There are still some instances where there are sufficient concentrations of crown timber on private lands that MNR would try to manage that with some overall benefit to the province in the contribution that timber may have to provincial wood supplies. However, there are many instances, as you point out, where a person does come to MNR, has an isolated parcel of land, it's not part of any comprehensive management structure, and we would work toward having that crown timber released.

Here's where you need to look at the specifics as to the conditions of title of each property. In some instances, the crown has the right to practise forestry; in others, we don't. So one question that gets raised first is, what are the intentions of that person seeking the release with respect to regenerating the site? Do they intend to renew it, or are they simply interested in harvesting the timber and walking away? If they are interested in renewing it, we can enter into what's called a renewal agreement. In those instances where the landowner wishes to undertake renewal following the harvest, we can waive payment of the renewal charges. That's one situation.

However, where no effort is to be made by the landowner to regenerate the site, we say, "You should still pay that renewal charge." The reason we say that is because in not paying it—these are substantial parts of the overall charges that are to be paid—we effectively discount that crown timber and we now place an unfair balance between the price of crown timber on private lands and crown timber on crown lands. That's part of the consideration that plays into this whole mix.

You also mentioned to me, Mr Bisson, the question of sampling intensity with respect to operational cruises and so on. This is the means by which the wood that belongs to the crown on those private lands is measured. There is a process in place to do that. You asked me why the intensity of that sampling appeared to be higher on these private lands where crown timber is found versus crown lands where crown timber is found. The reason it's slightly higher is because we're not sampling for all tree species; we're only sampling for those that belong to the crown. In many instances it requires a higher sampling intensity just to ensure that the lines you run to sample

these trees actually encounter a tree species you're hoping to measure.

To give you some perspective, the percentage can be as high as 5% sampling in the situation I've described with respect to determining the volume of crown trees in that whole array of different species of trees that may exist on the site. Where you're doing a normal cruise and simply cruising for the volume of all trees on a site, the intensity can be lower. We again look at that on a case-by-case basis. If the landowner feels that an intensity of less than 5% is warranted, that can be accounted for in dialogue with MNR, with our regional office that administers the timber scaling and billing program.

Mr Bisson: OK. I'm going to deal with that after. I want to stay on the first item we talked about, which is the release of timber.

If I understood what you're saying, it would be easier to release timber off private land if the contractor or the owner of the wood demonstrates that they're going to do some reforestation. Is that what you were basically saying?

Mr Thornton: Not necessarily. The question of reforestation becomes moot once a release is granted. In other words, if the landowner says, "I want ownership of those pine trees in my spruce-pine forest that's on my land," once we give that release, we've really lost any recourse for conditions on how that timber is harvested, on whether the site is regenerated or what have you. In fact, this is the most common example we have. We're finding, for example, that once we grant those releases, we no longer own that timber, and quite often it's being shipped out of province.

Mr Bisson: Which is a whole other issue.

Mr Thornton: Which is a whole other issue. At the point of the release, it effectively becomes private timber, over which we have no jurisdiction.

Mr Bisson: Let me deal with this one piece at a time. The first piece I want to deal with is the problem the contractors are having trying to get the releases. As you explained it this morning, there's a review process going on on how to release all the trees. We described this morning what the problems were, and I asked you the question, can we, at the very least, get the trees released for those contractors who have application now by way of the old policy? Is that possible? Have you had a chance to talk to people?

Mr Thornton: No, I haven't, not on that particular piece of the business. What I have agreed to do, and you and I had this conversation outside the committee hearings, is arrange for a meeting where we bring in our regional and district staff and try to give you a more comprehensive sense of what the issues are and where some of the impediments are.

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Mr Bisson: OK. So what will happen is that your office will contact me and we'll set up a date in the next couple of weeks?

Mr Thornton: Yes.

Mr Bisson: And what we'll do is try to deal with the old releases that are currently before the ministry and see what we can come to on that?

Mr Thornton: Yes. Because of the very complex nature of this, I think you deserve to hear this from those who are the practitioners and the experts. I'm giving you a very high-level view of this.

Mr Bisson: I guess my only problem—and I don't want to spend more time on this than I need to—is that the ministry has always had the practice of releasing those trees. Like I say, I remember that 12 years ago, on being first elected, people would come to my office who were having problems with the ministry for whatever reason. You would walk over there, the ministry would take a look at the application and they'd approve it on the spot. That was 12 years ago. We've now moved to where people are waiting a year and a half to have something done that used to take a day. So the Red Tape Commission, as far as the red tape act is concerned, hasn't made things simple; it's actually made it worse. I'm trying to get that resolved. But we'll deal with that on a separate issue.

Let's get into the policy of what you were talking about. Is it the intention of the ministry over the longer term to have a policy that basically has a differential stumpage fee for those who cut wood on private land and demonstrate they're going to do reforestation?

Mr Thornton: That's right, because in essence if you're agreeing to do reforestation you're trying to—

Mr Bisson: Then there should be an adjustment on the stumpage, right?

Mr Thornton: That's right. Obviously you will incur the costs to regenerate that area out of your own pocket, and in that sense my understanding is that we don't charge again for the renewal fee.

Mr Bisson: Because there are, and you're right, some private landowners who cut the trees and run, and there are others who basically buy the land, cut the trees and reforest because it's an investment. There are a lot of private contractors who do that and hold quite a bit of land to be able to cut the trees today, replant them and, 50 or 60 years from now, go back and cut that all over. So you're basically agreeing with the position I take, which is that we should have a differential.

Mr Thornton: We should have a differential where there's a demonstrated commitment to regenerate that land.

Mr Bisson: The problem we have now, as I understand it, is that the stumpage is divided into three or four parts. You've got your stumpage fee, which is about \$3.50—whatever the heck it is—per cubic metre. Then you've got your forestry futures fund, I think it is, for blow-downs, infestations of budworm; you pay about 50 cents per cubic metre so the crown can go back and fix that. Then you've got the renewal charge, and the renewal charge is the account that is set up with the SFL holders. They go out and do their forest management plan, cut the trees and then replant. You do the audit at the end, and say, "You have met your plan." They're able

to draw down on the renewal charge fund in order to pay back some of the work they've done. That is a fair process, and I think most people agree it works fairly well.

The problem for the private operators is that in some cases—for example, in the case of Timmins Forest Products—they pay the full stumpage and then they go out and do the renewal, but they're paying twice. They pay for the cost of doing it and they pay the crown the renewal charge.

I guess my question is—and I think you've already answered the question but I just want to make sure I'm clear: you're trying to set up a regime that basically says that in the case of companies like Timmins Forest Products, eventually what would happen is that they would be able to participate like an SFL holder to draw down on the renewal fund.

Mr Thornton: I can't say for certain if they would be able to draw down on that renewal fund—

Mr Bisson: If I was minister, the answer would be yes.

Mr Thornton: I think the other means of addressing the issue is to ensure he doesn't pay twice.

Mr Bisson: That's the other way; you could eliminate. But from a policy perspective, as a New Democrat, I would say we're much better to encourage good forest management practices, and I think the way you do that is charge them the renewal charge and say, "If you do your job well, you can do like the big guys and draw down on the fund." At least that way you're encouraging people to go out and do proper forest management plans and think through what they're going to do from a sustainable point of view. Philosophically, the problem I have with just eliminating the renewal charge is that it encourages those people who want to, to cut trees and leave the woodlot bare. I don't think that serves any of us. So that's good news. I'm glad to hear that you're moving in that direction.

How much time do I have, Chair?

The Chair: You've got about 10 minutes.

Mr Bisson: OK, I'll have enough time for this other section.

On the sample cruise, as I understand it, it used to be that the ministry, back in the days when you had staff—do you remember those heady days? There were people working in your offices and you used to do all kinds of wonderful things, and you then got slammed by these guys with 50% cutbacks on staff. You can't comment because you're professional bureaucrats, and I know you'd never say anything that is in any way partisan, but I bemoan the fact that they actually cut the ministry back as much as they did. Quite frankly, I think the ministry has got to be in the bush, watching what's going on. As this report indicates—and we're going to get to that part a little bit later—where the ministry actually goes out and does inspections, it's not always that the self-regulated people are doing as well as they say they are. But we'll talk about that later.

As I understand it, in the past the ministry did sample cruises as one of its activities. It was not the responsibility of the person who cut the trees to determine, by way of a sample cruise over the forest, how many trees were there in order to apply stumpage. It used to be done by the ministry. Part of what has happened now, with all these changes, is that the forest company is responsible for doing that sample cruise.

We find ourselves in a bit of a funny position. We've got the ministry, because of work they've already done, having forest resource inventories on record to determine how many trees on a particular woodlot might be up to be cut. If you're an SFL holder, we say, "We'll hold you to a 2% sample cruise." If you look at the forest, you're telling the forestry company, "Here's 2%. What we require from you is to basically do a sample cruise of 2% of the forest that you're going to go in and cut, to determine how much pine or whatever is there so that we can apply our stumpage fee." But in the case of private people like Michaud logging, Timmins Forest Products, and the list goes on, a higher level is required. The answer you gave me for the reason you do that is because you may be releasing only one type of tree.

Well, I'm having a bit of problem getting to where you went. First of all, the message I'm picking up from what you're saying is that you don't trust your own records, because they may not be current, and that's why you need the sample done. But why would we treat those two people differently? It's an additional cost to the independent, and they're already having a tough enough time as it is. Why would we require something more onerous of the independent than we would, let's say, of the Tembecs or the Abitibis of this world? Can we change that?

Mr Thornton: This is going to get technical, so bear with me.

Mr Bisson: OK, I'm hanging on to my desk here.

