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**Official Report  
of Debates  
(Hansard)**

**Journal  
des débats  
(Hansard)**

**Wednesday 26 April 2006**

**Mercredi 26 avril 2006**

Speaker  
Honourable Michael A. Brown

Président  
L'honorable Michael A. Brown

Clerk  
Claude L. DesRosiers

Greffier  
Claude L. DesRosiers

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**LEGISLATIVE ASSEMBLY  
OF ONTARIO**

Wednesday 26 April 2006

**ASSEMBLÉE LÉGISLATIVE  
DE L'ONTARIO**

Mercredi 26 avril 2006

*The House met at 1330.  
Prayers.*

**MEMBERS' STATEMENTS**

**LIBERAL CAMPAIGN PROMISES**

**Mr. John Yakabuski (Renfrew–Nipissing–Pembroke):**

When politics trump need, the people are always the ones left to pay the price. This is becoming clearer every day here in Ontario.

When Dalton McGuinty was in opposition, he knew that his promise to shut down almost a quarter of the province's generational capacity was total nonsense. He knew that, at a time when our supply was tenuous, shutting off the power to almost two million homes was not the responsible thing to do. He knew that he could not follow through with his commitment. Experienced people in his caucus and industry leaders told him so.

He knew that any alternatives to coal-fired generation would be much costlier even than clean coal technology. He knew that natural gas plants were sitting idle all over North America because they were too expensive to operate. He knew that power from wind would be very expensive, impossible to control and therefore unreliable. He knew that his energy policy would place extreme financial hardship on the people of Ontario.

Do you know what? None of that ever mattered to Dalton McGuinty because he didn't care. He focused on one goal: to be Premier. The facts were never an issue if they got in the way of his goal.

Well, people are now paying the price here in McGuinty's Ontario: \$2,000 per family per year in new taxes and fees; skyrocketing property taxes; gas prices and mortgage rates on the rise. Couple this with the certainty of still higher electricity prices, already up 55% under this regime, and Ontarians have come to the conclusion that in October 2007 it will be time for Dalton McGuinty to pay the price.

**DOORS OPEN GUELPH**

**Mrs. Liz Sandals (Guelph–Wellington):** I was delighted to attend Doors Open Guelph, organized by the Guelph Arts Council and Heritage Guelph, last Saturday, April 22. Doors Open Guelph is the first of 50 Doors Open Ontario events sponsored in part by the Ontario Heritage Trust. This initiative allows local residents and

visitors to explore the city's history and architectural heritage through public tours.

One of the sites I visited was the Guelph Railway Powerhouse and Car Shed, which now houses 44 affordable housing units. George Sleeman built the limestone streetcar storage and repair shed and the powerhouse for his Guelph Railway Company in 1895. One streetcar line actually took workers from downtown out to his original brewery to work. After the radial line closed in 1937, the building was used as bus storage barns for the Guelph Transportation Commission.

In April 2005, the province signed an affordable housing agreement with the government of Canada, from which my area of Wellington received \$3.85 million. As part of Guelph's affordable housing allocation, Guelph developers John and Tom Lammer have restored this historically significant stone building and given it new life as 44 affordable housing units—a win-win-win project: more housing, greater density, and we've saved a great old building.

**LANDFILL**

**Mr. Norman W. Sterling (Lanark–Carleton):** Last Saturday, the new member for Nepean–Carleton and I joined more than 300 concerned citizens of Carp and nearby Stittsville to march in opposition to the expansion of the Carp landfill site.

First of all, I want to thank Marlene Labelle and Peta Seguin of Stittsville, who organized the event, and congratulate them on getting so many people out on a cold, miserable Saturday morning. I also want to recognize the participation of Ottawa councillors Eli El-Chantiry, Janet Stavinga and Peggy Feltmate.

At the dump, Lisa MacLeod and I were presented with a petition calling on this Legislature to ensure that the minister require a wide environmental assessment on this project. It goes on to say that the assessment must include examination of alternatives such as other landfill sites and incineration. The petition includes the signatures of about 10,000 concerned residents. That is on top of the many other petitions I have been receiving in my office, some of which were introduced in this Legislature by Lisa MacLeod, the member for Nepean–Carleton, and me yesterday.

I call upon the McGuinty government to stop this dump. Listen to the people of Carp, Stittsville and west Ottawa. Find an alternative to expanding the Carp landfill site.

### HALTON REGION EMPLOYEES

**Mr. Kevin Daniel Flynn (Oakville):** It's a pleasure to rise in the House today to recognize the efforts of Halton Regional Police Chief Ean Algar and Halton Regional Chair Joyce Savoline. They're both intending to retire, unfortunately, from public service this year.

Chief Algar and Chair Savoline have spent most of their careers working tirelessly to promote and contribute to the well-being of my community of Halton. Under the guidance of these two individuals, Halton has flourished into a safe and desirable place to work, live and raise a family.

I was honoured to be a guest at the Halton Multicultural Council's annual banquet to honour the contributions made by both Chairman Savoline and Chief Algar to the region of Halton as they retire from public office.

Chief Algar began his career as a police officer in 1968 and served throughout the region of Halton. He was appointed chief of police in 1999. Throughout his career he received numerous awards, but I am especially proud of his commitment to eliminating and combatting racial discrimination and to promoting harmony within the community.

Chair Savoline became active in the Halton community first as a volunteer with community groups and committees and then elected as a local and regional councillor in the same year as myself, 1982. Ms. Savoline was appointed as chair of the regional municipality of Halton in 1994 and 1997.

Today, I would like to publicly acknowledge and honour the incredible dedication and contribution of both Chief Algar and Chair Savoline to the wonderful community of Halton.

### AGRICULTURE INDUSTRY

**Ms. Laurie Scott (Haliburton–Victoria–Brock):** Today I'm rising once again to bring to the attention of the McGuinty government the crisis facing our agriculture community.

The agriculture community has organized campaigns and protests across Ontario to raise awareness of the crisis in the agriculture industry. One of their organizers is Joe Hickson. Joe grows grain and oilseeds near Lindsay and has been a great advocate and organizer for the farming community. They've led campaigns to raise public awareness of their needs and to put pressure on both the provincial and federal governments to act immediately to save the future of farming. I want to thank Joe for all his hard work.

Immediate help is needed for this essential industry. Without it, our future is uncertain. Our government needs to increase its financial investment in all of agriculture and invest in Ontario's 60,000 farm families. The high quality of food that Ontario farmers provide is a basic necessity for life and more than worth our investment.

The Farmers Feed Cities group is a reminder that agriculture and the rural economy are important to all Ontario. Currently, the sector receives only 0.7% of the

entire provincial budget. They're asking for 1.4% of the provincial budget. So it was extremely devastating when the Liberal government cut \$244 million from the agriculture budget.

Ontario farmers continue to be outraged that they are not just getting less, they're getting nothing, at a time when farmers are deciding whether they can afford to plant their crop for another year. Farmers of all sorts are paying the price for this government's misguided policies. The sad truth is that under Dalton McGuinty, Ontario farmers and rural communities are falling behind.

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### NORTHERN ECONOMY

**Mr. Gilles Bisson (Timmins–James Bay):** More devastating news in northern Ontario: Yet another employer has basically announced a shutdown in north-eastern Ontario. In this particular case, in the community of Smooth Rock Falls, Tembec, the kraft mill operation, the only employer in town, has announced they're going to be idling their plant as of July 31. It means the only employer in that community will be ceasing operations on July 31 and it has left that community completely devastated. Mayor Réjeanne Demeules and both the unions—the Canadian energy and paperworkers union and the Steelworkers—that represent the people in the community are absolutely devastated.

We need this government to take action. We need to do what we've been calling on this government to do now for two years, which they seem to not want to do, and that is, they have to become involved. They have to be at the table. They have to be working with the communities, working with the employers, working with the unions toward finding the solutions necessary to restructure industry so these types of closures can be averted, and specifically for Smooth Rock Falls, to make sure it doesn't happen.

I want to put this in some perspective for people. Imagine in Sault Ste. Marie every employer shutting down. Imagine in Thunder Bay every employer shutting down. Imagine in the city of Toronto every employer shutting down. I know that then the government would take action. Why are they not taking action for communities like Kenora, Smooth Rock Falls, Opatatika and others, which are losing their only employer and driving people away from their communities and the lives they've enjoyed for many generations now? This government must take action. Nothing short will be acceptable.

### STEVE STAVRO

**Mr. Brad Duguid (Scarborough Centre):** I rise today to pay tribute to one of this city's, province's and country's foremost sports and business entrepreneurs, Steve Stavro. At 78 years of age, Mr. Stavro passed away last Sunday.

Steve Stavro was a complex man of many passions. His family was an obvious one. The Stavro family was

part of everything he did. The grocery business was another. A dedicated philanthropist, Steve was awarded the Order of Canada for his work with charities. Last year he was inducted, as a Builder, into the Canadian Soccer Hall of Fame. The legendary Knob Hill Stables became his contribution to thoroughbred racing in this country.

But clearly one of Steve Stavro's greatest passions was the Toronto Maple Leafs. Steve Stavro took over the Maple Leaf organization at a time when they had lost respect for their rich heritage. One of the first things he did was bring back the retired numbers and hang them proudly from the Maple Leaf Gardens rafters. Under Stavro, the Leafs went from a club known for ignoring its alumni to one that showed honour and respect for those who wore the blue and white.

Although Steve Stavro never achieved his ultimate goal of winning the Stanley Cup, the Leafs became a perennial contender once again. In short, he returned dignity to the Toronto Maple Leafs.

On behalf of all members of this Legislature, on behalf of all Ontarians, I'd like to extend our condolences to his wife, Sally, and the entire Stavro family, including his daughters Connie, Debbie, Stephanie and Elaine.

I had the privilege of getting to know Steve Stavro over the years. His contribution to the sporting world, the business world and the province as a whole was significant. He'll be missed by us all.

#### NORTHERN ONTARIO DEVELOPMENT

**Mr. David Oraziatti (Sault Ste. Marie):** I'd like to take this opportunity to comment on some of the very recent successes in my riding of Sault Ste. Marie, which have resulted from our government's renewed commitment to northern Ontario. In three important areas, namely, infrastructure, environment and long-term care, my community has seen significant improvements.

Our crumbling infrastructure, which was completely neglected by past governments, is now being repaired and replaced through our \$30-billion ReNew Ontario program. In Sault Ste. Marie, just last week, we announced \$1.5 million for road construction to complete a very important project that's long overdue, and earlier this month, we provided \$14 million for additional road and bridge work.

Here's what our CAO had to say: "We are delighted with the news.... We are satisfied that the city has negotiated a fair arrangement with the province to improve these roads...."

When it comes to the environment and the protection of our water, we're also making important policy changes that are accompanied by the necessary financial resources to ensure we get the results we need for Ontarians. Over \$800,000 has been provided to our city to develop proper source water protection plans, and just last week we an-

nounced an additional \$205,000 for the conservation authority so they could continue their very important work.

Our long-term-care bed capacity in northern Ontario suffered considerably as a result of poor planning by the last government. Many beds in our hospital were regularly occupied by those who needed a long-term-care bed and did not have access to one. We've added 48 beds in our city, and last week we added 12 more to support our health needs.

Thanks to the commitment of this government, the issues we face in Sault Ste. Marie are finally getting the attention they deserve.

#### PROPERTY TAXATION

**Mr. Jeff Leal (Peterborough):** I rise in the House today to speak about this government's work in improving municipal property tax assessments. We're moving forward in that regard, having received the Ombudsman's recommendations. It's no secret that we inherited a machine from the Tories that has some problems. Don't take my word for it: The member from Renfrew-Nipissing-Pembroke has as much as said that they made a mistake and, what's more, he conceded that the Tories have no plan.

It was the members opposite who put the current assessment in place when they were in power, and what they created certainly isn't perfect. We understand the concerns of the average Ontarian and we're now here to make improvements.

In regard to the Ombudsman, 17 of the recommendations directed to MPAC are being done. There are five directed to the province; we have already said that we'll work on three. We want to get the remainder of the recommendations done right, and that's why we're consulting with everyone involved.

With respect to the relationship between the province and municipalities, I remind you that this government has begun to upload costs borne by municipalities—costs that were downloaded by members opposite. We're working towards a fairer cost sharing for land ambulance with our municipalities. We're also assuming a more equitable share of costs for public health.

It's unbelievable for the Conservatives to be criticizing our government's plan when they said that they don't have a policy. They're now looking for a policy but they won't have it until 2007. Well, we have a plan now.

Our government acknowledges that this is a big challenge. We have decided to tackle it in a meaningful and prudent fashion. The McGuinty government is committed to progress for all Ontarians, and that's why we're working towards a property tax assessment system that is both fair and equitable for all.

## INTRODUCTION OF BILLS

HUMAN RIGHTS CODE  
AMENDMENT ACT, 2006LOI DE 2006 MODIFIANT LE CODE  
DES DROITS DE LA PERSONNE

Mr. Bryant moved first reading of the following bill:

Bill 107, An Act to amend the Human Rights Code /  
Projet de loi 107, Loi modifiant le Code des droits de la  
personne.

**The Speaker (Hon. Michael A. Brown):** Is it the  
pleasure of the House that the motion carry? Carried.

Does the minister wish to make a brief statement?

**Hon. Michael Bryant (Attorney General):** I'm  
going to defer my remarks to ministerial statements.

## PRESCRIPTION MONITORING ACT, 2006

LOI DE 2006 SUR LA SURVEILLANCE  
PHARMACEUTIQUE

Mr. Ramal moved first reading of the following bill:

Bill 108, An Act to monitor the prescribing of certain  
drugs / Projet de loi 108, Loi visant à surveiller la  
prescription de certains médicaments.

**The Speaker (Hon. Michael A. Brown):** Is it the  
pleasure of the House that the motion carry? Carried.

The member may wish to make a brief statement.

**Mr. Khalil Ramal (London–Fanshawe):** Yesterday  
in the Toronto Star there was an article about a prominent  
Toronto psychiatrist who has been found guilty of  
professional misconduct for prescribing excessive  
amounts of narcotics for 23 patients. Over 14 months,  
this doctor prescribed for one patient more than 10,000  
pills. The patient died of an overdose.

Let me be clear: The vast majority of doctors and  
pharmacists prescribe—

**The Speaker:** Order. I need you just to provide an  
explanation of the bill. At this point we're not debating it.

**Mr. Ramal:** This bill will recommend proposing a  
monitor act to oversee the prescribing of narcotic drugs.  
Hopefully, when it comes back to debate, I'll get support  
from the House.

## VISITOR

**The Speaker (Hon. Michael A. Brown):** I would like  
to bring to the attention of the House a visitor, Gary Mal-  
kowski, the member for York East in the 35th Parliam-  
ent, who is in the Speaker's gallery. Welcome, Gary.

## MOTIONS

## HOUSE SITTINGS

**Hon. James J. Bradley (Minister of Tourism,  
minister responsible for seniors, Government House  
Leader):** I move that, pursuant to standing order 9(c)(i),  
the House shall meet from 6:45 p.m. to 9:30 p.m. on  
Wednesday, April 26, 2006, for the purpose of consider-  
ing government business.

**The Speaker (Hon. Michael A. Brown):** Mr. Bradley  
has moved government notice of motion number 114. Is  
it the pleasure of the House that the motion carry?

All in favour will say "aye."

All opposed will say "nay."

In my opinion, the ayes have it.