Mr Thornton: You're describing two entirely different systems at play here. When I spoke to you about sample cruises, that was for the purposes of determining the volume of crown timber on private lands. Once that volume is determined, you multiply it by the dollars per cubic metre, and that determines the amount of money that must be paid by the landowner for that release. So there you have a situation where it's that sample cruising information that is the basis for placing a value on those trees before they are harvested. This is the important part: before they are harvested.

In the other example, where we were talking about operations on crown land, this operational cruising is done simply to get an estimate of the volume that is there on the site before it is harvested. No crown charges are billed based on that estimate of volume. Instead, crown charges are billed once that wood is harvested. In most cases today it goes across a weigh scale and is actually measured there. In some instances it's still stick-scaled in the bush. It's a very different system. So on any unit where you harvest crown timber on crown lands, the

basis of payment for stumpage is the actual volume of wood that's measured once it has been harvested.

Mr Bisson: All right. That makes it even more interesting, because I know where I'm going now.

The question of the SFL holder—for people watching, the sustainable forest licence holder, the big company—they still have to do a 2% cruise, even though they're charged stumpage based on what they drag across the weigh scale.

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Mr Thornton: We don't prescribe any intensity for their cruising; that's for their own purposes. What we place the emphasis on is how much wood is actually scaled, either weighed or stick-scaled, and that's our basis for charging crown dues.

Mr Bisson: What you're telling me is that the 2% the forestry companies do is actually not necessary, according to their licence. That's what you're basically telling me.

Mr Thornton: That's right. They may do that for their own interests to have a sense of what the volume is.

Mr Bisson: I feel a policy coming on here. I'm developing a policy with you. Work with me.

So in the case of the independent landowner who is cutting crown wood on private land, you're telling me that we require a 2% to 5% sample cruise in order to determine how much stumpage we charge, and you pay that ahead of time.

Mr Thornton: If you want a release, yes.

Mr Bisson: That's what I'm saying. We're talking the same language.

Mr Thornton: If you don't want a release—

Mr Bisson: What good would that be?

Mr Thornton: Many landowners are quite happy to harvest the timber on their private lands and pay the crown for those tree species that are the crown's. Let's say you don't want a release, you don't ever want to own those trees forever, so to speak, so if more pine come back you don't care if the crown continues to own them. Then all you would do is allow that area to be harvested, have it scaled and then you would report to the crown, "Here's the volume of wood that is yours and I will pay you the stumpage for that."

Mr Bisson: You wouldn't do the sample cruise?

Mr Thornton: No, you wouldn't do a sample cruise in that instance because—

Mr Bisson: There's a nuance that I'm missing here. There's something I'm missing.

Mr Thornton: It's the difference between wanting a release, which means, once you have that release, you have it forever. In other words—

Mr Bisson: You're telling me that if I'm Gilles Bisson Logging and I make my business from going out and cutting crown timber on private lots, I don't necessarily have to get a release to cut the trees? Is that what you're saying?

Mr Thornton: You don't necessarily have to have a release, no.

Mr Bisson: That's news to me. I didn't know you could do that.

Mr Thornton: I believe, based on my understanding of this—and remember, this is very complicated stuff that I'm not the expert on.

Mr Bisson: But the difference being, if I'm the landowner and I cut the trees and I don't get the release, as the trees grow back, they're still yours.

Mr Thornton: That's right.

Mr Bisson: And the difference in that case is that I pay stumpage. How do you make sure that the person who cuts the trees actually goes and weighs it somewhere so you can get your stumpage?

Mr Thornton: That's a very good question. That's one of the enforcement issues that we have had where, if there's a small amount of pine trees in among different species of trees and then the area is harvested, it's difficult for us to track that. This brings us to one of our incentives to make it a release, so we never have to continually—

Mr Bisson: So I may have the right to cut the trees and not ask for a release but you're not going to give me a permit to do it?

Mr Thornton: There could be situations like that. There could be situations where we say, "Look, 80% of timber on your land is crown timber." The fact that you want to harvest 20% of it—we may not agree.

Mr Bisson: Let's work together here in developing a policy. I've got a good policy for you. If you're saying that you want to increase the sample cruise to about 5% for the private landowners—it's an additional cost that they happen to incur in order to get that sampling done at 5%. Why doesn't the ministry take the position of saying, "OK, we'll allow a 2% sample cruise," and determine from that—you could put a multiplier in it—what the actual stumpage is, because you want that money up front. But then have them drag it over a scale and adjust the stumpage accordingly. Why don't you do that?

Mr Thornton: We could. That would cost the landowner more.

Mr Bisson: Why would it?

Mr Thornton: Because he would not only estimate the volume up front, but he would then be obliged to separate those species for scaling purposes and report back on the actual later.

The Chair: We'll have to leave it at that for now, Mr Bisson. You can get back to it later on. We'll turn over to the government caucus.

Mr John Hastings (Etobicoke North): Thank you, gentlemen, for coming in today. I've always found MNR a very interesting ministry to learn from even though I'm a city slicker, so to speak, although I wasn't brought up in Toronto.

Mr Bisson: You have trees in your riding.

Mr Hastings: Actually, we do have some trees, and the city of Toronto focuses on having a tree advocate, yet he doesn't seem to get out beyond his own little borders of Trinity Niagara. You know who I'm talking about, although I'm sure he's trying to do a good job.

I'd like to echo Mr McDonald's sentiments regarding the four MNR employees who were recently killed in the helicopter crash near Wawa, I think it was. It's very difficult for them, especially at this time of the year with the bad weather you get.

This morning Mr McDonald was talking about getting our story, or the ministry's story, out regarding the forestry industry and how it has changed particularly the management relationship from, say, 10 years ago to how it is today. One of the major changes seems to be the self-managed approach through these trusts that have been set up through the Crown Forest Sustainability Act etc, whereas MNR used to have a very direct, almost regulatory, approach to the industry. Is that how you could depict the broad change in the relationship?

Mr Burke: I think what we do today is basically set out the terms, the conditions, the guidelines, set the standards and then ensure that the industry abides by that. We then circle around and say, "Now we need to audit that to make sure everybody is operating honestly within that set of rules." That's essentially the change. Beforehand, we basically went out there and managed it and dealt with compliance on what we saw and so on.

Mr Hastings: You were more—

Mr Burke: —an oversight, but directly involved in the oversight.

Mr Hastings: More heavy-handed, perhaps. That's maybe not the right word. I'm talking about way back.

Mr Burke: Perhaps some would describe it that way.

Mr Hastings: Right. You were talking about how only one third of 1% of the forests in the province of Ontario are harvested each year in this new relationship, through the trust. You were also mentioning, Mr Willick, that it's hard to get the story about the successes out. So what I would like to know is, what are some of the successes that you are having in the new relationship, and what opportunities do you think there are for the ministry to get the story out? For example, if you're living in the city of Toronto, you get lots of stories from the environmental side about how our forests are ravaged and not well managed etc. Wouldn't the MNR display at the Sportsmen's Show be one of the first launch pads, so to speak, to get your story out, because you have mostly Toronto people, lots from the GTA, and some coming from some distance? You have other shows in Ontario; I assume in Ottawa and London. Is that not one of the ways to get your story out about the changing nature of forestry practices in Ontario?

Mr Burke: The short answer is yes, those are ways we do it, and indeed we have people attending those kinds of events to basically outline what we do on the land base, the kinds of land uses and practices we have. I'm going to ask Mr Willick, who is relatively close to that issue, to perhaps expand on that.

Mr Willick: Thank you, John. We do have good-news stories, as I said earlier. I think there are two obvious ways to get the message out: one way is for a third party to judge how you're doing and spread the word; the other

way would be for us to spread the word of how we're doing. We take both those routes.

First of all, the third party recognition has been very successful. By "third party recognition," I mean our relationship with the certifying bodies that come in and look at how we're doing our business in Ontario, judging that we are practising sustainable forest management in the province and announcing that to world. That's really important. The Ontario Forest Accord advisory board, where the government, the industry and the environmental community work together to further force policy development, has been out spreading the word across the province; our relationship with the Ontario Forestry Association in developing Focus on Forests, an educational program that can be used by teachers in schools; independent forest audits and the tabling of those in the House. Those are all other people looking at what we're doing and passing the good word on for us.

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What we've been doing specifically in-house: the annual reports we put out, publications we put out each year telling the story and the trends we're seeing in the province. The State of the Forest Report was put out and talks about how things have been over the last five years. Our Web site, Ontario's Forests, is available to people. We have a poster that Bill has that shows how the forest is used, which maybe we could give to some of the members, if they might be interested. We deal with meetings and conferences where we go and tell our story. We travel with some of our sister ministries and market Ontario into the States, by and large, and talk about the good forest management news in the province. The World Forestry Congress is coming up in Quebec City this September. We will be there, telling our story to that audience in a big way.

Mr Hastings: How do you measure success? Some people would say you can measure it by stumpage fees, the productivity, the number of people holding jobs in the industry in northern Ontario and across the province. Can you also measure success through disease prevention, through diversity, rather than a monoculture approach to forestry?

Mr Willick: You're absolutely right. I would say that our success—we know we're growing healthy forests in this province; we can demonstrate that. We show the balance we're taking between the social needs of the province, the environmental needs and the economic needs. We have a vibrant forest industry in this province. We have many other industries, such as the remote tourism business, that depend on a healthy forest. We have healthy communities in the north that are based on a healthy forest industry. We have the tracking of the renewal records that show our success is improving in renewing the forest.

Mr Hastings: You were before this committee two years ago, I believe.

Mr Willick: Yes.

Mr Hastings: At that time, Ms Martel voiced considerable concern about monoculture practice, that

some of the industry companies that may have been diverse, after you had forested a particular species, would then replant with the same type of species, depending upon what the market demand is—when you look at the housing market in southern Ontario as well as other parts of the province. Has that concern been dealt with to some extent? I can recall that she went on for some time. It's fairly obvious. If you're a company and you had success selling a particular species in the market because there is a demand for that species—spruce—then you'd continue to do so. So you plant your whole acreage—1,000 acres, say—with the same species. So you are more vulnerable to these predators that we're seeing now in the media.