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

*The division bells rang from 1351 to 1356.*

**The Speaker:** All those in favour will please rise one  
at a time and be recognized by the Clerk.

## Ayes

Arnott, Ted	Fonseca, Peter	Ouellette, Jerry J.
Arthurs, Wayne	Hardeman, Ernie	Peters, Steve
Barrett, Toby	Hudak, Tim	Phillips, Gerry
Bartolucci, Rick	Jeffrey, Linda	Pupatello, Sandra
Bentley, Christopher	Klees, Frank	Racco, Mario G.
Berardinetti, Lorenzo	Kular, Kuldip	Ramal, Khalil
Bountrogianni, Marie	Leal, Jeff	Ramsay, David
Bradley, James J.	Levac, Dave	Runciman, Robert W.
Brotten, Laurel C.	MacLeod, Lisa	Ruprecht, Tony
Brownell, Jim	Marsales, Judy	Sandals, Liz
Bryant, Michael	Martiniuk, Gerry	Smith, Monique
Colle, Mike	Matthews, Deborah	Sorbara, Gregory S.
Cordiano, Joseph	McMeekin, Ted	Takhar, Harinder S.
Crozier, Bruce	McNeely, Phil	Van Bommel, Maria
Delaney, Bob	Meilleur, Madeleine	Watson, Jim
Di Cocco, Caroline	Miller, Norm	Witmer, Elizabeth
Dombrowsky, Leona	Mitchell, Carol	Wong, Tony C.
Duguid, Brad	Mossop, Jennifer F.	Wynne, Kathleen O.
Duncan, Dwight	Munro, Julia	Yakubuski, John
Elliott, Christine	O'Toole, John	
Flynn, Kevin Daniel	Oraziotti, David	

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

## Nays

Bisson, Gilles	Kormos, Peter	Prue, Michael
Horwath, Andrea	Marchese, Rosario	Tabuns, Peter

**The Clerk of the Assembly (Mr. Claude L.  
DesRosiers):** The ayes are 61; the nays are 6.

**The Speaker:** I declare the motion carried.

## VISITORS

**Hon. Mike Colle (Minister of Citizenship and  
Immigration):** On a point of order, Mr. Speaker: With us  
today we have the grandparents of our page Vanessa Sid-  
well from the riding of Eglinton–Lawrence, Judy and  
Francis Purcell from the sensational city of Stratford  
Ontario. Also Vanessa's mom, Suzanne Sidwell, and  
Vanessa's brother, Grahame, are here from Eglinton–  
Lawrence.

## STATEMENTS BY THE MINISTRY AND RESPONSES

### HUMAN RIGHTS SYSTEM

#### SYSTÈME DES DROITS DE LA PERSONNE

**Hon. Michael Bryant (Attorney General):** Today, on behalf of the McGuinty government, I'm introducing legislation to modernize Ontario's human rights system. It's the first such change to our human rights system since its inception in 1962. This is a very proud moment for this government. We are proposing to make our human rights system stronger, faster and more effective, to better serve the people of our province.

I'd like to begin by acknowledging many people in the gallery today: the chief commissioner of the Ontario Human Rights Commission, Barbara Hall; chair of the Human Rights Tribunal of Ontario, Michael Gottheil; along with leaders, representatives and champions from community groups, the disability community and the legal community, including past human rights commissioner Raj Anand. Welcome to all of you.

Right now, it can take four to five years for a human rights complaint to go through the full complaints process, from intake, to witness interviews, to referral to the tribunal, to resolution. That's not acceptable to this government and it's not acceptable to the people of Ontario. The system is broken, and we in this Legislature have an opportunity to fix it.

The Human Rights Code Amendment Act, 2006, if passed, would strengthen Ontario's human rights commission. Complaints of discrimination would be filed directly with an enhanced Human Rights Tribunal of Ontario. It would improve access to justice for those who have faced discrimination and increase protection for the vulnerable. Under this legislation, the human rights commission, headed by Barbara Hall, would become an even stronger champion of human rights. The newly enhanced commission would be a proactive body focused on public education, promotion, research and analysis to prevent discrimination.

The commission would still have a critical role in the resolution of complaints. It would have the ability to intervene in or initiate complaints on systemic issues affecting the public interest before the tribunal. In this way, the commission's time-honoured roles of identifying systemic issues and bringing those issues before the tribunal would not only be maintained but enhanced.

A new anti-racism secretariat and a new disability rights secretariat would be established within the human rights commission to ensure that Ontario and the Ontario Human Rights Commission entrench its long-standing commitment to addressing inequality in historically disadvantaged communities.

Earlier in our mandate, our government created an accessibility directorate to develop and enforce accessibility standards under the Accessibility for Ontarians with Disabilities Act. That directorate will be using an

approach to ensure that, within a reasonable period of time, all Ontario service providers and employers comply with these accessibility standards across the province. But if an individual Ontarian with a disability feels discriminated against in housing, employment or in any of the protected areas under the Human Rights Code system proposed today, he or she, with the support of the human rights legal support centre—more on that in a moment—would be able to seek justice directly by applying to the Human Rights Tribunal of Ontario. This direct access to individual human rights remedies, firmly anchored by the legal support centre, is a major advance for people with disabilities and indeed anybody suffering from discrimination.

Under the proposed reforms, a new complaints process would be created. Currently, fewer than 10% of complainants have an opportunity to have their case heard by an independent adjudicator at the human rights tribunal. Under the proposed system, all applicants would have that opportunity. The Human Rights Tribunal of Ontario would receive applications directly and would be responsible for accepting, dismissing, mediating, resolving and adjudicating complaints of discrimination. In other words, we're proposing to shorten the pipeline from complaint to resolution by putting people at the front of the line with direct access to the human rights tribunal. The tribunal would be provided with updated and enhanced statutory powers to determine its own practices and procedures to resolve disputes fairly, quickly and effectively, and to provide for compensation for human rights violations.

Under the proposed legislation, the complaint would be filed with the tribunal. The tribunal would engage in a fact-gathering process to assist the parties to resolve their dispute. The tribunal would assess evidence in an open and transparent process in which the parties would participate directly. The tribunal would have the capacity to ensure that all relevant evidence is before it and would be able to compel parties to provide this information within set time limits. Claims would no longer take years and years to move forward.

Michael Gottheil, chair of the Human Rights Tribunal of Ontario, will be charged with the task of developing the framework and the procedures for the tribunal. During the development process he will be consulting with stakeholders and be part of the ministry's implementation advisory committee, composed of ministry, human rights commission and human rights tribunal staff, along with all stakeholders.

For the past 40 years, since 1962, when this system was first introduced into this Legislature by Premier Robarts, there have been two pillars to our human rights system: the commission and the tribunal. Today, with this bill, we would add a third pillar to the human rights system: full access to legal assistance. We would establish a new human rights legal support centre to provide information, support, advice, assistance and legal representation for those who are seeking a remedy before

the tribunal. This would be a vast improvement over the current system that has been operating for some time.

All Ontarians are grateful to and proud of the hard-working, dedicated professionals who work within the human rights commission and the human rights tribunal today. I want to pay tribute to all of them—the experience and expertise that they have brought to our system and that they will bring to our system in the years to come. But they are working in a system that has seen no changes or updates in more than 40 years. Currently, commission counsel do not act for complainants; they act as representatives of the public. That is the way the statute has set out their role. A complainant only receives legal support in the current system if they retain their own lawyer at their own expense.

Under the proposed legislation, a streamlined and effective process at the tribunal would work with the parties to resolve disputes quickly and effectively. Moreover—

**Mr. Peter Kormos (Niagara Centre):** He's a hair away from Harnicking.

**Hon. Mr. Bryant:** I think the justice critic for the third party will want to hear this, because he called for this before.

We would ensure that, regardless of levels of income, abilities, disabilities or personal circumstances, all Ontarians would be entitled to share in receiving equal and effective protection of human rights, and all will receive that full legal representation.

L'Ontario fait preuve depuis longtemps de leadership dans la protection des droits de la personne.

Le système actuel date de 1962, lorsque l'Ontario a adopté le premier Code des droits de la personne au Canada. Nous montrons l'exemple dans le soutien des droits de la personne, et nous entendons continuer.

Historically, Ontario has led the way in protecting human rights. The human rights system that was set up in 1962, in fact, was leading Canada at the time. But a human rights system that's more than four decades old is no longer serving the public in a way that meets the realities of our diverse multicultural society.

**1410**

As soon as our government took office and as soon as I became responsible for the human rights system in the government, I heard calls for change. They had been coming for some time.

Last spring the ministry met with individuals and organizations in the fields of human rights and administrative justice to learn as much as possible about what is working well and what could be improved. Participants were universal in their call for change and in their desire to see the human rights system strengthened. They specifically noted the delays in the processing of discrimination complaints. Five years to remedy an injustice is unacceptable. We were told again and again that reforms were long overdue. We listened, and today we're taking action.

This legislation is the culmination of perhaps more study and consultation than ever before in the history of

this Legislature. The former NDP government commissioned an excellent task force to review the human rights system. The Cornish report has been sitting on the shelf since 1992, and matters have only gotten worse; they have not gotten better. The prescriptions and the problems have gotten worse; they have not gotten better.

The need for reform has increased over the years. We owe the author of that report, which inspired these proposals, Mary Cornish, a great public debt. I know the key recommendations in her report are really the inspiration for these reforms. We would like to acknowledge that work, and acknowledge the great report and task force she put forward that we are seeking to implement today. Thank you, Ms. Cornish.

It was the same story in 2001, when the La Forest report by former Supreme Court of Canada Justice Gérard La Forest came down. Again nothing changed.

Reviews, reports and consultations over the past several years have been strongly urged. The United Nations Human Rights Committee expressed again and again that these recommendations had to be acted upon. The Human Rights Committee of the United Nations recommended that "human rights legislation should be amended at federal, provincial and territorial levels and its legal system enhanced, so that all victims of discrimination have full and effective access to a competent tribunal and to an effective remedy." That was in 1999, and still nothing happened.

I am proud and pleased that we finally have legislation before this House right now that heeds the call for reform that has been in place throughout the entire political careers of every MPP in this House today. With this introduction of the bill, we are seeking to advance the debate. We need to continue to have public debate and consultation. That must continue. We will continue to meet with those in the human rights community to get their input as the bill progresses through the Legislature, and I look forward to province-wide public hearings on this bill to take place as soon as possible.

Our proposed legislation for reform is a great opportunity. I say to all people who have been involved in this debate, "I thank you." We will shorten the pipeline by putting people at the front of the line. We're resolved to act. The opportunity for change is finally here.

I urge all members of this assembly to join me in seizing this opportunity to finally improve and modernize our human rights system.

#### WOMEN IN SKILLED TRADES

**Hon. Sandra Pupatello (Minister of Education, minister responsible for women's issues):** As minister responsible for women's issues, I rise today to reaffirm our government's commitment to promoting economic independence for women in Ontario.

Building strong communities depends on giving women the opportunity to secure sustainable and rewarding jobs in high-growth sectors. It's only when all members of our society participate fully in all aspects of the cultural,



social and economic life in this province that we can call ourselves a truly democratic and just society.

Through the Ontario Women's Directorate, the government has a number of innovative programs designed to give women the opportunity to achieve this full participation. I am pleased today to announce a \$1.5-million investment in one of these programs.

It may be a little out of order, but I brought you the WIST construction hat, which we happily donned today at this program, the women in skilled trades program. I was going to wear the safety glasses as well, which was a requirement on the site; I think the safety glasses may actually be in order.

In any event, providing pre-apprenticeship training for low-income women who are unemployed or underemployed: This investment means up to 145 women will receive instruction in fields such as carpentry, welding, electrical work, building construction and facilities maintenance.

This morning I had the pleasure to visit one of the colleges that receives funding through the program, Conestoga College in Guelph. Congratulations to the Guelph campus. I saw first-hand the practical skills that women enrolled in this program have gained. But I saw something more important as well. First of all, I saw a young woman who works as a carpenter and does a tremendous job. She had just received her first thank-you letter from homeowners for her renovation job in their home.

Our government believes all women should share this sense of confidence and determination. These women I met this morning are acting as wonderful young women, strong mentors for our young girls. As we have said repeatedly, our job is to build strong young girls, and with today's \$1.5-million investment in these non-traditional programs, we are achieving just that.

We want to see women thrive, even in fields once thought of as solely the domain of men. What would my dad, a carpenter, have said at this morning's announcement, to see those tremendous women doing tremendous work? They even left a little bit of work for me to do with a hammer and a nail, although I must say they made it easy. They put the nail in halfway, so I didn't really even need to hold it, just to finish hammering it in. I thought they might have left me a little bit more of a challenge today.

But here's our goal: to see more women working at construction sites; to see more women as police officers and leaders; to see women sitting at the head of corporate boardrooms.

Too often the focus is on one aspect, the tragic incidents we unfortunately need to face every day, but our government, with a comprehensive \$68-million domestic violence action plan, is determined to make a difference in the lives of women, and every day we are seeing tremendous examples of this.

So to the women I met in Guelph today, and to the women who are working all over different campuses that we announced today, I say a very hearty congratulations.

We are extremely pleased that the women-in-skilled-trades program is off and running and seeing success year after year. I want to tell you as well that the success rates of jobs once they finish this training is exceptional. Congratulations to all the new carpenters, welders, electrical—you go, girl.

## HUMAN RIGHTS SYSTEM

**Mrs. Christine Elliott (Whitby–Ajax):** I'm pleased to stand in the House today to speak for my colleagues in the PC caucus and to relay to you some of the concerns we have regarding the human rights reform legislation introduced today by the Attorney General.

We are certainly in agreement that the current state of the Ontario Human Rights Commission needs to be addressed. The inefficiencies that exist in the system must no doubt be remedied to provide a more effective forum in which Ontarians can freely be heard. However, the solution tabled today by the McGuinty government once again proves that this government is not keeping its promises and is not listening to Ontarians.

It should be obvious that shifting the volume of complainants from the commission directly down the line to the tribunal does not really solve the problem of the backlogs that the commission is currently dealing with. Not only is there no alleviation of weight from the overall system, the new proposed changes will compromise and marginalize the rights of complainants.

Complainants who find themselves without means to pursue legal representation—legal representation that is now accessible through the commission—will either be forced to drop their concerns because they cannot afford to voice them or will be forced to get in line at the less-accountable legal clinic that will not have the commission's statutory public investigation powers the minister is proposing as part of his solution.

Furthermore, it's unclear how this clinic would even operate efficiently. It simply will not be able to represent 2,400 complainants at hearings every year unless it gets massive new funding. The justice sector budget is flat-lined every year under Liberal planning to at least 2008-09. Where is the money that's going to guarantee equal treatment of all complainants? The current commission is an agency that is accountable to the Legislature through the Attorney General. Why are you suggesting that this more veiled approach is the answer?

### 1420

The Accessibility for Ontarians with Disabilities Act Alliance, a group that represents two million Ontarians living with disabilities, not only believes that your proposed legislation is insufficient to address the needs of the human rights complainants, but believes that it will worsen the situation. This is an organization with which the McGuinty government has now broken faith.

When this group was established in 2005, they did not push for a new and independent enforcement agency because they expected the commission to play that role. In fact, the Premier told them that a separate body would

not be required. Furthermore, the Attorney General committed to giving this organization 48 hours' notice before the introduction of any bill regarding human rights into the Legislature, but they have only received 24 hours' notice.