Mr Thornton: It's a question we're often asked, and it deals with this public perception that monocultures are being perpetuated out there in the landscape. I can tell you that's not the case. The fundamental principle that underlies how you regenerate the forest, how you regenerate areas that are harvested, is to put back there what Mother Nature had in the first place. So if you have a site that is, for example, comprised of Jack pine that grew there following a fire 50 or 60 years ago, the most logical species to put back there is Jack pine. The reason for that is that Jack pine have adapted to that site over hundreds of years. These are specific conditions where they grow best and other species don't grow well.

The notion of trying to somehow convert the land to grow a species that hasn't naturally adapted to that site isn't one that takes you very far. There have been some attempts in some instances, particularly where you have mixed-wood sites, so you have a hodgepodge of different species, to favour one over another, and that's possible. But by and large, you're limited to the site characteristics when you choose a prescription to regenerate it, and that often forces you to put back there what Mother Nature would have had.

I find it ironic that people would look at a plantation that has been—and I'll continue to use this example—predominantly Jack pine and they say, "Look at this, it's all one species; that can't be good," and yet you say, "Well, here it was two years ago predominantly Jack pine when we harvested it." We're putting back that same species on that site, so if it was 90% Jack pine before, it's reasonable that we would continue to have a high proportion of Jack pine in the future. Mother Nature gives us a whole lot of so-called monocultures anyway. Those are just phenomena of nature.

Mr Hastings: That's not the way most of the public perceive it, is it, sir?

Mr Thornton: I understand that.

Mr Hastings: They see these photos and they're saying, "That company A must be practising bad forestry management." It's only for the short term, because they've got a demand for that type of wood in the marketplace.

Mr Thornton: Yes, and increasingly what we're finding is that where there are a number of species coming back on a site, there are markets for those as well. If you were to look at the Ontario forest industry of

two or three decades ago, there were some species like poplar that had very little market. Poplar now is very much in demand. It's used in oriented strand board; the sheathing, for example, that you find in houses being built today. So increasingly, where there was a reason perhaps in the past to favour only one or two species, there is less of a reason today, because many of those species can find a use in forest products.

Mr Hastings: Mr Burke, I was interested in your report here about the forestry futures trust committee. Are some of its responsibilities to deal with the predators that we're seeing coming into North America? Correct me if I'm wrong, but there was some Chinese insect that can get into the elms of Ontario—maybe not necessarily our forests in northern Ontario. I may have the wrong species of predator here.

Mr Burke: I think you're on the right track. I think what you're referring to is the emerald ash borer. I'm going to have Mr Thornton speak to that particular issue.

Mr Hastings: Is it a responsibility of this committee or this group to anticipate these sorts of things?

Mr Thornton: I'll give you some background. Your question focuses on pests, insect pests in particular, in Ontario and what's being done about them. You are correct; there are a couple of notable insects that have come into Ontario from other countries—China in particular. The two that have gathered the most attention recently are the Asian long-horned beetle and the emerald ash borer. These are the kinds of publications that we work with the federal government in putting out, to alert landowners and others around the perils brought by these insects.

I'm describing here what we refer to as exotics or introduced pests. In other words, these insects are not native to Ontario. Because they have been introduced just recently, that authority, in dealing with those introductions, rests with the federal government, specifically the Canadian Food Inspection Agency. They take the lead in dealing with introduced pests that have not been native to Ontario. We of course work closely with them. For example, in the case of the emerald ash borer, which has recently been discovered in the Windsor area, has come across the border from Detroit, we are working extensively with the city, with the Canadian Forest Service and the Canadian Food Inspection Agency, as well as municipal affairs and others, to see what can be done to contain that infestation. But as I say, at this point, because it's an introduced pest, that lead authority rests with the federal government.

Mr Hastings: It's going to be very difficult to contain that ash borer, I believe.

Mr Thornton: Yes. Plans are underway that will unfortunately mean the removal of a number of ash trees in Windsor. This particular insect from China is very aggressive in destroying ash trees and can probably do that in one or two years. There's evidence of the infestation in many parts of Windsor. There are plans in place to remove infected trees and to try to contain the spread of that insect beyond Windsor.

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Mr Hastings: Does this mean we should have some kind of thing in place to deal with anticipated predatory insects that destroy the well-being of an industry, from an international viewpoint? If this ash borer gets beyond Chatham, gets across the province, it could destroy that particular—they can also mutate, go to other forms. Can we get compensation through the federal government by suing in the World Court, or is that just fancy talk and it never really could result in an amount of money to recover the costs of your lost employment etc?

Mr Thornton: We haven't contemplated any legal action. Our model right now is one of co-operation with the federal and provincial agencies that have an interest here. We do have an understanding with the Canadian Food Inspection Agency where our entomologists work together to try to understand the science of how these insects operate, because that's often the key to understanding how to control them. There are also limits placed on the vectors, the means by which these insects enter the province. If you look at the case of the emerald ash borer, you'll discover that it came in on wooden packing pallets and related wooden items from China that were unloaded in the Detroit area. As a result, those insects survived in the wood and have spread into the forested areas of Detroit, and some have now come across the border to Ontario.

Mr Hastings: Turning to the question of the small woods operator: when I was PA at MTO a few years ago and we were visiting northwestern Ontario, some of the woods operators, the one- or two-person operations, said to me that in league with the larger companies that rely on the small woods operators to go further in, they didn't have much of a chance if the weather went very mild. MTO's regional managers could close the roads off that had wood already cut; they were going to be bringing it out by this time of year or early March, and they just closed them down because they were concerned about the ripple effect impacts on the highways in the northwest.

To your knowledge, has anything changed in that regard? Are you even aware of this issue, of this concern from the small woods operators? It impacts some of the mills up there because they no longer can get the wood that was already designated, measured, scaled out, perhaps even cut, as it turns mild and then it doesn't go back cold. The blanket authority—that ends it for the cutting season.

Mr Thornton: We're certainly aware of the problem. Weather is a dominant factor in all forestry operations, whether it's hot summers and fire seasons or cold winters and heavy snow. Once those roads start to go soft, you're right: the Ministry of Transportation does have a responsibility to ensure that loads are lightened so as not to damage the public highways for other uses. That's why, increasingly, we're seeing greater efforts in moving wood when the roads are frozen. We're seeing this now, at exactly this point in time. If you were to look at our records of when most of the wood in this province is

transported, it is in these very months of January, February and March, for that reason.

What that brings about is often a glut in terms of the need for truckers for those three or four months that I've described. That in itself has brought problems, because often the supply of trucks isn't there to move the volume of wood quickly enough.

Mr Hastings: Do you think we could find a different management model to deal with that concern, like they have on occupational health and safety, which is more of a shared arrangement in terms of the decision-making on that? That was their suggestion, their solution to this situation.

Mr Willick: If I may, I think the secret is first of all local dialogue to make sure people understand the implications. But even before that is planning ahead of time, and that's where we could really help in making sure the allocations are made in a timely fashion, so that people can get in, do the logging and do all the harvesting so they can get the hauling done before the roads go soft.

The Chair: Mr Crozier.

Mr Crozier: The discussion on the emerald ash borer certainly affects the riding I'm privileged to represent, that being the area of Essex county. There's one lot there that has upwards of 80,000 trees in it, most of which may be devastated by this ash borer. So we appreciate your working with the federal government and the local authorities on this issue.

In the same vein, I have to mention that there's a staff member of yours down our way, Alec Denys, who is most helpful when it comes to some issues on Pelee Island, our little gem out in the middle of Lake Erie that is not without its issues that MNR is involved in. I want to tell you that Alec is one of your staff who is most helpful and available. Any time I can put in a plug for him, I will.

Now to these issues. Often there's comment by a ministry at the end of the day about how they feel about a visit from the Provincial Auditor. How do you feel, Deputy Minister Burke?

Mr Bisson: I feel just great.

Mr Burke: I second that motion. We have found the Provincial Auditor extremely helpful, and believe me, we take advantage of every opportunity we have to improve what we do and have a third party look at what we do in a meaningful, supportive way. I read very early on the things we've been able to accomplish, I think in part due to the work that was done by the Provincial Auditor.

Mr Crozier: I asked that question in that way so as not to put any words in your mouth. Is your feeling the same as far as the standing committee on public accounts and its comments and recommendations through reports are concerned?

Mr Burke: I feel pretty well the same way.

Mr Crozier: OK. That's the set-up. I do, in all seriousness, want to go this letter of February 14 from you, Assistant Deputy Willick, received literally—at least the "received" stamp on here is two days before this meeting. What I want to get some sense of is that this is

in reply to a matter that should have been submitted to the standing committee on public accounts on April 30, almost a year ago. Why does it take that long, and in this instance, why did it take that long to reply?

Mr Willick: It slipped through the cracks.

Mr Crozier: Did it?

Mr Willick: Yes.

Mr Crozier: OK. That's fair. Good. I'll take that. It happens.

Mr Willick: I'm embarrassed by it, but—

Mr Crozier: No need to go any further. I was just genuinely interested whether there was some process reason or whatever, and you've answered the question. I was going to use the example that if we took that long to reply to our constituents, you know what we'd hear. Sometimes it slips through the cracks; you're absolutely right.

Interjection.

Mr Crozier: I always tell my constituents that you can't expect an answer from a minister for at least eight weeks, so that's not bad.