It seems that the McGuinty government's trend of broken promises continues. You have again demonstrated that you are not committed to listening to Ontarians, as interested parties firmly believe that you did not consult with them adequately before the introduction of this legislation. These are organizations that represent millions of Ontarians, organizations like the MS society, the Canadian Association of Retired Persons, the Canadian Hearing Society, Community Living Ontario, and the HIV and AIDS Legal Clinic Ontario.

We hope that, given the concerns we have addressed, the minister will at least keep one promise and have transparent, accessible and open consultations regarding this legislation with all interested parties.

#### WOMEN IN SKILLED TRADES

**Mrs. Elizabeth Witmer (Kitchener–Waterloo):** I'm pleased to respond on behalf of the Progressive Conservative caucus regarding the announcement today. I'm very pleased, although it was not acknowledged by the minister, that this is a program that was started by my colleague the Honourable Dianne Cunningham when she was minister responsible for women's issues. In fact, the program was started in 1999 with \$5.8 million in funding, and I think it's important that it was the first program of its kind in Canada.

We had two goals in mind: We wanted to help more women to become skilled tradespeople and we wanted to address the key skills shortages in the labour market. It was very important for us to put this program in place to create economic opportunities for women. That was a key priority that we had at that time, because we know that the skilled trades represent stable, well-paying careers for women. Yet until we introduced that program, there were very few women who were employed in the skilled trades.

So I compliment my colleague Dianne Cunningham and our government for having the foresight. I'm glad that this government is moving forward and building on our initiative.

#### HUMAN RIGHTS SYSTEM

**Mr. Peter Kormos (Niagara Centre):** In response to the Attorney General, I can say to him and this House that New Democrats simply don't buy it, nor do a whole lot of people out there across Ontario who are angry and frustrated today because they have been left out. These are the very people who rely upon the human rights commission and use it every day. You ignored them. You slammed the door in their faces when they wanted to be consulted and part of the process.

Who are these people? They're groups like the Urban Alliance on Race Relations; Canada's Association for the

Fifty Plus; the MS society; the League for Human Rights of B'nai Brith Canada; Disabled Women's Network Ontario; Chinese Canadian National Council, Toronto chapter; National Anti-Racism Council of Canada; African-Canadian, South Asian, and Metro Toronto Chinese and Southeast Asian legal clinics; the Accessibility for Ontarians with Disabilities Act Alliance.

You ignored them; you treated them with disdain and disregard. They're concerned about your privatization of the services of what will be left of the human rights tribunal because, you see, the commission isn't being strengthened; you're gutting it, you're abandoning it and you're destroying it.

These folks, just like New Democrats, are concerned that you're following the same path as British Columbia, which introduced legislative reforms just like yours some three years back, and now is suffering under a gigantic, even huger backlog. They're concerned, like New Democrats are concerned, about giving powers of investigation to the same tribunal that will decide whether those claims have merit. What about conflict of interest? It's so fundamental, Attorney General, that it should have been at the forefront of your mind. These folks, as are we, are concerned about the lack of firm legislative timelines that guarantee that complaints are heard and remedied in a reasonable time.

Attorney General, you should have stood up today and announced a clear plan for more funding, resources and staffing at the commission and the tribunal. You should have stood up today and announced that the commission and tribunal will be made truly independent bodies, free from your direct supervision. You should have stood up today and announced that the human rights commissioner will be an officer of this assembly and not a partisan political appointment by you and your government, who has no accountability to this chamber.

I tell you that New Democrats are very clear in terms of what we'll be monitoring over the course of examining and analyzing this legislation, and yes, you're darned right there are going to be public hearings. There are going to be extensive public hearings. There aren't going to be 10- and 15-minute time slots where you can wave people out of the committee room after giving them short shrift. There'd better be meaningful hearings with full consultation, full discussion, and this bill better not come back to the House after second reading in committee until that committee process is thorough and complete.

I say to you that you'd better ensure that there's adequate funding for all aspects of the tribunal and a healthy commission. Don't you understand, Attorney General? That commission resolves 48% of all complaints through mediation alone. That's incredibly low-cost, efficient and effective. That's the very same commission that you're shutting down. You're forcing people into what you call direct access. I have no doubt that you and your private lawyer friends think this is a good plan, but I tell you, people affected by discrimination, whose lives are impacted by discrimination on a daily basis, know that it's wrong-headed and ineffective. Quite

frankly, it's a process that's going to deny them access to a tribunal and access to any justice or fairness.

The public prosecution of complaints is essential; it's critical. I tell you that your privatization of the prosecution of complaints is going to leave huge numbers of people out of the tribunal system and you're going to deny them any justice, any access, any remedies. Your barriers to participation in the process are aggravated by your barriers that you're creating to participation in human rights processes at the tribunal. I say to you, Attorney General, you shouldn't be proud today; you should be ashamed. We're going to be on top of this one, following it all the way.

#### WOMEN IN SKILLED TRADES

**Ms. Andrea Horwath (Hamilton East):** I'm pleased to respond to the minister responsible for women's issues and this helpful but really quite small and inadequate announcement that adds up to about 21 cents per woman in the province of Ontario. I'm quite surprised, because the minister is taking time in this important part of the agenda to announce such a disappointing announcement. It's really not got anything to do with the issues that women care about in the bigger scheme of things. I have to tell you that although she claims that this government believes that all women share a sense of confidence, in reality, they've ignored the very issues that women need to be taken care of if they're going to have confidence in any kind of system. I'm talking about a child care plan in this province that this government refuses to fund—a \$300-million promise gone. What happened to Ontario's pride in providing child care? Those women who are taking these non-traditional trades are going to need child care if they're going to succeed in the workplace. What about affordable housing? Sixty-three units just does not cut it for women who need affordable housing for them and their families, for their children. That does not inspire confidence.

What else doesn't inspire confidence is your willingness to talk about a domestic violence plan, but not to fund it. Less than a third is simply inadequate. What about the national child benefit? Taking money from the poorest women—

**The Speaker (Hon. Michael A. Brown):** Thank you.

#### ORAL QUESTIONS

##### HEALTH CARE

**Mrs. Elizabeth Witmer (Kitchener-Waterloo):** My question is for the Acting Premier. Acting Premier, despite the fact that your government claims to be reducing wait times, I would tell you the increasing number of letters that I'm receiving indicates your failure to keep that promise. Your Premier and your health minister claim that the wait time website—and you're

advertising it right now—is helping Ontarians. They tout the number of hits on the website as a record of that success. But the letters are telling me differently.

I have a letter here from a constituent whose mother has been told she will have to wait 10 weeks for uterine cancer surgery that her doctor recommended be done in four weeks. She writes: "We need financial support for operating room staff and surgical times. Referring to websites that give information about hospital wait times does nothing to actually help people access surgical times."

Acting Premier, when are you going to help people like this woman's mother, who needs surgery now?

1430

**Hon. Dwight Duncan (Minister of Finance, Chair of the Management Board of Cabinet):** Everything our government does is about people just like that woman. We would be the first to acknowledge that there is much to be done on this file, but we are proud too that, for the first time, we can actually track these things. Rather than suggest that the website and the information we're collecting is a waste of time and rather than refer simply to individual cases, which are compelling in and of themselves, we need to make sure we have a complete understanding, using numbers generated by an independent organization, to confirm whether in fact the policies that we're putting into place are working. We acknowledge that there continue to be challenges for individuals and families like this, and this government is about dealing with the challenges and problems those families face, because those families are our families.

**Mrs. Witmer:** The government keeps saying that they're the first ones to do it. I think they need to be honest and they need to acknowledge the fact that it was our party, our government, that built a province-wide computerized Cardiac Care Network that was able to reduce the wait times for surgery by half since 1996. So it was not the first time.

But I would just say to you that your website and your press releases are really cold comfort to Howard Poulter of Inglewood. He was diagnosed with a double groin hernia in December 2005. This is not a condition that you consider to be one of your five priorities. He was scheduled for surgery on February 28. On February 24 it was cancelled—not enough staff. On March 16 he was given March 28 as a date. On March 24 it was cancelled, again due to staff shortages. Three dates, three cancellations: What good is your website to Mr. Poulter, who still has no date after five months of waiting?

**Hon. Mr. Duncan:** Again I say to the member opposite that cases like Mr. Poulter's which she has cited trouble this government, and that's precisely why we're making the investments we're making. That's why we're concerned about your promise to cut \$2.5 billion out of health care. That's why this information being collected and analyzed is so important, because individuals like the ones she has cited and individuals like so many of us see in our constituency offices and have seen year in and year out—I don't imagine the member opposite, whom

I've always thought to be a thoughtful and constructive participant in these discussions, would suggest for a minute that we shouldn't be collecting this information, that we shouldn't be analyzing it and that we shouldn't be using it to determine if the actions we're taking and the money we're spending are addressing the problems. There are many people, too many people, who wait too long. We need to understand that and use this information properly—

**The Speaker (Hon. Michael A. Brown):** Thank you. Final supplementary.

**Mrs. Witmer:** First of all, to the acting Premier, it was our government that started collecting data through the Cardiac Care Network. We support this, and we think it's important. And by the way, we have never said we are going to take any money out of health care. We believe very, very strongly—in fact, our government has an outstanding record when it comes to health care reform. But I would say to you, people today are paying more, \$2.5 billion more, for health care and they are getting less.

I've got an example here of Glen Mullen. His daughter was injured in December. She was told she'd have to wait six months, to the end of August, to see an orthopaedic surgeon. She's also waiting to see a physiotherapist for treatment that the daughter desperately needs. Mr. Mullen says these wait times are completely unacceptable and that our health care system fails to address basic health care needs. What is your website, that you like to tout and your Premier likes—

**The Speaker:** Thank you. Response?

**Hon. Mr. Duncan:** That member should get into the future and not the past. Your record was abysmal. You closed hospitals, fired nurses, did not address the physician shortage. If that member and her party don't want to collect this kind of information, they're making a mistake, the same kind of mistake they made when they were in government, and that's the main reason they're over there today.

Now, let me read another quote from someone who I know is very familiar to the member, and that is the hospital CEO in the member's riding: Dennis Egan, president and CEO of the Grand River Hospital. "The challenge with these areas is that in the past, the hospital hasn't collected or maintained information on waiting times in these areas. We are working with surgeons in the region to build a system that will work to increase capacity for these surgeries at Grand River Hospital, therefore reducing wait times."

We are undoing the damage you did. We reject your \$2.5-billion planned cut to health care and we'll stand up for people—

**The Speaker:** Thank you. New question.

#### PUBLIC TRANSPORTATION

**Mr. John O'Toole (Durham):** My question is to the Minister of Transportation. Minister, you've set out on a journey that will be a rather rough road, in the formation

of the Greater Toronto Transportation Authority. It's not going to be a smooth ride, from all assessments. The Toronto Star article today by Ian Urquhart pretty well summed it up. He said it's given the power, under section 6, to promote, facilitate, coordinate—all these soft, fuzzy words—but at the same time it's lacking any real thrust in terms of funding. In fact, it's really a dysfunctional board, as you've set it up here. It says that the TTC will have the money but the GTTA will be responsible for recommendations on how to spend it. Glen Grunwald, who I think has given you some good advice, is saying that he's concerned about the lack of fiscal tools and financial responsibilities in this legislation.

Minister, the question is quite simple. Simply tell the people of Ontario who is going to pay and when and how much for this new superboard, the GTTA.

**Hon. Harinder S. Takhar (Minister of Transportation):** Let me say I was very proud to introduce the legislation for the Greater Toronto Transportation Authority in this House.

This is the situation and this is the legacy the previous government left. We have 5.5 million people who are living in the greater Toronto area and Hamilton. Our highways are at full capacity and there is congestion everywhere on the roads. In the next 20 to 25 years, we are expecting two million more cars on the roads. The travel times will double, so we need to move on this. We need to do something concrete, which the previous government didn't do. We need to come up with an integrated, seamless transit system and we need an organization that can actually deliver it. So we are creating the Greater Toronto Transportation Authority, which will be responsible for the integration of a seamless transit system in this province.

**Mr. O'Toole:** Minister, the Premier responded to one of the questions yesterday that he was seized with the issue. It appears that this is another example where you're seized with inaction. You've made nine commitments publicly, you've had lots of photo ops, you've memorized pretty well the script that the ministry wrote for you, but you really don't have a plan, and that's ostensibly what this issue is about.

The GTTA, including Gord Perks, as well as Glen Grunwald—all of the leaders in this issue—realize that you've given them absolutely no power. In fact, if you look at the major sections of the bill, whether it's on the governance issue or with respect to the budget, you know yourself that you have not given them any authority. That's the real issue. You really made a lot of vacant promises again today and when you made the announcement. There's nothing in this bill to satisfy the needs, to resolve the issue you've addressed. What are you going to do to give this board real operating authority, or do you simply lack a plan to move forward?

**Hon. Mr. Takhar:** Actually, the member for Durham is repeating exactly what their government did. Let me just read a couple of comments from other people about the Greater Toronto Transportation Authority, and I will start with the chair of Durham region: "I look forward to

working with the minister as the legislation goes through the House. The coordination of transit systems across the regions and cities is an important part of smart growth.”

Let me tell you what the mayor of Hamilton said: “For Hamilton, the need for a GTTA is paramount for the efficient movement of people and goods. Managing our transportation needs requires planning and collaboration within a fiscally responsible and environmentally sustainable framework. The formation of the GTTA will move us in the right direction.”

Let me tell you what the chair of York region said: “I welcome today’s announcement of the Greater Toronto Transportation Authority. York region looks forward to working with all partners of the GTTA—”

**The Speaker (Hon. Michael A. Brown):** Thank you. Final supplementary.

1440

**Mr. O’Toole:** Minister, it sounded like what Ian Urquhart said this morning, that your vehicle has simply run out of the gas. In fact, if you look at it structurally, it’s dysfunctional. You’ve structured the governance body in such a way that none of the regions have any authority. Toronto has four votes, and your ministry actually has the two key positions and the key votes. In fact, you are the minister who actually, in cabinet, will approve their budget. They have no authority, they have no plan, they have no vision and they have no leadership. Minister, you’re missing. There’s nobody driving the bus. We’ve got gridlock; I recognize that. But what’s missing is that you have no plan.

Minister, just simplify the issue, the debate today, as we go forward on Bill 104. Tell the people of Ontario what it’s actually going to do besides plan, coordinate and facilitate. What’s your plan? You have no plan. Let’s hear it today. Go off the script for a moment, just drop the script and tell us how to solve this problem.

**Hon. Mr. Takhar:** There’s nobody to drive the bus because they never provided any funding for the buses. That’s exactly what happened. For years and years they didn’t provide any money for transit. They basically messed it up. Let me tell you what the mayor of Mississauga said: “I just want to emphasize that the backlog which was created by the Harris government regarding transit will take a long time for the gas tax to address some of those issues.” They messed it up; they didn’t provide any funding.

But let me just compare it with the GTSB for a moment. They had a huge board, the Greater Toronto Services Board, and it didn’t work. You know it didn’t work. It didn’t have any focused mandate, either. It did everything from housing to transportation, so nothing worked. That’s why we don’t have—

**The Speaker:** Thank you. New question.

#### NUCLEAR SAFETY

**Mr. Howard Hampton (Kenora–Rainy River):** My question is for the Acting Premier. We know that the McGuinty government’s real energy plan is to spend \$40

billion on very expensive, unreliable and environmentally risky nuclear power plants. So today, on the 20th anniversary of the Chernobyl nuclear disaster, I believe the McGuinty government owes the people of Ontario some straight answers on nuclear power and the potential risks. Will the McGuinty government make public today any emergency plans, briefing notes or studies in its possession that assess the impact of a potential nuclear disaster on human health, the environment and the economy?