I want to go to page 401 of the auditor's report. Reference is made to forestry trusts. The auditor says: "The ministry informed us that staff now track revenue and expenditures related to the forest renewal trust. The monthly account statements are reviewed and compared to the minimum balances. Quarterly summaries are provided to district staff, and when accounts contain less than the minimum balance, companies are contacted to correct the deficiency." Could you give me the number of companies and perhaps how many companies out of that number might be deficient?

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Mr Thornton: I can speak to that. Right now, if you were to look at a map of Ontario and see how we manage by individual management unit, you'd see about 53 individual management units where commercial forestry operations take place, and each of those 53 is required to maintain a status in its account. Now, that number changes over time as management units are amalgamated and so on, but in rough terms it's just slightly over 50.

We have experienced the problem, as noted by the auditor, where some of those companies have not met a minimum balance obligation in their accounts at a certain point of time, specifically the end of March of each year. To give you some perspective, it's in the order of anywhere from two to probably six, perhaps slightly higher than that, where this happens.

I think we need to go behind the scenes and ask ourselves why this happens. Remember how this trust works. It's basically a trust that receives money that's paid by a timber licensee when they harvest wood. Money is placed into the trust, and then when that site is regenerated, monies can be paid back to the company for their cost of regeneration.

So you have two things happening. You have monies going in, based on timber that's harvested, and monies coming out, based on the renewal work. When those get out of phase, a minimum balance may not be met. One

example we've encountered is an early spring. With the spring thaw you can't truck the wood to your mill. It doesn't get weighed, and therefore you don't pay stumpage. The revenue you were relying on in February and March doesn't materialize, and you fall short of your minimum balance. In those circumstances, we say, "We understand there are operational conditions that have played a factor here. Write us a cheque," and they do that. They top it up with a cheque, and then as that wood comes in later in the year, we process that as a credit.

Mr Crozier: So you're saying roughly 10% to 15% maybe. I suppose that is a rollover figure. It isn't always the same company.

Mr Thornton: It isn't always the same companies.

Mr Crozier: My next question was, what happens? You've said this is brought to their attention, and without too much difficulty it's met.

Mr Thornton: It's rectified, yes.

Mr Crozier: Are these trust accounts very large? Are we talking about tens of thousands or hundreds of thousands of dollars in any one trust?

Mr Thornton: Millions.

Mr Crozier: Millions? So if they're deficient, it could be a significant amount that they're deficient.

Mr Thornton: Yes. In total across those 53 units I have described, in the forest renewal trust there is over \$150 million.

The Chair: There are about 10 minutes left. I'd like to ask some questions, so I'll ask Mr Crozier to take the chair.

Mr Crozier: We're going to play musical chairs here.

Mr John Gerretsen (Kingston and the Islands): I too appreciate your honesty with respect to the recent letter. I have some questions, though, about the chart that was provided with the letter. It talks about the number of licences that were actually in effect, as opposed to the number of mills that were operating. For example, in the chipping facilities, five out of the seven that were there had licences. Some of the percentages are high; some are low. What happens to facilities that do not have a licence? In many other areas, if you don't have a licence to practise, you can't do any of the work any more. Are these mills in effect shut down until they do get a proper licence?

Mr Thornton: No, they aren't shut down, and here is where I should give some background to the purpose of this mill licence. This is a situation where we know where all these mills are. There are 215 of them. But the renewal of their licence hasn't occurred in a timely fashion. There are a number of reasons for that. It could be that one company has bought another, the name on the licence has to change and we haven't got all the papers through in terms of who the legal entity is that's operating the mill. But more important, the purpose of having this licence, from MNR's perspective, isn't the permission to operate as much as it is the requirements we have to gather information from that licensee. For example, we're interested in knowing on an annual basis information on how many people that mill has employed,

how much capital they've invested in it, how much product they've produced in terms of paper or pulp or panel board or lumber, how much wood they've consumed. That's really the compelling rationale for having these licences. What really counts in terms of a mill's interaction with MNR isn't the mill licence; it's the timber licence because, as you know, most of the timber supplying these mills comes from crown land.

Just to repeat, I guess, the purpose of the mill licence is really one of knowing the facility is out there and having some means by which we can gather information related to that mill.

Mr Gerretsen: I'm glad you mentioned the timber licences, because that was my next question. A couple of years or so ago I had an opportunity to travel quite extensively in the north, to get on a couple of planes and to sort of survey the area. What really struck me was that whereas in some areas the timber has been cut extremely well, proper cleanups have occurred, it has been cut in sections etc, in other cases there was an awful lot of rubbish left behind and the sections that had recently been cut were an absolute mess. From talking to local individuals there, both in the industry and outside of the industry, this is a major concern to the people up north.

How can you allow that to happen? If a piece of property is leased or the timber rights are leased to an individual company, and let's say it's one of those companies that isn't involved in proper cleanup, what do you do the next time it comes to you for a licence? Do you in effect say, "No, you're not getting a licence to cut until you clean up the last property where you were involved before"? Why are some of these areas left in such total disarray? I assume that will not be cleaned up naturally for probably 50 to 100 years. What's the reason?

Mr Thornton: To answer your first question, what is done, if this is an example of timber harvesting on crown land where we have jurisdiction—we don't have jurisdiction for timber harvesting on private lands, and what you're describing appears to be a situation of what we would call wasteful practices, timber that is merchantable is being left on the site—then we can go in and through our compliance monitoring program identify the problem. We take corrective action, which could range from warnings to stop-work orders to administrative penalties and offences. As I've described, we do that on a regular basis. We certainly wouldn't wait to act on that until the next time the person came to us asking for another timber licence.

Mr Gerretsen: OK. Let me ask you this, then. In light of what has happened to your budget over the years and the number of people you employ in the inspection areas, do you have enough people to in effect see that the compliance with these various rules and regulations is being adhered to? The reason I am asking that is that from my recollection most of those individuals basically said there has been clear-cutting done or there has been waste left on crown property. Most of the land I went over was crown property, as far as they knew and as far

as I knew. Do you not have enough manpower or human resources available to you to properly monitor those situations?

Mr Thornton: You're talking to a public servant who would always like to have more resources. I guess you can expect what I would say here is that we do the best with the resources we have. You're correct that the resources assigned to the forest program have been reduced in recent years. However, we have also re-engineered the manner in which we undertake that work. When I look at our performance in this particular area, the area of compliance, I can honestly say that alarm bells don't ring off for me.

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If I were to be blessed with more staff and more dollars, I would think hard about the need to put more effort into this compliance monitoring that we're talking about. I think the role that the industry has accepted and the work we continue to do in the field in our monitoring efforts is admirable. I would be more apt to put additional resources in other areas related to planning—some of our science work and so on—but I think, given the transition, the new relationship that I've described has worked reasonably well.

Mr Gerretsen: Isn't that interesting, because I was going to ask you, as my final question, about planning. I'm a neophyte in this area, I know nothing about it, but I think it's a fascinating industry and it's another area where, from a tourist potential, quite frankly, we've got resources out there. To most people who come from smaller urban countries this is just something unbelievable, to see the vastness of the Ontario woodlands, particularly up north. I don't think we're doing enough to get involved in that, but that's another issue.

From talking with the auditor earlier, I get the impression that he feels the compliance monitoring is better and maybe the reporting is better than it has been, but the upfront planning really needs a lot more work. That's why I was just a little bit surprised when you talked earlier—and I believe it was the deputy, in his opening comments—about the five-year forest management plans etc. I'm wondering if you don't need to do more than that. I get the impression that you wait five years in this planning process to see if what you were looking for is really happening. Shouldn't the time framework in effect be shorter? In other words, the way I look at it, if you take the timber off the land, then we want to make darn sure that the timber comes back on the land by new growth and what have you.

There are really two questions here. You said that one third of 1% is being harvested annually. Are we getting a new forest, an addition of one third of 1% per year? In other words, are we keeping up with what we're in fact cutting down?

Mr Thornton: The answer is yes. As the deputy had indicated to you, when we go back and look at those sites to assess whether or not they've progressed as we had planned, in 86% of the time they've come back to meet the standards that were expected at that point in time.

If I could give you a very global perspective here—and it's dangerous doing this—if you were to look at the total forested area of Ontario, you would see that there have actually been slight increases province-wide. There are a lot of reasons for that: some abandoned agricultural land now being forested and so on. But there is no compelling evidence, based on all the reports we provide to the public, that would suggest there is land being harvested out there that is not coming back to regeneration. Sometimes it's not as fast as we'd like and it's not always the mix of species that we'd like, but it is certainly being regenerated.

Mr Gerretsen: Why do you wait five years to go into this qualitative analysis in your planning process?

Mr Thornton: Well, in terms of assessing the performance of an area that has been regenerated, you have to wait five to 10 years just in order to see how that plantation progresses. It takes that long for trees to get to a sufficient size where you can say with some certainty that this is now successfully renewed.

For example, the standards that Mr Willick talked about—when we assess a tree for free-to-grow status, which is this kind of measure of, “OK, it's free to grow from this point on,” it has to be at least a metre high, there have to be a certain number of trees per hectare and they have to be trees of the right species. It also has to be free to grow from competition. So it's fine to have a tree that's a metre high and it's the right species and there are lots of them, but if it's overgrown with raspberry bushes or alder or whatever the case may be, that's still not sufficient. Those are the kinds of standards we put in place when we make that determination of successfully regenerated, that 86% figure.

The other piece you asked about was the broader planning that we do every five years, and you are correct: there are forest management plans currently prepared on a five-year basis. These are very comprehensive plans. You can imagine for a million hectares, as the size of some of these units are, describing where roads will be built, where timber will be harvested, where trees will be planted over a five-year basis, identifying all the areas that have to be avoided because of values to be protected—water bodies, osprey nests, or whatever the case may be. It's very, very complex, calculating how much timber can be harvested on a sustainable basis so as not to over-harvest on that unit, so much so that it now takes 27 months to prepare that five-year plan.

Once your plan is in effect, each year you're also required to report on your accomplishments. Those reports are available to the public and often summarized provincially, in the form of the report that I showed you recently.

So it's almost a perpetual state of planning—that's my message here—because of the need to report, the need to review and the need to start the planning cycle again.

Mr Burke: If I could just add one comment to that: I know in your past you've been involved in local government, as I guess some of us around the table have been. There seems to be a love affair with five years. You may

recall that official plans have to be renewed every five years, rezoning or zoning plans have to be renewed every five years. Five years for some communities is a long time because not a lot happens. In other communities, it's happening very, very quickly. The important thing, though, is to track what changes are taking place and feed that back into your planning system. As Bill says, we're almost on a continuous rolling of planning and planning changes as we move along now.

Mr Bisson: I'll just go back to where we left off on the sample cruises, just to bring that part of it to an end. We were having a discussion around the size of the sample cruise that private contractors have to do in order to be able to determine how much stumpage they pay. I'd made the suggestion of, why don't we look at a different regime that basically allows a smaller sample cruise of 2% versus 5%, and then basically an adjustment based on the weigh scale?

I've gone back and talked to a couple of the contractors I'm dealing with, and they were saying to me that they're weighing anyway. They've got to pull the wood on the scale anyway because that's how you determine how much money you're going to give the lot owner, or in the case where you own the lot, to be able to do your own accounting. So is there a possibility that the ministry would be able to look at some way of reducing the size of the sample cruise, because it puts an additional financial burden on the contractor? There are some good contractors out there trying to do a good thing. There's a number of them that do reforestation as part of what they do. In the cases where you have contractors who have a proven track record, who do reforestation, would the ministry be prepared to take a look at the size of the sample cruise?

Mr Thornton: I think we can do that. I think we can look at it where we have some assurance that the wood is going to be scaled and we can then determine the actual volume and value of crown timber involved.

Mr Bisson: But in all cases, you have to pay the crown dues ahead, right?

Mr Thornton: For a release, that has been the practice, so what you're describing, I think, is some means of an initial estimate and then adjusted by an actual measure.

Mr Bisson: Exactly. That's one of the issues we'll bring back and have a chat with you about as we move forward with the other meeting we talked about. So that will be helpful.

Just before I get off that entirely, just to understand something, in the past, did you always require that all stumpage be paid ahead of time before you take the trees off, if you're a private contractor? Is that something relatively new?

Mr Thornton: Again, in the context of requesting a release, I believe that has been the practice, where the money has been paid up front for purposes of their release.

Mr Bisson: Because one contractor who used to be in business and had been out for about 10 or 15 years was looking at getting back in again, and that was one of the

things he brought to me. He said, “I never used to have to do that.” He used to cut under the old DCLs, the district cutting licences. I’m not sure, but under the district cutting licence, did you have to pay the stumpage up front again?

Mr Thornton: No. A district cutting licence on crown land is a different thing altogether.

Mr Bisson: You can’t get them any more.

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Mr Thornton: There you were harvesting crown timber on crown land and you paid based on the scaled volume of wood.

Mr Bisson: So you’d pay after.

Mr Thornton: That’s right.

Mr Bisson: That’s why he’s seeing the difference. You used to be able to operate under a DCL that no longer exists. The only option for him would be to go and cut private wood. Therefore, the private wood policy has always been the same, which is prepay the stumpage.

Mr Thornton: I believe that may be the source of confusion, yes.

Mr Bisson: All right. That’s good. That’s helpful. Like I said, the larger the sample cruise you have, the higher the costs and, as you know, this is becoming a more and more difficult business when it comes to the final numbers.

The other thing is on the all-trees release, just to go back to that for a second. Actually, it’s related to the sample cruise. What do you do in the case where it’s an all-trees release? Do you treat it differently than if it’s just pine?

Mr Thornton: I think that may be one of the situations where the person could argue that a smaller sampling intensity is appropriate.

Mr Bisson: On all trees.

Mr Thornton: On all trees, yes.

Mr Bisson: So if a person gets an all-trees release, then that would be easier to make happen.

Mr Thornton: I believe so. Certainly in terms of sampling intensity, I think that’s where our scaling people would say, “We can go with a lower intensity.”

Mr Bisson: And just so people understand what we’re talking about: even though you don’t get an all-trees release, it doesn’t necessarily mean that you cut all the trees. It’s the release by the ministry of the type of tree, just so we’re clear on what we’re talking about.

Just to finish that particular point, what you’re saying to me is that the ministry is developing a new policy that in the future it will be an all-trees release; it will not just be conifer. If we do end up with that within the next number of months—as I understand, it will be a matter of months before that policy is in place—then that naturally says that the sample cruise will not have to be as large. That’s what it tells me. Am I correct in my assumption?

Mr Thornton: I don’t think we can make that sweeping a generalization.

Mr Bisson: I can.

Mr Thornton: Here’s where I think we really need to bring in the experts to give you a better assessment of the situation.

Mr Bisson: All right. But what I’m hearing, which is good, is that there’s some flexibility on that. That’s what you’re telling me.

Mr Thornton: And that we’re prepared to look into it.

Mr Bisson: So you’re basically saying that if it makes sense and there is a way to actually determine that the crown is collecting the dues it’s owed at the end, then certainly there is an ability to look at the size of the sample cruise.

Mr Thornton: Yes.

Mr Bisson: Excellent. I like that. That’s good stuff.

The next thing with regard to all of that is the issue of the stumpage itself, just so that there is a bit of a policy discussion at this point. We talked earlier about the stumpage fees. Stumpage fees, just so people know, are divided in different parts: there’s the revenue part, which is the stumpage; then you have your futures fund or whatever you call it, which is a small portion—I think it’s about 50 cents per cubic metre of wood—set aside to fix blowdowns; then you have the renewal fund. I heard you say, in looking at that, that what you’re thinking about is, in case the ministry releases all trees off private lots, is it appropriate for the ministry to be charging the renewal charge? Can you explain what the logic is and where you think you’re going with that, just so we’re a little clearer?

Mr Thornton: Again, subject to further discussion with those more intimately involved than I, the issue here would be, if someone is arguing that they should not pay that renewal charge and, in doing so, of course, because we’ve released the timber, they have no obligation to renew, then are we in fact artificially discounting the value of that crown timber and now putting in place a two-tier pricing system, such that it becomes inordinately attractive now to cut the private land? That’s the policy issue we have to consider here.

Mr Bisson: The policy, what I want to give you by way of discussion toward the development of that policy, and I’ll just say it again: what I think we want to do as a Legislature, and what I think you want to do as a ministry as well, is to make sure we encourage sustainable activities in the forest. It’s different if somebody has a private lot and they’re trying to build a building; sure, cut the darn trees down. There are reasons to do that. But if somebody who is engaged in the activity of forestry as a business cuts trees on private land, in the end I would much rather see a policy developed that says, “We’re going to charge you the renewal charge, as you would pay if you were a licensed holder like Tembec or Abitibi or Domtar or whatever, but we’ll then allow you to do as the big companies do and draw down from the forest renewal charge, once you’ve proven to us that you’ve done your audit and you’ve actually met your targets in your forest management plan.” Is that where you’re likely going to end up? If it is, I think I can live with that.

Mr Thornton: I can't predict that we will. I think that's one of the suite of options we examine.

Mr Bisson: I can understand what you're saying from a policy perspective, that if you remove the renewal charge, you're going to have everybody stampeding to cut the trees on private land. I don't think any of us wants that.

Just so members can get a sense of how big this is: there are many places, for example, in Mr Ramsay's riding south of me and even up in my riding of Timmins-James Bay, and I would argue in most places in the north, where there are still fairly large tracts of private land. For example, in the northern part of the city—and you used to live in Timmins, if I remember correctly.

Mr Thornton: Yes.

Mr Bisson: In the northern part of the city of Timmins there's that whole area where vet lots were given, not only for the Boer War but for the First World War and Second World War. You've got huge tracts of land that go up on the Gordon Cosens Forest, almost. So you're talking probably—I don't know. That whole section is maybe 100 miles by 100 miles.

Mr Thornton: Yes, there are big, in some instances in fact townships, of privately owned land there.

Mr Bisson: So the policy perspective for me is that if you allowed the reduction of the stumpage altogether because we've released the trees, you'd be encouraging people to go out and just clear-cut that and do natural regeneration, and that's not the way we should do it. We should be encouraging good practices.

That brings me to the other point, which is related to the SFL holders, the sustainable forest development licence holders. We require them to develop a forest management plan, rightfully so. Mr Gerretsen talked about that a little while ago and asked some questions along that line. But it's not necessary that we require any kind of plan like that from a person who does their living out of extracting forest from private land. Has there been any kind of review by the ministry to take a look at either the ministry providing that function or requiring the operator to provide that function of a forestry plan when we're cutting on private land?

Mr Thornton: It's a good question. We do have a program in place. It's a voluntary program and it has already been touched on here in part with respect to the managed forest tax incentive program. There, if a landowner wishes to, they can participate in a program that sees a plan prepared for their property by a professional forester and, in doing so, once that plan is in place and it is acknowledged, they see a benefit by way of a reduction in their municipal taxes. There are issues with that which we've acknowledged, and so on. So that's the one incentive program we have out there and that's really about it. If you're a private landowner and you don't want to participate in that program, then we make available all the information we have on good stewardship and any sort of assistance in that area. But it's really the choice of the landowner how they want to manage their land.