**Hon. Dwight Duncan (Minister of Finance, Chair of the Management Board of Cabinet):** Perhaps the member doesn’t realize that nuclear safety is regulated by the federal government. That being said, the member will know that there are six levels of nuclear incident in the world, 1, 2, 3, 4 and 5—excuse me, there are five—and throughout its history, Ontario has never had more than a level 2.

The Chernobyl incident was a horrible example of what can go wrong when a system isn’t properly run, maintained or regulated. In the case of our province’s history, we have a history of well maintained and properly regulated nuclear assets. I’m sure the member opposite wouldn’t suggest for a moment that we are in danger of a Chernobyl type of situation. I’m sure the member would not want to be fearmongering, given our 40-year history. I would invite the member, as we begin the debate —

**The Speaker (Hon. Michael A. Brown):** Thank you. Supplementary.

*Interjection.*

**The Speaker:** Minister. It’s necessary to sit down when I stand up.

*Interjection.*

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

**Mr. Hampton:** One of the realities of life is that accidents happen. Before people buy a car, they check out the safety record or the safety rating of the car, because you want to know what happens in case of an accident. The McGuinty government wants to spend \$40 billion on mega nuclear power plants. We believe the people of Ontario have a right to know what happens if there’s a nuclear accident, because, as I say, regrettably, accidents happen. Will the McGuinty government make public all information in its possession about what impact a nuclear accident would have on human health, the environment and the economy?

**Hon. Mr. Duncan:** The member opposite is presupposing that a decision has been made on new nuclear power, and he knows full well that, in spite of his intention to fearmonger, that decision has not been made. The member would also understand there are environmental assessment processes which would consider these questions. The member would also understand that before a nuclear decision could even be contemplated, the federal nuclear regulating agency has a whole series of processes available to it that are designed in fact to assess these very issues. That’s why it will take somewhere between seven and 10 years, if Ontario were to make the decision

to do new nuclear or indeed even to refurbish on existing sites. Those processes are in place. The history is there.

The member is right that accidents do happen. There's no question about that. But I say to the member, the history is solid. The processes are there in place to assess. To suggest that these decisions have been made or that there's no opportunity to discuss them in a full and meaningful way, with factual information—

**The Speaker:** Thank you, Minister. Final supplementary.

**Mr. Hampton:** It seems that either the McGuinty government hasn't done its homework on this issue or you don't want this information in the hands of the public. Either way, the people of Ontario deserve better before you embark on a \$40-billion nuclear mega project scheme.

Energy Probe's Tom Adams says Ontario has had "two near misses at the Pickering nuclear power plant that should have deterred any government from considering nuclear power any further." So I ask my question again: Will the McGuinty government make public all information in its possession regarding the impact of a nuclear accident on human health, the environment and the economy?

**Hon. Mr. Duncan:** That information is well known, well understood and well publicized, I think, by the vast majority of Ontarians. Maybe the member opposite sees some benefit in this type of questioning.

Let me say this: I don't put a lot of faith in Mr. Adams's views on nuclear power.

**Hon. James J. Bradley (Minister of Tourism, minister responsible for seniors, Government House Leader):** He's been opposed to everything.

**Hon. Mr. Duncan:** He's been opposed to everything. That's right. Unlike you, we don't want to triple the price of electricity in this province. That's what your plan's about. That's what you're saying.

There has been no decision made on new nuclear or the redevelopment of existing nuclear. There is a public debate that has begun. We look forward to that, working through the environmental assessment processes, working with the federal regulator, working, by the way, with the United Nations Atomic Energy Commission, which also tracks this. That information is well available to members and to all people of this province. The debate is open, it's clear, it's tough. We're going to come to terms with it. The member opposite may deal in fiction all he wants, but I can assure you this government will do—

**The Speaker:** Thank you. New question.

**Mr. Hampton:** To the Acting Premier: The MPP for Pickering–Ajax–Uxbridge understands nuclear power's grave risks. Earlier this month, he told this Legislature about his experience as mayor of Pickering, of getting warning calls about big problems at the Pickering nuclear plants. He said that experience has led him to support a new emergency management act, because he believes "something of that magnitude will require ... a Premier or the cabinet to be able to declare an emergency in a large

area." Your own member, the former mayor of Pickering, is concerned about the risks of nuclear power.

I simply ask: If he's concerned, will you table all reports, any studies, any information, any emergency plans to deal with a potential nuclear accident?

1450

**Hon. Mr. Duncan:** The member referred to is my parliamentary assistant, who I know is a great supporter of nuclear power, and yes, he is a great supporter of proper accountability in emergency situations. That's why he supported the emergency measures bill that we brought in and that you, sir, voted against.

I remind the member opposite that in fact these discussions were held. Many of the protocols are available in public already, not only through the government of Ontario but, more importantly, through the nuclear regulator that files annual reports, not only in Ottawa but also with the United Nations. I would invite the member to start looking for those things. They're quite available, they're quite public, and I'm not going to do your work for you.

What I am going to do is ensure that we have a rational discussion about this, that we ensure, if a decision is made for new nuclear refurbishment, that we have the proper measures in place. We brought forward legislation. You voted against it. Our legislation was the right step, and we're going to continue to ensure the health and safety—

**The Speaker:** Thank you. Supplementary?

**Mr. Hampton:** What's puzzling here is that the McGuinty government has the \$40-billion nuclear mega-project scheme, but when I ask you where the plans are to deal with a potential nuclear accident, you say that's somebody else's responsibility.

Even your community safety minister has concerns about risks of nuclear power. This is what he said: "When an emergency happens—it doesn't matter whether it's the avian flu, another pandemic of some sort ... a nuclear accident ... we have to respond immediately." So if you have a scheme for \$40 billion of nuclear power plants, I'm simply asking you today, where are the studies, where are the plans, where are the assessments of what would happen in the case of a nuclear accident?

**Hon. Mr. Duncan:** First of all, the member is presupposing that a decision has been taken. I don't know where he gets the \$40-billion figure.

**Hon. Michael Bryant (Attorney General):** They make it up.

**Hon. Mr. Duncan:** He does. He makes it up. He just makes it up. There's no validity, no balance. There's nobody outside of that member's research office who will confirm that number.

There's no doubt that this government does worry about nuclear safety. We are one of the largest operators of nuclear reactors in the world, and that's why we rely on the federal nuclear regulatory agency. That's why we rely on the United Nations. That's why we're at the forefront. If you look at our safety record, you'll find it's one of the best in the world, that we've never even gotten

close to a level 3 incident, in spite of what Mr. Adams and others may want to argue.

There has been, and there will continue to be as decisions are made, full public participation, environmental assessment, federal and international regulatory oversight. I'm satisfied that the system is proper—

**The Speaker:** Thank you. Final supplementary?

**Mr. Hampton:** The risk of nuclear power plants is one issue, and we see here that you don't want to provide an answer. The other question is the storage of all of the very toxic nuclear waste that those nuclear plants would generate. When we ask you where you are going to store the nuclear waste, your response is, "Well, that's someone else's responsibility too." That's like dumping your garbage in a public park and then saying it's somebody else's job to pick it up.

You are the one with the \$40-billion nuclear power scheme. You should have a plan, you should have the assessments, you should have the reports on what happens in the case of a nuclear accident. You should have a storage plan. Where is it? If you're a responsible government, where are the plans to deal with nuclear accidents and the storage of nuclear waste? And please don't say it's someone else's responsibility.

**Hon. Mr. Duncan:** Surely the member opposite is not suggesting that the operator of nuclear plants should be the one regulating the nuclear plants. That's exactly what he's saying. That's why the federal government regulates not only the operation but the disposal of nuclear waste.

The nuclear waste we have today is stored on-site, a policy that his government followed through on for five years. The federal government, quite properly, the federal regulator—and it should be regulated federally because we're the operator. That's a safety precaution. You don't want, as you had in Chernobyl, the operator acting as the regulator. That was part of the problem at Chernobyl. You probably don't read below the headlines, but if you read what happened, that's precisely why we have the motto we have in Canada.

So I reject his idea that the operator should be the regulator. I reject his notion that the provincial government should not be subject to scrutiny, not only by a federal regulator but by an international regulator. That's why we'll protect the safety of Ontarians, far more than—

**The Speaker:** Thank you. New question.

#### NATIVE LAND DISPUTE

**Mr. Toby Barrett (Haldimand–Norfolk–Brant):** To the Minister of Transportation: Caledonia and the surrounding area is experiencing traffic chaos as a result of the land dispute and the road blockades. As you would know, Minister, Caledonia's main thoroughfare, Argyle Street, is blocked. Provincial Highway 6 is blocked. We have some very serious transportation issues, and I limit my question to transportation. It's a very simple question. What are you doing, Minister of Transportation, to ensure the proper routing of traffic around Caledonia?

**Hon. Harinder S. Takhar (Minister of Transportation):** To the minister responsible for native affairs, please.

**Hon. David Ramsay (Minister of Natural Resources, minister responsible for aboriginal affairs):** We are very concerned about the disruption of traffic flow into and around Caledonia. So are the OPP because of the curtailment, potentially, of emergency vehicles, police vehicles, when needed. The OPP have been having daily meetings with representatives from the Six Nations about this situation, and it's been going on there. It is also the prime topic of discussion in today's meeting, which has started already, to get the community back to normalcy. Removing the barricades and getting normal traffic flow is the first job of those discussions.

**Mr. Barrett:** Minister of Transportation, these are questions I'm getting from motorists, from truckers, from e-mails I'm getting. My questions solely focus on issues around signage; traffic routing; narrow back roads; the overloading of bridges; Nanticoke industrial park; there's a problem of access obviously down to Port Dover, Hagersville, Cayuga. Also, with respect, Minister, on signage: Many people don't realize that Caledonia is open for business.

Minister of Transportation, drivers are getting furious. It's a road issue. Why can you not present a comprehensive answer and an approach? At minimum, present a transportation plan to enable those of us in the area to accommodate these problems. It's a road question. I leave it with you. We're asking for a plan, Minister of Transportation.

**Hon. Mr. Ramsay:** I would assure—

**Mr. Barrett:** Wrong minister.

**Hon. Mr. Ramsay:** Well, I'm going give you the answer, because this minister has been working with the OPP. MTO has installed temporary messaging signs all around this area, alerting people to what roads are closed at the moment, what routes are open, what are the best traffic flow options for them. I suggest maybe you drive around in your riding there. You would see these signs because they're up there and they're there for the people. We're working with the people, making sure they're informed as to what's the best routing. As I said to you, this is job one for us right now. We want to get the community back to normal operation, because that's what's good for both communities there and that's what we're working on.

1500

#### HEALTH CARE

**Mr. Howard Hampton (Kenora–Rainy River):** My question is to the Acting Premier. In his first budget, Dalton McGuinty hit working families with a very unfair, regressive health tax. Under that health tax, high-income people, people with an income of, say, \$500,000 a year, got hit with a 3% tax increase. But low-income people, people with incomes of \$30,000 a year, got hit with a punishing 24% tax increase. Now, in that context, can

you explain why, under the McGuinty government, low-income families, immigrants and aboriginals are paying more for health care, but according to the Ontario Health Quality Council they have less access to health care?

**Hon. Dwight Duncan (Minister of Finance, Chair of the Management Board of Cabinet):** The report that's out today suggests strongly that this government is, in fact, going in the right direction in health care. First of all, we're measuring wait times. Second of all, we're identifying those priority areas. Third of all, by our investments we're ensuring public health care in Ontario that's open and accessible to all the people of this province, regardless of their income level. That record involves reducing wait times on such important procedures as cardiac surgeries. Cancer wait times, region by region, are down. The investments that we've made, the \$2.6 billion from the health premium, have been invested in those wait times. They're coming down. The government acknowledges that there's more to do, the government acknowledges that the challenges are great, but this government remains committed to public health care and to ensuring that all people have equal and fair access to the health care system that we—

**The Speaker (Hon. Michael A. Brown):** Thank you. Supplementary.

**Mr. Hampton:** Acting Premier, here's the report. It makes it very clear that under the McGuinty government, the lowest-income Ontarians are having less access to health care than in the past.

One of the things that Mr. McGuinty did in his first budget was he cut optometry services, delisted optometry services. When he did it, he promised that no one who needed eye exams for medical reasons would have to go without. So how does the McGuinty government explain the Ontario Health Quality Council's finding that half of Ontario's newly diagnosed diabetics aren't getting eye exams within a year, even though they are supposed to get them and they need to get them in order to prevent blindness?

**Hon. Mr. Duncan:** First of all, the member neglects to answer that that number hasn't changed since we took office; that's number one. So we want to make sure we get all the facts. In terms of those who are in most need, there are 22 new health care centres that serve underserved and poorer communities. Aboriginal communities and other at-risk communities like Malvern and others are getting these community health centres, which you voted against.

I'd remind the member opposite that his party cut \$268 million from hospitals in 1994-95. You cut funding to OHIP by \$315 million. You, sir, voted for that. Mental health: That member voted for a \$23.5-million cut in 1992-93, and you voted for a \$42.4-million cut to mental health in 1994-95. You voted to cut the Ontario drug benefit. You hurt the poorest—

**The Speaker:** Thank you. New question.

## SOFTWOOD LUMBER

**Ms. Monique M. Smith (Nipissing):** My question is for the Minister of Natural Resources. Minister, there's been a lot of speculation in the last few days of a deal on softwood lumber. As you know, Tembec is a major employer in my area and an important corporate citizen, and of course forestry is so very vitally important to all of the north. News stories are starting to emerge this afternoon that a deal has been reached in the softwood lumber dispute. Can you tell us anything about the details?

**Hon. David Ramsay (Minister of Natural Resources, minister responsible for aboriginal affairs):** We are hearing, through our negotiators who are representing Ontario and are in Washington today and have been involved in the last couple of days in discussions, that there is a framework arrangement agreed to between Canada and the United States. It looks to be particularly disadvantageous to Ontario, despite Ontario's stressing to the Canadian ambassador that the volume of the quota that will come needs to be based on our historical trading patterns with the United States, which would bring us anywhere from 10% to 12%. It looks like it's something below 10%. This will have a negative impact on our northern communities.

**Ms. Smith:** Minister, this is very discouraging and disturbing to our northern communities. You have described this agreement as being disadvantageous to Ontario. Can you explain a little bit how this will impact on our communities in the north that are so dependent on this industry?

**Hon. Mr. Ramsay:** What this means is that we could see more downsizing in our mills, because we've now had our ability to export lumber into the United States restricted by an agreement that the federal government has signed on to. I would say to the members here that the McGuinty government stands for Ontario, stands for the Ontario industry, and we will not sign on to an agreement that puts Ontario at a disadvantage.

## PROPERTY TAXATION

**Mr. Tim Hudak (Erie-Lincoln):** A question for the Deputy Premier: Two months ago, Premier McGuinty told the Ottawa Citizen that he would not address skyrocketing property assessments because he "didn't run on it." Of course, the minister knows that Dalton McGuinty didn't exactly run on pit bull bans or tax hikes or abolishing the Senate either. Now Dalton McGuinty finally says that his government is suddenly seized with the issue. Small wonder. There's a growing and increasingly powerful coalition of taxpayer groups, seniors' associations and municipalities getting behind caps on increased property assessments. The latest is CAPTR, the Coalition After Property Tax Reform, holding a press conference tomorrow. I hope the minister will take time to attend. Minister, will you entertain CAPTR's proposal to cap assessment increases at 5% per year?