Mr Bisson: Just to be clear, I don't think anybody on any side of the House would want to infringe a very strict discipline on somebody who owns a private lot and is trying to develop it and, in doing so, is cutting down the trees. I just want to make that clear; we don't want to infringe on that. But clearly there's a whole bunch of private land out there that is not up for development. It's out in the middle of the bush. It's basically forest. We need to find some way to manage that better. As I travel around northern Ontario—as you know, I'm a pilot and I fly over most of that area myself—I see there are some activities happening on private land that are not in keeping with good forestry practices. We need to do a better job of making sure, if we release trees, and maybe whatever process we do, that we do have some ability, as the crown, to make sure they do a better job of managing whatever their activities are. That's the only thing I'm asking for.

So for that reason, when you do your review around the stumpage fee, I would much prefer a system that basically says, "Charge a renewal charge. If you're going to do your work and do it well, you'll get rewarded by the same thing any other SFL holder does. You can draw that money back from the renewal charge after you've proven that you've done your job." If not, at least the crown's got the money. We can go out and do what we have to do after.

Compliance inspection: the auditor is fairly clear on page 2 of the report, the summary we got, where he talks about something we talk about in northern Ontario because we see it. I've spoken to foresters, forestry technicians and others, both within MNR and the private sector, and I get a bit of a different story depending on who I'm talking to.

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There is some concern there that the ministry at one time did have the staffing capability and had the responsibility of not only doing the good science work and doing the development of good policy but of actually monitoring and enforcing the activities in the forest. We have moved to a self-policed system, basically. It's not self-regulated, but companies like Tembec, Abitibi, Domtar and the rest of them are now in a position where they do that themselves. They pay stumpage, they do the forest management plan, they pay for it, they cut the trees, they do the reforestation and, if they do a good job, they draw back from the renewal fund.

I'm talking to some of the forestry technicians and people who work in the bush. There are some instances where the companies are doing a great job, but there are some instances where they're not. When I look at what the auditor is saying, he is saying, "Ministry inspectors were finding significantly more violations than industry inspectors." Doesn't that cause us some concern, and what are we prepared to do about it?

Mr Thornton: Yes, it does cause us some concern. As we indicated previously before this committee two years ago, we have to exercise caution in looking at the numbers without understanding what is behind them. For

example, I mentioned earlier that when a company finds an instance of non-compliance, an infraction, and reports that to us, we go out and verify that, so that one incident now has two measures of non-compliance.

In addition, we in MNR, unlike the company, are not simply randomly checking. We put our emphasis on those areas—this is the risk-based approach that the auditor advised us to follow—where we think we're going to find problems. So it's only natural that we find more problems in those areas that you think are most likely to lead to problems. That's partly behind it as well.

Then there is also a third category where, in some instances, a company inspector may look at a site and judge it to be in compliance. An MNR inspector may say, "No, in my judgment it's not in compliance." There is where we need some more collaborative work and training so that that situation is better understood.

Mr Bisson: I guess the problem I have and a lot of people in the public have is that we recognize there are some very good operators out there. There are companies out there, quite frankly, that are doing a pretty darn good job and stake their reputation on it, and to them, we tip our hat. Unfortunately, every now and then come people who are not as good at that.

I understand what you're telling me. You're saying, "We're going to go out and do a risk-based assessment about where we're going to do the inspections." But the reality is that even the best companies, if economic times get tough—if you take a Tembec or any of those, and I rate them with the better ones, and the profit margin disappears, as it has over the past while, there is a certain pressure on those people who are doing the monitoring for the company to be a little bit more lenient than they would be otherwise. I think that's what worries people. It's a problem, and I don't accept that risk-based assessment about where we send our inspectors is going to solve it. I think anybody—the best contractor to the worst contractor—has to be able to know that at any one particular time he or she may be inspected, and never know when they're going to drop in, so we're always doing a proper job.

Like I say, I've talked to forestry technicians and people who work in the bush for all kinds of companies. I've heard some good stories and I've also heard some bad ones, and sometimes it comes from the better operators. Does the ministry have the capacity, in your view, to do that type of monitoring given current staffing levels?

Mr Thornton: Again, I go to the numbers. We see in this province 8,400 inspections undertaken in recent years. That's the total number of both MNR and industry. We see a steady increase in that figure over the years. MNR's numbers have declined, but only moderately, from 2,400 in 1998-99 to 2,300 in 2000-01.

So there is still a presence out there. We are still finding problems and we always will. We've put in place training programs now where inspectors can be certified. They're not just out there speculating that this is or is not in compliance; we're training them—

Mr Bisson: But that's not my question. I understand the logic of what you're telling me. My question is, do you think that you have sufficient staff members to do the job that you think needs to be done supervising what's going on in the bush?

Mr Thornton: I think we're doing the best with the staff that we have.

Mr Bisson: I know you're doing the best with the staff you have; that I don't doubt. I know your staff is quite professional and they're doing everything in their power to do the best job possible. That's not my question. Are your staffing levels adequate? That's basically what I'm asking.

Mr Thornton: On a global basis, for the forestry program, would I like more staff? Your answer would be yes. But I also appreciate that that's a decision the government makes in terms of how it allocates resources.

Mr Bisson: It amazes me that you guys are always so professional in your answers. OK. So I've made my point. I'm not going to stay on that one any longer, but I'm really uncomfortable, as I think many other people are, both in the industry and in the general public, that we do not have the capacity to monitor as well as we would like to.

That brings me to my second point: fire emulation policy. Let me just put it this way. We have come from a time when the forest companies 15, 20 years ago were seen as the bad old lumber barons. We all remember the times that leaders of provincial parties would chain themselves to trees—we're not going to talk about whom.

Mr Hastings: I wonder who that was?

Mr Bisson: I don't know. Some guy, Bob something or other. I forget his name.

Basically my point is this: there were the bad old days in the forest industry where the environmentalists and people who did not come from the north saw the forest companies as bad old lumber barons. Companies like Tembec, Abitibi, Domtar, a whole bunch of them, have spent millions and a whole bunch of effort, along with government, by way of changes in laws of successive governments. We've all had our hand in this. We did sustainable forestry development; you guys have done some stuff; they did some when they were in power. We have changed that industry into becoming a very green industry, in my view. The forestry industry—and I think somebody tried to allude to that earlier; I think it was actually you, Mr Hastings. We were talking about how sometimes they're not tooting their horn enough about the job they're doing.

The difficulty I have is this: we have spent an inordinate amount of time, all of us, industry and government, to change the practice and the image as the public sees the industry. We are now moving into the fire emulation policies where we're saying it's going to be OK to cut 10,000-hectare clear-cuts in the Gordon Cosens Forest. My problem with the decision to do that is, we are going to be giving an opportunity for those people who are critics of the industry to point to the examples of those large clear-cuts as bad forest practices

and set the clock back, I think, for industry and how it is viewed.

I know what your professional answer is going to be, and I'll be interested to see what you say professionally. But I just want to make the point in this committee that the government and the Legislature should really rethink this whole approach to forest practices. By allowing companies to move toward large clear-cuts when clearly the whole body of work that was actually started by the Liberal Peterson government, which was the forest EA, and finished by us, basically concluded after five years of hearings and after all of the scientific work that in normal circumstances clear-cuts should be no bigger than 260 hectares—that was based on a whole bunch of work that was done. We have now thrown that out the door and we're saying, "In some cases we can go larger than that, and so much larger that we're going to try to mimic what happens when you've got a forest fire." From the perspective of the public, I'm sorry; we normally spend millions of dollars to put fires out so they don't become 10,000 hectares. We like to keep them small, if not at all. I just worry that this move to the fire emulation policy is basically really putting at risk the ability of the industry to be seen as green.

Mr Thornton: It's a very common subject matter for us and I'm going to take some time to respond to it because it is important. I'd like to begin with examining what was actually said. You referred to the environmental assessment and the decision of the Environmental Assessment Board where they made mention of this subject of clear-cuts size and how big is too big. It's often been misinterpreted what they did say. Some people feel they set an absolute limit.

Mr Bisson: I know, because I know the people who drafted it, and I can tell you with certainty what they said. Remember Elie?

Mr Thornton: I remember it well, and I'll read you his words, his and the Chair's.

Mr Bisson: It's a good thing he's not sitting here; he'd rip you apart.

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Mr Thornton: These are the words of the Environmental Assessment Board, and I'm reading now from a decision dated April 20, 1994. On the subject of clear-cutting, they said, "We conclude that clear-cuts should be made in a range of sizes to emulate natural disturbances, and that—although extremely large clear-cuts would likely be rare for practical reasons—limiting clear-cuts strictly to small sizes would make it impossible to regenerate the boreal forest to its natural pattern of large even-age stands."

Later, on page 173, the board said in its decision, "We accept that some large clear-cuts are required and we rely on the judgment of foresters to make exceptions above the 260-hectare limit for biological and silvicultural reasons such as salvage operations, over-mature stands and wildlife habitat requirements. The rationale for exceeding 260 hectares must be reported in the plan," being a forest management plan. "It is also important that 260 hectares

not become the standard size clear-cut, resulting in only a few clear-cuts being larger or smaller. The evidence is clear to us in supporting a range of various sizes," so much so that the notion of emulating natural disturbances was later adopted in the Crown Forest Sustainability Act, which was passed in 1994. Subsection 2(3) of that act makes specific mention that, "The long term health and vigour of crown forests should be provided for by using forest practices that, within the limits of silvicultural requirements, emulate natural disturbances and landscape patterns," and it goes on beyond that.

I'd like to give you some sense of how our thinking has evolved on this issue, and I'm going to be assisted in doing that by some photos. I'd like to give you some indication of what a fire looks like and the influence fire plays in our forests and how clear-cuts in some measure, in some conditions, emulate that natural disturbance.

Mr Bisson: I just want to say that I always said they're very professional, right? He even came with pictures.

The Chair: Did you give him the question beforehand?

Mr Bisson: No. I love this. These guys are good.

Mr Thornton: I have some extras here if you'd like to follow as I go through.

Mr Bisson: Sure. Please. It even has my name on it.