**Hon. James J. Bradley (Minister of Tourism, minister responsible for seniors, Government House Leader):** “Please fix the problem we created.”

**Hon. Dwight Duncan (Minister of Finance, Chair of the Management Board of Cabinet):** That’s the question. “We created a problem. Now fix it.” Yes, you’re right, the Premier has looked hard at this issue and we found a huge mess with the property tax system, one that you left, one that you did not address meaningfully in eight years. I have said before, and I’ll say it again, a cap on property taxes may in fact cause more problems than it solves. What we are saying—

**Hon. Sandra Pupatello (Minister of Education, minister responsible for women’s issues):** How many bills did they have?

**Hon. Mr. Duncan:** It was I think eight bills; not one, not two, not three, not four, not five, not six, not seven, they had eight attempts and they didn’t get it right.

The other thing is that MPAC is an expensive operation. I know the member’s not suggesting that we should keep MPAC running and not use it, and pay for it. I know the member would like to reflect the views of other groups and other municipalities that are concerned about the capping recommendation. This is a difficult issue. We look forward to further discussions with the member opposite, with the opposition, and we look forward to meeting with the ratepayers’ groups we have talked to already—

**The Speaker (Hon. Michael A. Brown):** Thank you. Supplementary.

**Mr. Hudak:** To an extent, like one of my colleagues once said, trying to track down Dalton McGuinty on the issue is like trying to nail Jell-O to the wall; he seems to be all over the place on this issue. I would point out that is—

**Mr. Howard Hampton (Kenora–Rainy River):** I said it first.

**Mr. Hudak:** I’ll give Mr. Hampton credit for it. He was right.

Minister, I say with respect, you’ve had three years to address this issue. Dalton McGuinty said as soon as two months ago that he wasn’t going to do anything about it. You in fact did, Minister, have one bill, and in that bill, you will recall, Bill 83, then-Finance Minister Sorbara indefinitely delayed assessment averaging. The minister knows full well that assessment averaging would have smoothed out the skyrocketing assessments for the last assessment. Does the minister now regret abolishing assessment averaging or is he bringing that back on the table like caps are back on the table?

**Hon. Mr. Duncan:** What I regret is that, if the member is so concerned, why didn’t he do anything about it? Here’s what his own local newspaper said, the Welland Tribune. The headline says, “Hudak’s Party Created Tax Problem.” Here’s what his colleague John Yakabuski said, when asked if the former government under Harris bungled the property tax evaluation system, “Apparently so.”

I would say, sir—

*Interjections.*

**Hon. Mr. Duncan:** “Apparently so” is absolutely right. Unlike the member opposite, we are looking at this in a constructive way. We want to get it right. It has caused too much uncertainty and too much anxiety. This requires a careful, thorough, thoughtful review. We’re committed to that, and we’re committed to get right what that member and his party didn’t get right, not once, not twice, but eight times.

## LONG-TERM CARE

**Mr. Peter Kormos (Niagara Centre):** A question to the Acting Premier. Kathy Borisenko is co-chair of the family advisory council at Rapelje Lodge. She’s a personal witness to the growing crisis of humiliation, boredom and ill health among Ontario seniors in long-term care. Her once-dignified father, Sam Dickson, in the final years of his life, had occasion to look up at her with tears running down his face, saying, “I had to go to the bathroom, but there was no one to take me.” You see, Mr. Dickson had soiled himself.

Minister, during the election, you and Mr. McGuinty promised \$6,000 more per resident for things like basic personal care. When are you going to keep that promise?

1510

**Hon. Dwight Duncan (Minister of Finance, Chair of the Management Board of Cabinet):** I’ll remind the member that we have indeed moved great steps to do that: First of all, a \$740-million, 35% increase since taking office, from \$2.1 billion to \$2.84 billion—\$151 million this year alone, 5.8%. Results to date: 2,334 new staff, including 472 new nursing positions on the way to our target of 600; a long list of other initiatives; new regulations—and I congratulate the member from Nipissing for all of her good work on this file—new regulation 205 for 24/7 RNs and two baths per week; increases to the comfort allowance for those most vulnerable in our long-term-care homes; freezing resident copayment fees until July 2006; and \$385,000 to support family and resident councils.

We acknowledge that there’s much to do; we acknowledge that there’s more that can be done. We’re moving as quickly and prudently as we can to ensure that the—

**The Speaker (Hon. Michael A. Brown):** Thank you. Supplementary.

**Mr. Kormos:** Sir, you had a \$3-billion windfall in unexpected revenue and you chose to dedicate \$1.2 billion of it to accelerating a tax break for banks and insurance companies.

At Rapelje Lodge and across Ontario, seniors “wind up in wheelchairs, not able to move, not able to dress themselves, not able to eat.” They’re not getting the \$6,000 per senior that you promised. They’re not getting the daily hours of personal care that you promised. Nurses and personal support workers are stretched to the limit, and you know it. And in Niagara, you cut the 3% inflationary funding increase in half, leaving Niagara with a \$860,000 budget shortfall.

Minister, when are you going to keep your promises to these seniors—our folks and grandfolks—who worked so hard and built so much in this province?

**Hon. Mr. Duncan:** We are keeping our promise, and we're keeping it in a way that no previous government has done. No government has put the interests of seniors in long-term-care homes or complex continuing care facilities higher on the agenda than this government has.

I have some personal knowledge of this. Both of my parents are in complex continuing care. The care they receive is outstanding. The amount of care they have has increased in the last three years. The type of care they get from dedicated RNAs and RNs is second to none anywhere in the world, I would suggest.

There is more to be done. We will not leave our seniors behind. We have invested more in health care. That government—his government—cut health care, and he voted for those cuts. He personally voted for them.

We're moving in the right direction. We have more to do—there will always be more to do—but we're doing it, and we're doing it better than anyone before us. We're proud of our record in long-term care.

#### PUBLIC TRANSPORTATION

**Mr. Tony C. Wong (Markham):** My question is for the Minister of Transportation. On Monday, I had the great pleasure of participating in yet another landmark McGuinty government announcement: the creation of the Greater Toronto Transportation Authority, or GTTA.

As a member of this government's 905 caucus, I am confident that the proposed legislation will benefit Markham commuters through coordinated fares and transit services. In the words of Markham Board of Trade president Keith Bray, "This initiative will have a huge"—and may I add positive—"impact on the long-term resolution of Markham's traffic issues. With a workforce that comes from all across the GTA and will continue to grow, we in Markham welcome this announcement."

Minister, could you please explain how this newly proposed Greater Toronto Transportation Authority will make commuting easier for people living in my riding of Markham and across the GTA?

**Hon. Harinder S. Takhar (Minister of Transportation):** Let me start by saying that congestion is a serious issue in the GTA area, and there are more people moving to the GTA, including the Markham area, which the member represents.

But this congestion didn't just happen. Let me just give you some numbers, what kind of money the previous government spent on transit. Maybe that will give some answers to the member from Durham, who, actually, has left the House. In 1995-96, when the previous government took over, spending on transit was \$666 million. In 1999 and 2000, the investment in transit was \$64.5 million—from \$666 million to \$64.5 million. In 2000 and 2001, it became \$38 million. This year we will be spending, without including GO Transit, around \$860 million on public transit.

**Mr. Wong:** As acknowledged in your speech at the Markham Board of Trade this past January, traffic congestion results in lost time, lower productivity and higher transportation costs for businesses. For employees, the stress of the daily commute on congested roads negatively affects the quality of their life and work. With the opening of the Milliken GO station in Markham, our investment of over \$14.8 million in York region public transit from October 2004 to 2006 through gas tax funding and, as announced in this year's budget, our \$1.2-billion investment in Move Ontario, this government has shown that we are committed to creating positive change for Markham's commuters and business community. In addition to these major investments, Minister, can you please tell my constituents what our government is doing to improve public transit.

**Hon. Mr. Takhar:** I want to thank the member from Markham for his question. He is absolutely right. We are spending \$1.2 billion in Move Ontario. But in addition to that, we're spending \$850 million in transit as well. When people travel from one place to another, they don't see municipal boundaries. They want to just travel from one place to another. They want to do so in a convenient and reliable manner. So our government's plan is to make sure that the municipalities can get together and develop a long-term plan that can address congestion on the highways. All we are concerned about is that people be able to travel in an integrated and seamless way from one place to another and that their travel time is reduced. That's what our objective is. That's why we created the Greater Toronto Transportation Authority. I'm very proud of the fact that this legislation is in front of the Legislature, and I look forward to everyone's support.

#### NORTHERN ONTARIO HERITAGE FUND

**Mr. Norm Miller (Parry Sound–Muskoka):** I have a question for the Minister of Northern Development and Mines. Minister, I note that the Premier made a rare trip to Thunder Bay today, to make an announcement. He announced \$2.2 million from the Northern Ontario Heritage Fund Corp., funding for a cancer and cardiac research centre. However, the local Liberal member, the MPP for Thunder Bay–Superior North, Michael Gravelle, disagrees with this kind of funding. I'd like to quote from Hansard. He said, "Certainly in reference to the northern Ontario heritage fund, I think it has become almost farcical how it is now being used by the government basically as a means to fund programs and services that may be very, very valuable but should be coming from the Ministry of Health." So my question is, why is the funding for this health project coming from the northern Ontario heritage fund; why not from the Ministry of Health?

**Hon. Rick Bartolucci (Minister of Northern Development and Mines):** The answer is very, very simple. It's because we've changed the mandate of the Northern Ontario Heritage Fund Corp. Do you know

what the previous government—the Harris-Eves government, the government in which this member from Parry Sound–Muskoka was the parliamentary assistant for the Minister of Northern Development and Mines—used to do? They funded golf courses, golf tournaments. They funded things that didn't create employment. When we took power, we decided that we would change the mandate of the Northern Ontario Heritage Fund Corp. to one that created prosperity in northern Ontario, that created jobs. That's why we funded that project.

**Mr. Miller:** Minister, surely you should have been able to find the funds. You're collecting an extra \$2.5 billion in your illegal health tax, so surely some of that could have been used for this.

This was a good-news announcement, but as usual there are very few details in the announcement. Can you give the time lines for when the research centre will open, how many years until the research centre opens?

*Interjections.*

**Hon. Mr. Bartolucci:** I don't know. I don't like it, but I want to know the details about it so that we can try to take credit for it, maybe.

Let me tell you what I will tell you. The Northern Ontario Heritage Fund Corp. with its changed mandate has to date approved \$151 million toward 571 projects in northern Ontario. Now sit back, member from Parry Sound–Muskoka, because, unlike you, we have created 5,607 total net direct jobs. That's direct jobs. Our contribution has leveraged \$506 million to the communities of northern Ontario. The member from Parry Sound–Muskoka may want to fund golf tournaments. They may want to return to the old way. We want to create jobs.

1520

#### ENVIRONMENTAL PROTECTION

**Ms. Andrea Horwath (Hamilton East):** My question is for the Minister of the Environment. Yesterday, ABP Recycling in Hamilton filed for a judicial review of your ministry's—

*Interjections.*

**Ms. Horwath:** Mr. Speaker, I'm trying to ask a question.

*Interjections.*

**The Speaker (Hon. Michael A. Brown):** Stop the clock. The member from Hamilton East has a point.

*Interjections.*

**The Speaker:** Order. I can wait.

*Interjection.*

**The Speaker:** Minister of Labour.

The member for Hamilton East.

**Ms. Horwath:** Thank you, Mr. Speaker, and I apologize if I was inappropriate in my remark a minute ago. It's an important issue for my community. Yesterday, ABP Recycling in Hamilton filed for a judicial review of your ministry's director's order. In that application, they stated that you actually have neither the authority nor the jurisdiction over their particular operations. Only due to the actions of the city of Hamilton, as you know, did your

ministry finally take action this past month on ABP's illegal wastewater dumping into our sewer system.

Minister, your ministry has already allowed ABP to operate for several years without a proper certificate of approval. I know you're aware of this. In this light, what are you doing to ensure that your director's order will stand and not be stayed during ABP's appeal?

**Hon. Laurel C. Broten (Minister of the Environment):** I think it is important for me to indicate clearly to the member opposite that absolutely every suggestion that a facility's activities may violate the province's environmental laws is taken very seriously by my ministry. Based on information that was received and provided by the city staff, my ministry undertook an inspection of this facility. The ministry's inspection determined that the facility was undertaking some activities for which it did not have the requisite approvals from my ministry, and my ministry promptly ordered the facility to cease these activities until it applied for and received the requisite approvals.

Now, at the present time, the company has appealed my ministry's order to the Environmental Review Tribunal, and as the member opposite can surely understand, the matter is before the court and it would be highly inappropriate for me to argue that case here in the Legislature.

**Ms. Horwath:** You've already reviewed the history, and it's a fact that you've already failed east Hamilton residents by not ensuring the certificate of approval actually existed in the first place. Now the company, as you know, wants to expand its facilities despite the fact they've shown very little regard for environmental standards. It's clear to everybody that your ministry lacks the teeth to effectively clamp down on corporate polluters.

My question is very specific to the procedure we're now in. We know there is a court procedure, but what we need to know, what the residents of Hamilton East need to know, is that you, as the Minister of the Environment, are prepared to ensure that your director's order will not be stayed during the ABP appeal.

**Hon. Ms. Broten:** I guess I will take some time to review the facts again. On March 27, 2006, the ministry issued the company a provincial officer's order, as we have the authority to do, indicating that the company was required to (1) discontinue accepting sewage until it had received the ministry's approval; (2) apply for the ministry's approval to transfer and process waste; and (3) apply to amend its existing waste system approval to haul sewage.

The company appealed that order to the ERT and the company has also indicated that it will apply for a judicial review of the order. That matter is now before the courts. The matter will be decided by a court, and it is not appropriate to comment on this matter before the Legislature. Perhaps my friend does not understand how court proceedings operate, but I can tell you these matters are before the courts and they will be determined in that forum.

## FOREST INDUSTRY

**Mr. Jerry J. Ouellette (Oshawa):** I have a question to the Minister of Northern Development and Mines. Minister, with today's announcement regarding the impact on the forest industry, we're seeing a lot of changes coming forward and we're seeing a lot of displaced workers in the forest industry. Do you have a program, with all the jobs and the great things that you have come forward with and mentioned, that is going to assist these displaced workers in the forest industry for other working areas in northern Ontario?

**Hon. Rick Bartolucci (Minister of Northern Development and Mines):** I think the people of northern Ontario clearly understand that finally they have a government that cares; finally they have a government that is willing to work with municipalities to try to find the answers. Whenever one job is lost in northern Ontario, it's of concern to this government. That's why, after listening to municipalities across northern Ontario, our northern prosperity plan addresses the critical need that was lacking before, and that's the integration of all levels of government in coming together to try to find solutions. When we hear things like the Minister of Natural Resources said earlier, when we hear that the federal government is selling out Ontario with regard to the softwood lumber settlement, we have great concerns.

**Mr. Ouellette:** My question was about the displaced workers and how you're going to be able to help them. There is a lot of concern within the forest industry, which is one of the lifebloods of northern Ontario, about how you're going to assist those individuals, to reintegrate them in areas that are of high concern. For example, Minister, I know that skilled trades, as mentioned earlier on, is one of the areas where there's a shortfall in northern Ontario. Have you got anything coming forward that will assist these individuals to move forward in areas such as skilled trades or other areas that can help the north?

**Hon. Mr. Bartolucci:** The reality is that this is the responsibility of the Minister of Training, Colleges and Universities, and I turn the question over to him.

**Hon. Christopher Bentley (Minister of Training, Colleges and Universities):** As the member should know, we have something called the advisory adjustment process. As soon as there is a layoff or even a notice of a layoff in a particular community, the first thing that happens is that we contact the company, the union, if there is one, and the head of the community to advise them of adjustment advisory activities. That can include counseling; it can include direction to a job retraining facility.

On top of that, because we've now signed the labour market development and partnership agreements that your party decided not to sign for eight years, we're now getting new funding to build a stronger adjustment process so that people can go on to the type of skilled training they'll need to remain in their communities and get good jobs for the future. That's going to be the future of job training: an integrated process that ensures people

get the training they need for the jobs they need to ensure the prosperity that we all want in the province of Ontario.

## KASHECHEWAN FIRST NATION

**Mr. Gilles Bisson (Timmins-James Bay):** My question is to the Acting Premier. You will know that the community of Kashechewan has been devastated yet again, with the third evacuation this season. You will know that the damage is fairly extensive. The water plant has now been damaged fairly extensively by overflowing water, and also the sewer; the intake line is gone. Forty houses have been damaged to the point they need to be rebuilt, the same 40 houses as last year. The nursing station has been damaged; the airport has been damaged; the roads have been damaged; the dike is damaged. It goes on and on.

We need a commitment from this government that you're prepared to work with us in order to accelerate moving the community from its present location to higher ground, so that we don't have to go through this every spring. Will you do that with us?

1530

**Hon. Dwight Duncan (Minister of Finance, Chair of the Management Board of Cabinet):** To the minister responsible for aboriginal issues.

**Hon. David Ramsay (Minister of Natural Resources, minister responsible for aboriginal affairs):** On Monday, I travelled to Ottawa to talk to the federal minister of aboriginal affairs, Minister Jim Prentice, about this very issue. As the member who represents the community knows, this is the third evacuation now in 12 months. In regard to the flooding, this almost becomes an annual routine for this community because of the siting of this community.

We also know about the infrastructure damage that has occurred to this community over the years. It's certainly Ontario's wish to work with the First Nation community to find them a new permanent home.

## PETITIONS

SERVICES FOR THE  
DEVELOPMENTALLY DISABLED

**Mr. John O'Toole (Durham):** I have a petition on behalf of my constituents and it reads as follows:

"Whereas, without appropriate support, people who have an intellectual disability are often unable to participate effectively in community life and are deprived of the benefits of society enjoyed by other citizens; and

"Whereas quality supports are dependent on the ability to attract and retain qualified workers; and

"Whereas the salaries of workers who provide community-based supports and services are up to 25% less than salaries paid to those doing the same work in government-operated services and other sectors;

"We, the undersigned, petition the Legislative Assembly of Ontario to address, as a priority, funding to community agencies in the developmental services sector to address critical underfunding of staff salaries and ensure that people who have an intellectual disability continue to receive quality supports and services that they require in order to live meaningful lives in their community."

I think of people in the riding of Durham. I support this petition.

#### COMMUNITY MEDIATION

**Mr. Bob Delaney (Mississauga West):** I have a petition to the Ontario Legislative Assembly, and I'd like to thank Hailey Clarke for bringing me the signatures. It reads as follows:

"Whereas many types of civil disputes may be resolved through community mediation delivered by trained mediators, who are volunteers working with the parties in the dispute; and

"Whereas Inter-Cultural Neighbourhood Social Services established the Peel Community Mediation Service in 1999 with support from the government of Ontario through the Trillium Foundation, the Rotary Club of Mississauga West and the United Way of Peel, and has proven the viability and success of community mediation; and

"Whereas the city of Mississauga and the town of Caledon have endorsed the Peel Community Mediation Service, and law enforcement bodies refer many cases to the Peel Community Mediation Service as an alternative to a court dispute; and

"Whereas court facilities and court time are both scarce and expensive, the cost of community mediation is very small and the extra expense incurred for lack of community mediation in Peel region would be much greater than the small annual cost of funding community mediation;

"Be it therefore resolved that the government of Ontario, through the Ministry of the Attorney General, support and fund the ongoing service delivery of the Peel Community Mediation Service through Inter-Cultural Neighbourhood Social Services."

This is an excellent petition. I'm pleased to support it, to affix my signature and to ask page Billy to carry it for me.

#### LONG-TERM CARE

**Mr. Gerry Martiniuk (Cambridge):** I have a petition provided to me, by the St. Andrew's Terrace long-term care facility at 255 St. Andrews Street in Cambridge, Ontario, addressed to the Legislative Assembly of Ontario.

"Whereas long-term-care funding levels are too low to enable homes to provide the care and services our aging seniors and parents who are residents of long-term-care homes need, with the respect and dignity they deserve; and

"Whereas, even with recent funding increases and a dedicated staff who do more than their best, there is still not enough time available to provide the care residents need. For example, 10 minutes, and sometimes less, is simply not enough to assist a resident to get up, dressed, to the bathroom and then to the dining room for breakfast; and

"Whereas those unacceptable care and service levels are now at risk of declining;

"We, the undersigned, who are members of the family councils, residents' councils and/or supporters of long-term care in Ontario, petition the Legislative Assembly of Ontario to increase operating funding to long-term-care homes by \$306.6 million, which will allow the hiring of more staff to provide an additional 20 minutes of care per resident per day over the next two years (2006 and 2007)."

I affix my name thereto.

**Mr. Phil McNeely (Ottawa-Orléans):** I have a petition that was sent to me by Mr. Fred Haggart, president of the Madonna long-term-care facility family and friends' council, on behalf of that facility. It reads as follows:

"To the Legislative Assembly of Ontario:

"Whereas long-term-care service funding levels in Ontario must be improved in order to facilitate additional staffing and lengthen the hours of care provided by our facility;

"We, the undersigned, who are members of family councils, residents' councils and/or supporters of long-term care in Ontario, petition the Legislative Assembly of Ontario as follows:

"To increase operating funding to long-term-care homes by \$306.6 million, which will allow the hiring of more staff to provide an additional 20 minutes of care per resident per day over the next two years."

I appreciate all the good intentions of the Madonna long-term-care facility and hereby affix my signature. I will send this up with page Julian.

#### MACULAR DEGENERATION

**Mr. Jerry J. Ouellette (Oshawa):** I have a petition to the Legislative Assembly of Ontario:

"Whereas the government of Ontario's health insurance plan covers treatments for one form of macular degeneration (wet), and there are other forms of macular degeneration (dry) that are not covered,

"Therefore, be it resolved that we, the undersigned, respectfully petition the government of Ontario as follows:

"There are thousands of Ontarians who suffer from macular degeneration, resulting in loss of sight if treatment is not pursued. Treatment costs for this disease are astronomical for most individuals and add a financial burden to their lives. Their only alternative is loss of sight. We believe the government of Ontario should cover treatment for all forms of macular degeneration through the Ontario health insurance program."

As I believe in it, I affix my signature.

## COMMUNITY MEDIATION

**Mr. Jeff Leal (Peterborough):** I received a petition from Mr. Singh, who lives on King Street in Mississauga, Ontario:

“Whereas many types of civil disputes may be resolved through community mediation delivered by trained mediators, who are volunteers who work with the parties in the dispute; and

“Whereas Inter-Cultural Neighbourhood Social Services established the Peel Community Mediation Service in 1999 with support from the government of Ontario through the Trillium Foundation, the Rotary Club of Mississauga West and the United Way of Peel, and has proven the viability and success of community mediation; and

“Whereas the city of Mississauga and the town of Caledon have endorsed the Peel Community Mediation Service, and law enforcement bodies refer many cases to the Peel Community Mediation Service as an alternative to a court dispute; and

“Whereas court facilities and court time are both scarce and expensive, the cost of community mediation is very small and the extra expense incurred for lack of community mediation in Peel region would be much greater than the small annual cost of funding community mediation;

“Be it therefore resolved that the government of Ontario, through the Ministry of the Attorney General, support and fund the ongoing service delivery of the Peel Community Mediation Service through Inter-Cultural Neighbourhood Social Services.”

I will give it to the page.

## LONG-TERM CARE

**Mr. Ernie Hardeman (Oxford):** I have a petition here from the good folks at People Care Tavistock, the long-term-care facility there, and it’s to the Legislative Assembly of Ontario:

“Whereas long-term-care funding levels are too low to enable homes to provide the care and services our aging seniors and parents who are residents of long-term-care homes need, with the respect and dignity that they deserve; and

“Whereas, even with recent funding increases and a dedicated staff who do more than their best, there is still not enough time available to provide the care residents need. For example, 10 minutes, and sometimes less, is simply not enough time to assist a resident to get up, dressed, to the bathroom and then to the dining room for breakfast; and

“Whereas those unacceptable care and service levels are now at risk of declining;

“We, the undersigned, who are members of family councils, residents’ councils and/or supporters of long-term care in Ontario, petition the Legislative Assembly of Ontario to increase operating funding to long-term-care homes by \$306.6 million, which will allow the hiring of more staff to provide an additional 20 minutes of care per

resident per day over the next two years (2006 and 2007).”

I affix my signature, as I agree with the good folks at People Care Tavistock.

## FREDERICK BANTING HOMESTEAD

**Mr. Jim Wilson (Simcoe–Grey):** “To the Legislative Assembly of Ontario:

“Whereas Sir Frederick Banting was the man who discovered insulin and was Canada’s first Nobel Prize recipient; and

“Whereas this great Canadian’s original homestead, located in the town of New Tecumseth, is deteriorating and in danger of destruction because of the inaction of the Ontario Historical Society; and

“Whereas the town of New Tecumseth has been unsuccessful in reaching an agreement with the Ontario Historical Society to use part of the land to educate the public about the historical significance of the work of Sir Frederick Banting;

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

“That the Minister of Culture endorse Simcoe–Grey MPP Jim Wilson’s private member’s bill entitled the Frederick Banting Homestead Preservation Act so that the homestead is kept in good repair and preserved for generations to come.”

I want to thank the good people of ReMax Wasaga Beach who sent me that petition.

1540

## PUBLIC TRANSPORTATION

**Mr. Lorenzo Berardinetti (Scarborough Southwest):** I have a petition addressed to the Legislative Assembly of Ontario, and it reads as follows:

“Whereas the McGuinty government is committed to improving public transit and eliminating gridlock;

“Whereas the McGuinty government understands that public transit over the course of the past 10 years has been in a constant state of decline;

“Whereas this means that residents of the city of Toronto and Scarborough have seen this decline in the form of bus routes being eliminated from various remote areas and wait times for buses have doubled from 30 minutes to an hour and even more in some cases;

“Whereas this decline has also seen necessary repairs being delayed to the point where transit services such as subway travel are marked by increased delays along subway routes;

“Whereas the Scarborough LRT is on its last leg and is on the verge of becoming obsolete and through neglect and inaction will create further transit stress for the residents of Scarborough;

“Whereas public transit in other jurisdictions, such as New York state, is funded by all levels of government and the TTC has been supported solely by the city of Toronto;

"Whereas, as populations across the GTA and in the province of Ontario continue to grow ... ;

"Whereas the TTC in the past has not received any substantial money or support to expand the subway system ... ;

"Whereas the McGuinty government upon taking office on October 23, 2003, has taken steps to remedy this steady state of decline;

"Whereas the McGuinty government is the first government in 10 years to restore a steady, constant and, for the first time, a growing source of cash support for transit authorities through its implementation of a two-cents-a-litre gas tax initiative ... ;

"Whereas the McGuinty government views transit as such a high priority that they have convinced the federal government to come to the table and support public transit in the form of capital funding and ongoing federal gas tax revenue subsidies;

"Whereas the McGuinty government's efforts have been so successful that the federal government is committing an additional \$1 billion in transit expansion funding;

"We, the undersigned, support and continue to encourage the McGuinty government's commitment to public transit."

I support this petition. I affix my signature to it and give it to page Vanessa.

#### GASOLINE PRICES

**Mr. Joseph N. Tascona (Barrie–Simcoe–Bradford):** I'm very pleased to present a petition which reads as follows:

"To the Legislative Assembly of Ontario:

"Whereas the price of gas is reaching historic price levels; and

"Whereas provincial and federal governments have done nothing to protect consumers from high gas prices; and

"Whereas provincial tax on gas is 14 cents per litre and federal tax is 10 cents per litre, plus 8% GST; and

"Whereas these taxes have a detrimental impact on the economy and are unfair to commuters who rely on vehicles to travel to work; and

"Whereas the province has the power to set the price of gas and has taken responsibility for energy prices in other areas, such as hydro and natural gas; and

"Whereas we call on the province to remove the 14.7-cents-per-litre gas tax and on the federal government to eliminate the 10-cent gas tax, plus 8% GST, which amounts to 30% or more;

"We, the undersigned, petition the Legislative Assembly of Ontario and urge the Premier to take action and to also persuade the federal government to remove its gas taxes."

I support the petition, and I affix my signature.

#### BORDER SECURITY

**Mr. Jeff Leal (Peterborough):** I just received a petition to the Legislative Assembly of Ontario.

"Whereas the United States government, through the western hemisphere travel initiative, is proposing that American citizens require a passport or single-purpose travel card to travel back and forth across the Canadian border; and

"Whereas a passport or single-purpose travel card would be an added expense, and the inconvenience of having to apply for and carry a new document would be a barrier to many visitors; and

"Whereas this will mean the loss of up to 3.5 million US visitors in Ontario, losses of"—over—" \$700 million, and the loss of 7,000 jobs in the Ontario tourism industry by the end of 2008; and

"Whereas many of the northern border states in the United States have expressed similar concerns regarding the substantial economic impact of the implementation of this plan; and

"Whereas the safe and efficient movement of people across the border is vital to the economies of both of our countries;

"Therefore, be it resolved that we, the undersigned, respectfully petition the Legislative Assembly of Ontario to support the establishment of a bi-national group to consider alternatives to the proposed border requirements and inform Prime Minister Harper that his decision to not pursue this issue with the United States is ill-advised."

I'll affix my name to this petition.

#### LONG-TERM CARE

**Mrs. Julia Munro (York North):** "To the Legislative Assembly of Ontario:

"Whereas long-term-care funding levels are too low to enable homes to provide the care and services our aging seniors and parents who are residents of long-term-care homes need, with the respect and dignity that they deserve; and

"Whereas, even with recent funding increases and a dedicated staff who do more than their best, there is still not enough time available to provide the care residents need. For example, 10 minutes, and sometimes less, is simply not enough time to assist a resident to get up, dressed, to the bathroom and then to the dining room for breakfast; and

"Whereas those unacceptable care and service levels are now at risk of declining;

"We, the undersigned, who are members of family councils, residents' councils and/or supporters of long-term care in Ontario, petition the Legislative Assembly of Ontario to increase operating funding to long-term-care homes by \$306.6 million, which will allow the hiring of more staff to provide an additional 20 minutes of care per resident per day over the next two years (2006 and 2007)."

As I am in agreement, I've affixed my signature.

## PUBLIC EDUCATION

**Mr. Lorenzo Berardinetti (Scarborough Southwest):** I have a petition, and this is a bit shorter than the last one. It's addressed to the Legislative Assembly of Ontario and it reads as follows:

"Whereas the people of Ontario demand a quality public education system that will give our children the tools to compete with the world; and

"Whereas Premier McGuinty and the Liberal caucus are fighting for our future by implementing a positive plan to improve our public schools, including smaller class sizes;

"Whereas the Conservative Party and John Tory want to take millions from public education to literally pay people to withdraw their children from the public system and send them to elite private schools";

**Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford):** Where you went.

**Mr. Berardinetti:** I went to public school.

"We, the undersigned, petition the Legislative Assembly of Ontario to support Premier McGuinty in his commitment to giving our children a ladder to success through excellent public education and not spend taxpayer dollars to benefit the few who can afford private school tuitions."