Mr Thornton: This is a picture following a forest fire. It looks pretty ugly. You can see that the site has been burned. There's a lot of timber on the ground. It's very erratic in terms of the edges of the fire; some standing timber, but much of it on the ground. It's not a pretty sight, any more than a recently harvested stand would look. This is what it looks like from an aerial perspective. Again, a fire, and you can see some very intense places where it's been burned right down to the soil. You see some yellow areas where the fire intensity is not quite as severe. You see the fire has not stopped in any regular, straight-line fashion. It's jumped water bodies, in some instances it's burned to the shore, and it's avoided some wet areas. Here's another aerial shot of a fire, and you can see again that it's very erratic in terms of its pattern; some patches of living timber remaining but many other patches where it's been destroyed.

In our old-style thinking, we thought clear-cuts should look something like this, where essentially you cut it clear of timber.

Mr Bisson: Well, we stopped that.

Mr Thornton: You look at this and see kind of a checkerboard pattern. You see straight lines, and you see very little standing timber left in the area that's been harvested. That's a theoretical rendition, and this is an actual photo of one of those sites: square boundaries and all the timber piled in nice, neat rows, but a very artificial footprint, if I can use that term, left on the landscape.

During the course of the environmental assessment hearings, much more attention was paid to, "Wait a minute, let's make a stronger effort at having our harvesting methods emulate natural disturbances." A lot of emphasis at that point, in the late 1980s and early 1990s, was

placed on leaving some residuals, leaving some standing timber in those clear-cuts so it's not all cut clear.

Mr Bisson: It all blows down in about 10 years anyway.

Mr Thornton: That's a good point. In some instances those small, individual trees are blown down.

Now, within the last year, we've put out a guide called the Natural Disturbance Pattern Emulation Guide, and our whole focus is to go further in trying to have clear-cuts in particular emulate the disturbance that Mother Nature would have brought there, largely by fires. You'll ask why I'm so focused on fires. When we started this discussion, talking about the fact that only one third of 1% of our forests are harvested each year, that's about 215,000 hectares each year. To give you some perspective, over the long term we average slightly more than that burned each year. So wildfires are actually disturbing that forest out there to a slightly greater extent than timber harvesting is. If we were to add the impact of wind damage and so on, the number would be even higher.

Understanding those natural disturbances brought to the forest by fire is very important, because that's the pattern we want to emulate when we harvest timber. So this is the kind of disturbance that we would be moving toward. Again you see a very different shape here: irregular shapes on the harvest boundaries, not straight lines. You see a lot of individual trees, but you also see patches of trees left in the clear-cut. To some people it looks sloppy—not a straight line, a lot of trees here and there—but obviously the timber has been harvested. In real life this is what it would look like. You would see trees like that left. You would see the trees in this instance brought to the roadside and available for processing and transportation to the mill, but again, irregular boundaries, a number of trees left on the site with patches of remnant trees there.

If you look at a site like that a year or so later from the air, what you see is that it has greened up. In many instances the area has been planted and, in some instances, left for natural regeneration where the forester feels that's a better means of regenerating the site. You see a distribution of those disturbances out there, and it starts to look like that earlier photo I had of the disturbance caused by fire.

Finally, years later, you see that even some of the roads in the area that was harvested aren't visible because it has grown up. The plantation is coming along nicely, and you start to see different shades of green, the more recent forest plantations being a lighter green and the mature forest being a darker green.

The discussion around size is one that has plagued us. A lot of people like everything I've said. They say—

Mr Bisson: Just before you go further, just so everybody is clear, clearly what the environmental assessment people said was that we have to try to emulate what naturally happens in the forest. Nobody disagrees with that. The issue, and I just wanted you to continue on that point, is how big should we allow those disturbances to go? That's where the argument is.

Mr Thornton: That's right, and that's a great segue to my next two slides.

How big is too big? The board, as you heard—I read parts of their decision to you—suggested that we look at 260 hectares as a point where we think twice if there are too many clear-cuts larger than that. That was based on evidence around habitat, principally moose habitat and so on.

What we have done within the last couple of years is examine what is a natural disturbance pattern out there caused by fire. We've gone through the history books and looked at what naturally occurs. In the boreal forest, this red line tells a story. In the boreal forest, the northern forest, we see a distribution pattern that looks something like this. We see a large number of small fires, small being less than 260 hectares and a few that are very big.

Mr Bisson: This is fire disturbance?

Mr Thornton: Yes, these are natural disturbances. This is the pattern that we want to emulate. So in the guide Mr Bisson refers to, which came out just over a year ago, we have now set a standard that says 80% of the clear-cuts in the boreal forest shall be less than 260 hectares and only 20% shall be greater. It's an attempt to emulate that distribution in size that nature brought by fires.

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It's a different standard for a different part of the province. If we move farther south, to where I live, along the Great Lakes-St Lawrence, it's a different forest; it's called the Great Lakes-St Lawrence forest region. There, fire is less dominant on the landscape and, as a result, the standard is different, such that 90% of the clear-cuts should be less than 260 hectares and only 10% should be larger than 260 hectares.

I hope that gives you some sense of where we're moving. We understand the criticism, where people are saying that clear-cuts are too large. We acknowledge that there are large ones, but it needs to be put in the perspective of that range of sizes out there.

Mr Bisson: Again, I'm not going to stay on this point for much longer. When I talked to the people who were the commissioners on the environmental assessment and I talked to the staff who did the drafting, it is very clear what they were saying to me. They said, "Yes, we want to emulate, naturally, what happens in the forest when it comes to activities of extracting trees," but they were very clear that the only time you were to go over 260 hectares was if there was something—blowdown, an infestation of spruce budworm, whatever. I just want to make clear that as I talked to the commissioners, they basically disagreed with that particular view, that it should be brought to doing fire emulation and using 20% as a guideline.

I just come back to the first point. I'm not going to change your mind on this, because you're just following policy, and I understand that. But I want members to understand what our concern is: if we allow, in this case in the boreal forest, 20% of our clear-cuts to go over 260 hectares, and we do natural disturbance patterns in doing

that, the danger we have in northern Ontario over the longer term and how it can hurt us economically is that it builds an argument for the environmentalists in southern Ontario, and I think rightfully so, to say, "Look how bad a job they're doing up there." Because the reality is, we shouldn't be sustaining cuts over 260 hectares; only, I think, in extreme cases should we be going over. Because at the end of the day, what it does is set the forest company up as one of those bad old lumber barons. The reality is, if I've got a 10,000-hectare clear-cut that I can cut and I can do natural disturbance patterns, I've got fewer roads, it's less cost to bring the wood to mill. That's how people understand it.

I'm just saying that it's a very dangerous policy we're following. In talking to people internally with MNR and talking to people in the industry, I feel that the 20% won't even be followed; I think it'll be higher than that. From what we see in the applications just in our region—I would love to do a bit of research; I bet you more than 20% of the new licences that are now being approved are over 20%, as I see it, because we're looking at the overall of the boreal, but it's concentrated in certain areas, and it ends up being higher than 20%. So I make the point.

To the deputy minister: you should give this man a raise. He's worth every penny. He's worth every penny he's paid, because he's doing an extremely good job here this morning. I understand from the ministry perspective what you guys have to do and what your role is, and I'm not going to quarrel with that. All I'm saying is that from our perspective as policy-makers—because that's what we are; we set the direction and they go and implement the policy—there's a real danger in doing what we're doing here. It's a bit of a trade to the forest companies to try to lessen their costs a little bit, because of the downloading exercise we've had in making them self-policing of activities that the ministry used to do, and this is one way of reducing their costs, because what we've done is increased the cost to the forest industry by becoming self-policing, and industry, rightfully, is looking back at government and saying, "Well, you've got all these requirements that you've given me and you're now telling me I've got to police myself. I've got to pay for that; less money for me at the end of the day," and the government comes with this as a bit of a sop. I'm just saying it's a very dangerous route that we follow, and I'll just leave it at that.

Now, I'm in the committee's hands. I've got a few more questions. I don't know if you want to do other 20-minute—

The Chair: Yes, we have one on the government side. How much longer do you have, Mr Bisson?

Mr Bisson: I probably can do it in about 15 minutes or so. So I'm in your hands at this point. If you want to do full rotations, that's fine.

The Chair: All right. Let's go to Mr Hastings, then, just for a change of pace.

Mr Hastings: I just had one comment I wanted to make, regarding some of these items, for the ministry people to consider. One, I would hope that we would

make greater efforts in communications and marketing in terms of this connect between the good story I think you're doing in many areas and how that impacts in southern Ontario. I think we need to get a greater understanding by urbanites and not have so much of the distorted environmental viewpoint that I see in some of the materials in the schools and in the attitudes I see when I talk to people. I think you can do some great stories there in your sportsmen's show stuff, in your communications with real people about what the successes are.

Maybe you ought to look at using the non-accessible or non-utilized forest ranger stations that are left now, have some more comprehensive policy that would help some of the folks in the inner cities, not just Toronto, get a better view of how huge northern Ontario is, because they do feel sort of separated. If you go back, there have been lots of political efforts in the past to set up a separate province. I think we need more integration in terms of this industry. There are some great stories to tell in that regard.

I suspect—I don't have any statistics but just an impression—that there are probably skills shortages that will be occurring in the industry, from forestry technicians to managers to the actual foresters going out there. Maybe we're going to get an associate degree with one of the colleges, but I think we can do more in the schools, particularly at the younger ages. How do you do that? The Internet. That Internet site is probably one of the best ways of doing it. If there is any possibility of creating some revenue in a partnership—you look at all these kids who play video games and you say, "What's that got to do with what you people do?" There are probably some connects there, if you look at the dimensions of the industry and how they could be helping you, in terms of getting the message out, because you can't do it yourselves. We have to help out, the industry has to help out, the forestry faculties across the country in Ontario have to help out.

This is a huge strategic industry—billions of dollars per year. It used to be one of the biggest industries in Canada. Just drive around this area and see the result of all that wood that comes out of the north for all the housing. Maybe we need some connections with the greater Toronto home builders, the greater Ottawa home builders, what have you. There are some great stories to be told, instead of this stuff that I see in the media—and it's not your fault per se—that it's the timber barons of the past. It's completely beyond that now.

It'll take time, I know. I hope that you can look at some of those things and maybe provide some leadership, in a strategic forestry summit or what have you, on those things, because they're all linked in some way or other. Thank you. Good luck to you.

The Chair: Anyone else from the government side? No? Mr Crozier?

Mr Crozier: Just quickly, do you still have the junior forest rangers program?

Mr Burke: Yes, we do.

Mr Crozier: I applied for that, and I didn't make it. Maybe I could do it in my later years.

Mr Burke: With the seniors program.

Mr Crozier: The seniors. OK, thank you.

The Chair: Mr Bisson, how about 10 minutes? We'll cut it off at 3 o'clock.

Mr Bisson: Just give me a few minutes and I'll probably get done even before then.

Just a couple of things quickly. You talked earlier in your presentation about new opportunities for investment in northern Ontario. Cedar, as you know, is one of those. There's a huge problem we've been dealing with. You might be aware of the plant just by Mattice—Les Cèdres du Nord I think it was called. That thing has opened and closed twice, and both times it has closed it's an issue that they can't secure the cedar in sufficient quantity and quality to be able to make it economical. Is there anything new as far as development? We've met with the ministry on a number of occasions in order to try to revive that plant again and to try to find some mechanism to make sure that companies like Tembec, which don't need cedar, which have cedar on their SFL licence—we already have the ability by way of the legislation for the minister to dispose of that wood, but it doesn't happen all that easily. Is there some process we're looking at to secure cedar for those kinds of mills that may need it that is on somebody else's SFL licence?

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Mr Thornton: I can't speak to the specifics. I am aware of the mill and the troubles it has had. I guess I would offer a couple of observations. One is, first of all, that you're correct: many times the supply for a certain species for a small mill like that relies heavily on the arrangements they can make with other licensees to bring that wood in.

The other issue is a concern that we have, and you as well: sustainability. We want to make sure that the level of harvest of that species is sustainable. In the case of cedar, it's a species that hasn't had as much attention paid to it in terms of its silvicultural characteristics: how quickly it grows, how you regenerate it and so on. Those are, in broad terms, the concerns we have there.

Mike, I don't know if you can speak to the specifics of the mill wood supply.

Mr Willick: Clearly, what we have to do is recognize the need and encourage the large SFL holders to cooperate and see that that wood flows.

There are problems with the regeneration of cedar. We don't have the data on that yet. It's excellent habitat for wildlife. We need to make sure we maintain that. The quality is always suspect. You think, lots of trees—

Mr Bisson: It looked nice outside.

Mr Willick: They're that big and they have a hole that big in the middle.

Mr Bisson: It's like a doughnut.

I just say again, for members to understand the policy, the minister has the right, under the sustainable forest redevelopment act, to say, "SFL holder, you've got control of the trees, but you're not using those particular

trees. We're going to give those trees to somebody else. We have that right." The problem is that the ministry very seldom does that in the case of cedar. It's up to negotiations on the part of the proponent in the mill who is trying to get the cedar and the SFL holders, and sometimes that's not easy. Let's face it, companies like Tembec are not in the business of cutting cedar.

My request is that we need to find some way, some mechanism and some policy to more easily transfer that wood from existing licence holders to mills that demonstrate that there is an opportunity for investment.

Mr Willick: Our attitude is not to just say, "Go and make a deal with the SFL holder." We're quite prepared to facilitate the discussions.

Mr Bisson: That was my whole point: the ministry has to play a role in that because it is very difficult otherwise.

The other thing, just quickly, is on the north of 50, north of the undertaking. For members, I don't know if you know what we're talking about here, but there is a whole tract of land and I think we've actually got a map of it. We were given it this morning. It demonstrates where all the current crown and SFL units are, which are basically south of the 50th parallel. There's a good map that shows it. This whole pink area, which happens to be my riding—I love it; they made it pink.

Mr Thornton: Everything above that red line, actually.

Mr Bisson: It's just kind of interesting. My whole riding is in there.

Interjection.

Mr Bisson: It's kind of pink, orange—same thing, right?

Everything north of 50 is aboriginal communities only. The only non-aboriginal community up there I would say is probably Moosonee, which is 90% aboriginal people but, by law, is a municipality. Because there has been a lot of activity as far as forest activities in here, we're now starting to move to try to see if it's marketable to cut trees north of the 50. One of the things we obviously need to do really well, which we've done very badly in the past, is to make sure the First Nations communities are the beneficiaries of whatever happens there.

I wonder if whoever is responsible for that can tell us where you're at vis-à-vis the north-of-50 discussions and we'll see where that goes.

Mr Burke: Perhaps I can make a few comments on that and there may be others who wish to join in as well.

We continue to work, and have been working for probably the last several years now, on trying to get what we call community-based land use planning moving. It's the precursor to any kind of development, if ever, taking place in that area.

We've moved fairly slowly, but at the same time we've recognized clearly that most of that area we're talking about is populated by First Nations. We very much wanted to move over the couple of years with First Nations communities not just being involved in the process but actually leading the planning and develop-

ment in those traditional areas that they have worked for very many years.

We're now in the early stages of doing that. We've tried to engage and in fact are successfully engaging some of these communities right now and are moving forward on that. I would suggest to you that we're probably three or four, perhaps even more, years away from seeing any kind of development on that.

The other thing, of course, is that the timber environmental assessment process does not cover that land. So even when we move the planning yardsticks down the road, there will still have to be a process dealing with the environmental concerns and whatever rules will apply to that area, whether it's an extension of the existing rules or a separate set of rules entirely for that area. But we're very much, I think, in the same sort of frame of mind that you are. This is an area that's heavily populated by First Nations, and we will do our absolute best to not only engage them but ensure that there are significant economic returns and benefits for them, as well.

Mr Bisson: I only say that there are a whole bunch of things lacking in making that happen. Very quickly, because we're running out of time, I think obviously there's willingness on the part of the First Nations communities to play that role. The difficulty is that they don't have the expertise—the forestry technicians, the people who would run those businesses—in their communities to be able to make the kinds of decisions they have to make about what role they'll play and how they'll play that role.

One of the things that I think needs to happen—and this is something we'll speak to during the general election; it'll be part of our platform as the New Democratic Party—is that we need to basically assist those communities to develop those skills. It's not good enough for us to say, "MNR, go and negotiate with the First Nations communities to develop forest business opportunities," in Ogoki or Moose Factory or whatever area. We really need to support that.

I think a couple of things need to happen. One is that we need to look at bringing aboriginal people into the ministry, number one, and I don't think I need to belabour that point. I think you understand what I'm saying. It's very hard to negotiate with the community if you don't know whom you're negotiating with. One of the things I think we need to do is bring First Nations people into this process, into the ministry, in the very early stages, so that they'll be seen as being MNR employees but who come from there and understand it and have the technical expertise. It allows them also to build technical expertise.

We need to resource—in other words, give money to, communities to be able to hire the kind of expertise and train the kind of people they need who are able to help them make informed decisions about what their role will be. For example, you may know the Constance Lake experience. Constance Lake, a very progressive community north of Hearst, tried to get a business up and going.

They've had some difficulties, as you know, and they've now had to partner with Villeneuve Construction, I think it's called, to show them how to run that business in a more effective way. I think in the end that's going to be a pretty good partnership. That's going to give them the expertise necessary, but we shouldn't have to do it five years after we gave them the licence in the first place.

We need to give communities the kind of support they need to help them develop their skills base. If we want to make them players, in some cases they may not be ready because they don't have the technical expertise to be able to do it. So we need to be able to do that.

The last point is, at the very least, we need to figure out some mechanism—and this is a bit more controversial; we brought this into the House once before, and it was voted down. North of 50 we need to develop some sort of mechanism of taxation for those communities so that if there are forestry or mining activities, we give them the same type of ability as Timmins or Sault Ste Marie or anybody else, which is to be able to benefit from those industrial activities by way of taxation so they can build their infrastructure. You only need to go to Attawapiskat or Ogoki or any of those communities to see that quite frankly they are Third World conditions. That we allow that to happen in our own backyard and then as Canadians preach to the Third World about what it should be doing I find highly hypocritical. So that's the comment I would make on that.

There's one very last thing, if I have the time, Mr Chair. I just want to be clear on the mill licences. I am correct in my interpretation and understanding of both the act and the regulations that in the case of a mill licence—in other words, if I am cutting trees to furnish the mill in Cochrane, the licence is tied to the mill, right?

Mr Willick: Say that again.

Mr Bisson: An SFL licence that gives you permission to cut trees in a particular community, that licence is tied to a mill.

Mr Willick: No, it's not. We have a number of licences that are not held by even a mill owner.

Mr Bisson: But there's a directive in the licence that the trees have to go to that mill, right?

Mr Willick: Yes, in some licences there are directives, that's correct.

Mr Bisson: It's also within the regulations that they have to take into consideration the social and economic impacts on a community when deciding what to do with the trees in that forest. That is part of the policy.

Mr Willick: That's correct.

Mr Bisson: OK. That's all I wanted. Thank you.

The Chair: Thank you very much. If that's all, I'd like to thank the deputy and the other gentlemen who are with you today for a very informative session and wish you well in the future.

We stand adjourned until Monday morning at 10:30 for the open session, 10 o'clock for the closed session.

The committee adjourned at 1500.

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