I agree with this petition. I affix my signature to it and give it to page Philippe, with me here today.

## ORDERS OF THE DAY

## SECURITIES TRANSFER ACT, 2006

LOI DE 2006 SUR LE TRANSFERT  
DES VALEURS MOBILIÈRES

Mr. Phillips moved second reading of the following bill:

Bill 41, An Act to create a comprehensive system of rules for the transfer of securities that is consistent with such rules across North America and to make consequential amendments to various Acts / Projet de loi 41, Loi instituant un régime global de règles régissant le transfert des valeurs mobilières qui cadre avec celui qui s'applique dans ce domaine en Amérique du Nord et apportant des modifications corrélatives à diverses lois.

**The Acting Speaker (Mr. Michael Prue):** Mr. Phillips has moved second reading of Bill 41, An Act to create a comprehensive system of rules for the transfer of securities that is consistent with such rules across North America and to make consequential amendments to various Acts.

**Mr. Gilles Bisson (Timmins-James Bay):** Dispense.

**The Acting Speaker:** The member of government services—I mean the Minister of Government Services. You've got me going here.

**Hon. Gerry Phillips (Minister of Government Services):** Thank you, Mr. Speaker. That was not the

short title you read there. The short title is the Securities Transfer Act.

I'll just mention I will be sharing my time with my colleague, my parliamentary assistant, the member for Guelph-Wellington, on this important bill.

I'm pleased to rise to begin debate on it. The bill, if passed, will update legislation to help ensure that Ontario remains competitive in the world by making its capital markets attractive to investment. It's important to address this area. Ontario is competing successfully globally. As I think all members of the Legislature know, we are now the leading jurisdiction in North America for automotive production. We are very competitive in the equities market. But we cannot afford to rest on our laurels. I think all of us recognize that we compete in a global economy, not just with the US but with Europe, Asia, South America and the Pacific Rim. In short, we need to make certain that our regulations and laws allow us to compete in this global economy. We must modernize our corporate laws to provide the stability and the predictability that businesses need to thrive.

This bill is the first phase of a number of important reforms to help us do that. It aims to give greater legal certainty to the way markets work today, making them more efficient and ultimately more attractive to investors. Our government recognizes that modern securities transfer laws are fundamental to the competitive position of Ontario in the global economy, particularly in relation to the US. All 50 states have adopted modern securities transfer laws. That consistency does help to make the US market attractive to investors. We must ensure that Ontario keeps pace and remains a viable, attractive and preferred investment destination for businesses and their capital while protecting investors.

## 1550

This bill responds to the recommendations made by the standing committee on finance and economic affairs in 2004. Those recommendations were based on Mr. Purdy Crawford's committee, which conducted its five-year review of the Ontario Securities Act, as you know, Mr. Speaker. The introduction of updated securities transfer legislation, modelled on US laws, was unanimously supported by all three parties in the committee. They recognized that it would improve the efficiencies of our market by providing the legal certainty investors need to be confident in their decisions.

For example, the laws that outline how securities are transferred in Ontario today rely on what's called a direct holding system. That system assumes that when securities move from one owner to the next, a physical certificate goes with it. Of course, everyone in this Legislature, and I think the public, appreciates that that is almost unheard of today: where you actually receive certificates to show that you own a certain number of securities. That's because moving around pieces of paper slows down the market and makes it inefficient and cumbersome. To overcome this, the market has moved to what's called an indirect holding system, where an intermediary, such as a clearing agency or securities dealer, keeps track



of who owns what securities. Simply put, they keep track of who sold what to whom and for how much. Quite frankly, it's a system that works well, with few problems. So members might ask, what's the problem? Why do we need this new law?

One issue with our current system is that people who own securities electronically have a difficult time using them as collateral. The current law is inadequate and therefore creates a legal environment that offers no certainty to the market participants. Our current laws do not create an environment that offers certainty to market participants. Using electronic accounts as collateral, for example, depends on complicated and expensive agreements, because the current rules rely on outdated concepts that are not adequate to deal with today's indirect holding system. It's unnecessarily complicated, not to mention very expensive. As a result, transferring securities involves making a few assumptions and taking some additional risk. These are hardly things that encourage and protect investors, especially ones who engage in transactions that are larger and more complicated than ever before.

The Securities Transfer Act will help eliminate a lot of this ambiguity. It would set rules for valid transfers and encode into law the sound practices that have been accepted in industry for years. At the same time, it would give all market participants greater confidence and assurance over completed transfers. It would also, importantly, harmonize our legislation with the United States, whose laws acknowledge an indirect holding system that has been recognized as a model for the rest of the world. In addition, it would make transferring securities more efficient, because the practice would be outlined in law, lessening the need for expensive and cumbersome contracts to give certainty to transfers. Harmonization with US laws will also help facilitate cross-border transactions, helping to make Ontario's transactions with Ontario's largest trading partner even more efficient.

Ontario needs to have a system of laws that not only ensures that we have a competitive business environment in Canada, but also allows us to compete on the world stage. It's been close to 20 years since changes have been made to our legislation to make sure it reflects the realities of the world around us. In some cases that's not a very long time, but consider this: In 1980, two billion shares were traded on the floor of the Toronto Stock Exchange, worth about \$30 billion; 19 years later, 29 billion shares were traded, worth \$530 billion. In 19 years, it went from \$30 billion to \$530 billion. Just four short years after that, 55 billion shares changed hands, nearly twice as many shares as were trading four years prior.

Since 1997, the Toronto Stock Exchange has been fully electronic, working in megabytes rather than mailboxes. The Securities Transfer Act would help ensure that our legal framework for transferring securities keeps up with the pace of change. While our current legislation has proven to be remarkably adaptive, it is timely to update it to make sure it meets the needs of tomorrow's

market. To continue the growth in our economy and our capital markets, our laws must provide certainty to the changing nature of international markets.

This bill would help prepare Ontario to meet the demands of modern markets and address the reality that most securities are held in electronic records rather than paper certificates. It would help to provide the predictability and the stability that investors need and deserve. Industry sources tell us that the changes could deliver more than \$100 million a year in savings to the industry.

Our government recognizes that a modern commercial law framework supports a competitive business environment that attracts investment and protects investors.

We are leading a multi-year plan to update the commercial law framework, a far-reaching initiative that goes well beyond this bill. You will remember that the 2005 budget outlined our commitment to further phases of corporate and commercial law reform to help make Ontario even more competitive in the world; and the 2006 budget reaffirmed those plans.

In the next little while, we plan to bring forward two additional phases of corporate and commercial law reform. The next phases will focus on making additional changes to the Business Corporations Act and modernizing it to make it consistent with the terms of the federal counterpart, the Canada Business Corporations Act. It will also be aimed at making it competitive with the reforms recently made in other provincial business corporation statutes, because attracting business to Ontario is a competitive process and competitive business laws make that job much easier.

The phase will also modernize the Personal Property Security Act and the Partnerships Act. These initiatives will help reduce confusion and eliminate unnecessary ambiguity.

The third phase of amendments will propose changes to the Corporations Act that will modernize our laws and reduce the cumbersome regulatory burden on our charities and not-for-profit corporations. They will be aimed at streamlining the requirements to incorporate not-for-profit corporations and reduce administrative costs to comply with regulations so they're able to dedicate more of their resources to helping those who need it, rather than dealing with red tape.

Ontario needs a new law that addresses an indirect holding system and recognizes the realities of electronically transferring securities. We need to do this for Ontario and for Canada. Because of the size of our economy, our market and our relative wealth, what we do here is indeed felt across Canada. In fact, I know that other provinces already recognize the need for a more modern set of laws for corporate and commercial laws in Canada. Given the size and scope of our markets, many provinces are considering very similar legislation and are watching the progress of our bill.

I might add that one of the reasons we introduced the bill in December for first reading was to give other jurisdictions an opportunity to examine the bill, and my

understanding is that Alberta introduced a very similar piece of legislation this week.

I look forward to the rest of the debate on this bill, and I hope that members will continue to show the leadership Ontario is known for and allow us to press forward with this bill. I know this is a topic that's not necessarily flashy or exciting, but its effects are indeed profound. The securities market affects all Ontarians. In addition to those who buy and sell securities directly, virtually everyone who is involved in some pension plan or mutual fund, has a mortgage or relies on a strong and robust economy should be concerned with and will benefit from the health and efficiency of the securities market.

By taking this action now, we're helping to improve the efficiency and predictability of Canada's largest capital market, ensuring that we remain an investment destination of choice and a strong economic force in an increasingly competitive world.

I would ask all members to support this bill, and I look forward to the debate.

**Mrs. Liz Sandals (Guelph–Wellington):** Listening to the minister, it's always surprising to hear that it has been so long since Ontario has updated its corporate laws, especially those relating to securities transfer.

The general public could be forgiven for not realizing the need to update this legislation, given the ways we often measure economic health: Ontario's 6.1% unemployment rate is the lowest in five years; and exports have continued to grow despite a high Canadian dollar. In short, people and companies are investing in Ontario. They're investing because of our highly skilled labour force that's literate, educated and diverse. Thanks to high-quality public health care, we can also boast of a healthy workforce. But to maintain our competitive edge, our government knows that we need to do all we can to make sure that this investment continues.

#### 1600

We often hear or read in the news about companies that are seeking out the best opportunities for investment. Around the country and around the world, businesses and the jobs they take with them are more mobile than ever before. We receive constant reminders that today's business world moves faster and changes more fundamentally than ever before. Sometimes change is the only constant. In a world like this, we have to do all we can to keep up. We can't afford to fall behind because it's hard enough to stay competitive, but it's even harder to catch up and become competitive.

The Securities Transfer Act is an important bill because it would help Ontario's capital markets and securities firms become more efficient, remain competitive and attract investment.

I should also mention that the bill is strongly supported by key stakeholders. The five-year review committee and a cross-section of capital market participants proposed these changes to the standing committee on finance and economic affairs. The standing committee unanimously recommended updated securities transfer legislation. I should say to the viewers that the standing

committee has representation from all three parties, so a unanimous vote means that at the committee stage this was supported by all three parties.

The bill is not difficult to implement. Most of the key changes associated with the bill are already in place as part of current industry practices. The bill is consistent with US laws. The bill would harmonize Ontario's laws with the United States, our largest trading partner. This would make it easier to transfer securities between the US and Ontario.

This is one of those bills that comes through the House that few people understand, and because of that, it's difficult for many people to see its relevance. That just means that we have a challenge to communicate this and tell people why this is important business for this House to consider. As the minister said, everyone has an interest in securities, even if we don't actually realize it. The bill would help ensure the competitive position of our capital markets. The capital markets affect the stock market, pensions—both private and public—RRSPs, interest rates and mortgages, transactions that impact voters of all sorts all across the province.

Unfortunately, the underlying legal framework that lets markets operate efficiently does not have a tangible meaning for many people, so when it changes most people don't appreciate the difference it makes. This is especially true when change happens beneath the surface. I know that homeowners can understand if I say that this is a lot like the plumbing in a house. We seldom, if ever, see how it works, most people understand remarkably little about it, we usually take it for granted, and most of us will never know the difference between a good plumbing system and a bad plumbing system. But we certainly know when the poor system fails. There is no mistaking in that case that there's a problem. Just as with plumbing, it's always more difficult to fix the problem than it is to address it before it becomes an issue. Even once it's updated, most people who look at it will never understand the difference. In this case, securities transfer law is lot like the plumbing. We need to take care of this so we can be confident that there is sound plumbing, a sound legislative base for our capital markets.

The Securities Transfer Act is another area where our government is taking leadership and making it a priority to ensure that Ontario has a competitive business environment. In a similar vein, the government is also taking action to make itself a modern organization. This means we're looking for ways of becoming more efficient and delivering better results. For example, the government is working to modernize areas such as ServiceOntario and consumer protection. All of these things are helping to improve results and deliver better public services to Ontarians.

I'll be drawing my remarks to a close, but I wanted to speak briefly to the Consumer Protection Act. In my opinion, that is another excellent piece of legislation. It was supported by all parties in the House, by the way, and it gives Ontario consumers some of the strongest protection in the world. I bring up that act because I want

to mention that the approach of the ministry was similar in that case to the approach taken to modernize securities transfer legislation. In both cases, the ministry consulted widely with industry and stakeholders to make sure that the legislation is modernized in a way that protects consumers and helps to maintain fairness and efficiency in the marketplace. Now, just as Ontario led the way with the Consumer Protection Act, we're also providing leadership with the Securities Transfer Act.

As the largest economy in Canada by far, other provinces are watching our work in this area. Ontario is providing leadership with this bill in drafting and in consulting. As the minister mentioned just this week, Alberta has followed our lead and tabled a very similar bill.

I'm pleased to have had a chance to speak to this bill, and I hope to see the House support it.

**The Acting Speaker:** Questions and comments?

**Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford):**

I'm looking forward to speaking on this particular bill. This is an important piece of legislation in terms of the securities industry, and it's important that we do what we can to make sure that it's the most competitive and the most efficient in this country. A lot of work has been put into this in terms of the process, but it's also important to note that this is sort of like a building block in terms of bringing Ontario into the modern world. I have met with the minister's staff with respect to the changes that are needed with respect to the Ontario Business Corporations Act and obviously the PPSA and the Partnerships Act to bring Ontario up to speed not only in terms of technology but in the different methods of doing business in this province and in the world, which needs to be addressed.

The Corporations Act is another story in terms of the not-for-profits. I think it's going to be a real challenge in how we make sure we maintain the integrity of the not-for-profits in what they are trying to accomplish and, at the same time, build a corporate structure that is responsive to the needs of that particular organization. It's important.

When I comment on the bill, there are things that have been left out in terms of the reform of the Ontario Securities Commission, in terms of making it more arm's length and more of a transparent approach in dealing with it to make sure that everybody feels that the rule of law has been respected and that there's fairness in the process that goes on in the investigation and also in the prosecution. That's an area the minister is going to have to address, and he knows it.

**Mr. Bisson:** I'm going to be looking forward to not only this debate but the work that the committee is going to do on this particular bill. There are many people in Ontario, across North America and, I would argue, probably across most of the world who are pretty leery about what has happened on the market over a number of years. We've seen CEOs of major corporations, trans-world corporations, who have been locked up in jail for having done things which, quite frankly, have cost investors huge amounts of money and have seen people's savings wiped out when it comes to their retirement income.

Talking to constituents in my constituency, as I do across this province, a lot of people have said to themselves, "What's going on?" There used to be a time in this province when we had defined pension plans so that we knew, once we retired, how much we were going to get per month and we could budget on that. But over the years, employers have forced employees away from defined pension plans such as this Legislature's and put them into the stock market, and people are seeing their savings going up in smoke. You have a couple of good years followed by a year of adjustment, as they say in the market, and before you know it, the investment that a person thought they had when it comes to retirement is not there. If that's not bad enough, what makes it really bad is if you take a look at some of the scandals that have happened with some of the major corporations out there, where there's been all kinds of games being played on the part of various board members, CEOs and others from those corporations who have basically taken the money from the corporations, put it in their back pocket at the expense of the person who is trying to invest their measly little \$4,000 or \$5,000 a year so that they may some day be able to retire.

I look forward to this debate. I look forward to another debate that we should be having, which is trying to find a way to put people back into defined pension plans so they're not up to the whims of the market and are able to retire with some dignity, something that I believe every Ontarian should have the right to do.

1610

**Mr. Bob Delaney (Mississauga West):** Canada is a big country. We border on three oceans. Our lakes contain a fifth of the world's fresh water. We instinctively think of Canada as big. As a member of the G8, we assume our securities markets are big too, but we would be wrong to make such an assertion. We are, as a nation, a middle power in our securities markets. We live in a world where we must swim with the toughest of sharks and the swiftest of financial marlins. That's why we have to pass Bill 41. No party in this House disputes it.

Let me provide some insights from the companies that I visit in Mississauga on why this bill is needed. One of the hardest things that companies find to do in Ontario is to get access to capital. Whether a company needs money to revamp its plant, its machinery or its facilities, whether a business needs to invest in R&D, prototyping, commercialization activities or marketing programs to either gain or expand market share, that organization needs capital. If a company plans an acquisition or a takeover, it needs capital. If a company wants to grow past the limitations of the assets of its privately held owners, it needs capital. In Ontario, it's hard to raise capital, in part because Ontario is itself part of a mid-sized capital entity, even though we're physically a large country. That's what makes Bill 41, the Securities Transfers Act, such an important bill to pass. It provides a legal foundation to existing market practices. This bill would codify existing market practices, ones that have evolved down through the years, and provide a comprehensive legal framework

for Ontario's capital markets. In so many different ways this gives legal certainty that some of the securities practices that Canadians universally accept are indeed valid.

**Mr. John O'Toole (Durham):** I had to go out of the chamber to listen to Minister Phillips's response in his opening. I commend the work he's done. In fact, it's a compliment with respect to the work done by the previous government in setting up the Purdy Crawford five-year review. The work done by members of all sides of the House made some extremely important recommendations, and there's some disappointment there. Even the Wise Persons' Committee report would tell you that there are some changes that aren't in this bill. It's what's not in this bill, Mr. Speaker, as you would know as well. The current Speaker in the chair would know, from the work he's done on this, that there's a lot that's not here, which is troubling. It's the protection for the investor really, from the point of view of just even the overarching autonomy of the Ontario Securities Commission. I mean, who's checking the checker? Isn't that an age-old question? Who checks the checker?

Here's the problem: It's the subrogation issue, technically. I'm going to get right into it right away. It's just not in here, but it has to be. What's missing is what's important. The issue here is that you have the OSC, the Ontario Securities Commission, sort of setting the regulations, and they're also doing the investigation and they're also kind of prosecuting, all with the same boss. That would be like the investigator down in the organizational chart going, "Oh, the regulations aren't enforceable." The boss would fire him. Do you understand? Quite honestly, that issue is very contentious. It was mentioned in the Purdy Crawford five-year review, it was mentioned in the Wise Persons' Committee, and it's missing here.

Minister, there's a lot of work to be done on this, and I commend you on the little that has been done on the securities transfer issue. It seems like a rather long bill that hasn't got a lot in it. So I'm waiting for the member from Barrie-Simcoe-Bradford, because he is a practising lawyer in the commercial sense. In fact, he was probably practising earlier this morning.

**Mr. Jeff Leal (Peterborough):** Moonlighting as a lawyer.

**Mr. O'Toole:** No, he's a very skilled and sought-after legal expert. So I wait for his comments.

**The Acting Speaker:** The minister has up to two minutes in which to respond.

**Hon. Mr. Phillips:** I certainly appreciate the input from all of my colleagues. To the member from Barrie-Simcoe-Bradford, I acknowledge—and I think I did in my remarks—that there are two additional pieces of legislation that have to come forward in a couple of the areas you talked about. One is the partnership area that you talked about, and then the not-for-profits. That is to come forward.

To the member for Timmins-James Bay, I think I'd remind the House of a couple of major things that we

have done. We've implemented what is called civil liability for secondary markets—the first jurisdiction to do that. Essentially what that does is give shareholders of the secondary market—in other words, not IPOs, not initially offered shares, but shares that trade in the market, where 80% or 85% of the shares trade—the access to civil liability. That is a big, significant step forward.

The other thing I would mention, Mr. Speaker, because you were on the committee that reviewed the Purdy Crawford report, is that one of the things we did in our budget bill was give the Legislature the authority to call before a committee the Ontario Securities Commission. That was one of the recommendations. I think that is a good step, and the Legislature may very well want to avail itself of that.

My colleague from Mississauga West talked about legal certainty, and that's very important in this bill. It does provide the legal certainty, at a saving, I might add, of \$100 million of what can only be regarded as unproductive, unnecessary expenditures by investors: \$100 million a year that could be better spent in returns for the investors.

To my colleague from Durham, this particular piece of work is as a result of a lot of years of effort, quite significant, I might add, and, as I say, an annual savings of \$100 million, I hope to the investors.

Again, thank you for your comments.

**The Acting Speaker:** Further debate.

**Mr. Tascona:** I'm very pleased to speak on Bill 41, which has been brought forth for second reading today. As I indicated earlier, this is the first part of a three-phase update on corporate commercial laws in Ontario. It consolidates all current security transfer laws under one law and provides the same kind of legal certainty to securities transferred electronically as those that are transferred by physically moving paper certificates. That's really what this is about. It's an administrative-type bill in terms of electronically transferred securities as a method, as opposed to the paper-driven model.

I certainly hope the minister is correct when he says that there is \$100 million to \$140 million annually that could be saved. I don't know whether that's going to be saved by the banks or whether that will be savings that will go to the investors. I guess time will tell whether that's going to be passed on in terms of lower fees in this particular type of situation. In other words, the transaction fees to purchase securities will be less because you're not having a paper-driven model, you are having an electronically driven model, and one would hope that you would be seeing savings passed on to the investors, as the minister indicates. That's something we'll have to wait and see as that comes along.

Certainly we're supportive of the bill in relation to security transfer benefits to consumers, but it does require amendments to remove the Ontario Securities Commission from its enforcement role. That's something that I think was important out of the Purdy Crawford commission, in terms of doing that, and that's not in the bill. The bill implements the Purdy Crawford review,

which was initiated by the Progressive Conservative government. The Liberal government, as I said, has failed to act on recommendations to remove the Ontario Securities Commission from its enforcement role to ensure transparency and public confidence in the province's capital markets, and that's important. I don't know why the minister hasn't done that.

**1620**

There's been a change at the top of the Ontario Securities Commission during the tenure of this government, but in terms of the model of enforcement there has been no change. I think that's troubling. The member from Timmins–James Bay was commenting about corporate scandals that we have and the mechanisms we have to enforce those. Certainly on the other side of the border they've had many more cases than we have, and they have been more vigilant in terms of dealing with prosecutions of corporate executives who have flouted the laws and not respected the investors, not respected anyone in that corporate structure which is supposed to be followed. So it's important for us to look at it from that perspective.

Looking at the comments that I made when the minister introduced the bill back in December 2005—December 1, 2005, to be exact—on that particular date I commented as follows:

“The need to update securities transfer legislation in Canada is clear and compelling. It was the PC government that initiated the Purdy Crawford review which resulted in the legislation before the House today. What is missing now from the bill is the removal of the regulator from enforcement.

“Investment transfers between institutions has long been a problem. The Investment Dealers Association has taken steps to improve transfers between member institutions by attempting to facilitate transfers within 21 days. An area of concern with respect to the timeliness of transfers is between investment dealers, who are typically members of the Mutual Fund Dealers Association. Asset transfers between these groups tend to take too much time.

“Part of the problem that exists tends to be due to the provider of the financial services not being the holder of the securities—what is known as ‘off-book assets.’ Because the transfer process is paper-based, these transfers tend to take significantly longer. Any legislation that improves the speed with which a transaction can occur is considered beneficial to the consumer.

“However, while legislation may be in place, the financial ability of independent distributors to implement any legislation may be limited, as financial systems may have to be upgraded and costs for some may be prohibitive. Regardless, an improvement in transferring assets is long overdue.

“I look forward to further reviewing the bill, which is in excess of 160 pages, and public hearings.”

I want to thank the minister. He has been very professional and courteous to me in allowing his staff to provide me the opportunity to be briefed on the bill and to go over these considerations since he introduced it. While

I'm not a corporate expert, I certainly understand what is being accomplished here.

I also want to read the comments made by the Speaker who is currently in the Speaker's chair, Michael Prue, the member for Beaches–East York. He had to stand down his lead today, so I might as well give him a little bit of airtime here in terms of what he said, which is as follows:

“In response to the Minister of Government Services, and as a member of the all-party committee that unanimously made the recommendations, we welcome the fact that this has come forward.

“We ask you, though, to redouble your effort for a single regulator, which seems to have stalled, and because it has stalled, we think that what has also been stalled is the single greatest recommendation we made, and that was recommendation 5.

“Just to refresh everyone, recommendation 5 said that the adjudicative function of the Ontario Securities Commission should be separated from its other functions, based on the recommendations of the fairness committee. As members of that committee, we had many debates. What you are implementing today was agreed upon—and agreed upon fairly rapidly. But the greatest single recommendation we made, and the one we look forward to your passing, is recommendation 5. Until that happens, we do not believe the Ontario Securities Commission can exist in a way that is seen to be fair and acts fairly to all those people whose monies may be at risk.”

The member from Beaches–East York was sincere in those remarks, and I certainly support what he's saying, because that's what we are talking about here today: what's left out of the bill, as opposed to what was necessary for the bill to be implemented in terms of moving away from a paper-based system to an electronically based registration system, which obviously has efficiencies and can benefit the consumer.

The minister wrote to me on April 24 of this year and commented about the bill in some context here. He indicates, “Bill 41 aims to reduce legal uncertainty and enhance the competitive position of Canada's capital markets and security firms.” The minister didn't mention it, but I think he did have this particular piece of legislation reviewed in British Columbia and I believe also in Quebec. I haven't heard back on what their comments are. Maybe the minister will comment. What we're trying to accomplish here—and obviously Ontario is taking the lead—is to build a uniform transfer system across this country so we can have a seamless system with respect to security transfers. It only makes sense, especially when you're in a global economy and you're trying to achieve economies of scale and bring the best efficiency in terms of the capital markets.

“The bill will provide an efficient legal framework for the electronic transfer of securities. It will also reconcile inconsistencies between Ontario's corporate and security laws, and harmonize Ontario securities transfer legislation with that of the United States, sending a positive message to the commercial world that Ontario is open for business.” We know we're open for business, but the fact

of the matter is, obviously it's important to have some uniformity with the United States, because they are our largest trading partner, and it's important for us to make sure that we don't have any road bumps with respect to dealing with capital markets.

The minister goes on to comment about the savings to the Canadian securities industry, estimated to be about \$100 million to \$140 million annually. That's a lot of money, but I would hope that is going to be sensitive to the consumers' needs. That's what is important here in terms of making sure that consumers not only benefit from this legislation but also are able to use it in the most efficient way.

Another area I want to comment on today, and it's not necessarily totally unrelated to what we're trying to do here in this province—it's like what the minister was talking about with the Ontario Business Corporations Act and the not-for-profit act, and changing the method of how we deal with PPSA. When I say PPSA, I'm talking about the Personal Property Security Act. For example, if you go to purchase an automobile and you don't have the money to pay for it and you have to take out a loan, that loan is registered under the Personal Property Security Act. So if anyone does a search on, we'll say, heaven forbid, Jim Wilson, the member for Simcoe–Grey, who does ride around in a very nice Honda—I'm very envious of that vehicle he has, but of course Honda is in his riding. He's a good man and he's driving that Honda throughout that riding. But if he didn't buy that vehicle and he had to take out a loan, what would happen would be—

**Mr. Jim Wilson (Simcoe–Grey):** I did take a loan out.

**Mr. Tascona:** He confirmed he did take a loan out.

So if you're doing business with Jim Wilson and he's out there buying another piece of expensive property—say, for example, he was going to furnish his house and he goes to the Brick, and the Brick says, “Jeez, I wonder if this guy's got good security or if he's got any other liens against himself.” They would do a Personal Property Security Act search on Jim Wilson, and if he had a loan on a vehicle they would know that there is security against him for the purchase of an automobile. They would take a hard look at that in terms of determining whether that would be a person they want to lend money to.

The point of the matter is—and what the minister knows he has to deal with—he has to make the Personal Property Security Act not only a mechanism in terms of the people who need security; he has to make sure that that system is reliable. In other words, if you go to that system and you want to look at a person in terms of what liens are against him or what security is against him, that that is exactly what's going on. The problem is to make sure that if there are a lot of transactions going on, to avoid fraud, those transactions can be changed so you're dealing with the electronic system. They can come on to the system as fast as possible, as opposed to being paper-driven and having to go through the bureaucracy. I think

that's something he recognizes, and I think everybody knows that's something you need to make sure there's confidence in the loan system in this province. That's certainly something that is lacking in the real estate industry.

**1630**

It caught my attention on the weekend. I was reading the Toronto Star, which I tend to do on the weekend—an article by Bob Aaron called “Title Page.” This is kind of startling because of the fact that people who own their own homes, and if they don't have any mortgages against that property, what has happened with respect to a recent Ontario Court of Appeal decision is that if a mortgage is put on the property fraudulently—for example, in this particular case, a forged power of attorney giving that person the right to sign mortgage documents—and that mortgage is registered through the land title system, then that mortgage is a valid mortgage against the property unbeknownst to the innocent homeowner, who will obviously have knowledge once they start getting bills from the bank or the credit union or whoever with respect to money that is owed from that mortgage. That's a situation that, in terms of maintaining the integrity of the real estate markets in this province—that's one transaction.

I just want to read from this article because it's very interesting. It says:

“When the Ontario Court of Appeal decided last November that a forged power of attorney could be used to create a valid mortgage, it fundamentally changed the law of title registration in Ontario.

“It also paved the way for innocent residents like Susan Lawrence to be evicted from their homes after fraudsters steal their house titles and mortgage the properties to unsuspecting financial institutions.

“Lawrence's story was detailed in the Star this month. Earlier this year, an identity thief stole the title to her home and mortgaged it to Maple Trust for almost \$300,000. He immediately defaulted on the mortgage and disappeared with the money, leaving Lawrence facing an eviction action by the lender.

“When I spoke to Lawrence in February, she told me the fraudster used the name Thomas Wright—the name of the president and CEO of the Real Estate Council of Ontario, the licensing body of Ontario's real estate agents. Needless to say, the real Tom Wright had nothing to do with the Lawrence house.

“At my suggestion, Lawrence contacted Toronto lawyer Morris Cooper, who has extensive experience with title fraud. She was shocked to learn that an Ontario Court of Appeal decision last November ruled that a fraudulently signed mortgage in a similar case was perfectly valid and enforceable against an innocent homeowner.”

When “the Star's reporter contacted Maple Trust (now owned by Scotiabank) for comment, it investigated the matter and the court case against Lawrence was discontinued.”

What's interesting here is that, “The likely implications of Household Realty v. Chan are severe, according

to Troister. Owners can lose their land to subsequent, forged registrations. In addition, lenders can have their valid (legal) mortgages discharged by forgery and lose their claims to the land.

“Virtually all lenders these days take out title insurance. When a mortgage turns out to be fraudulent, the lenders typically turn to the title insurers for relatively quick compensation. But in the wake of the *Household v. Chan* case, title insurers are likely to say that the courts have ruled forged mortgages are now valid, and they are not going to pay claims based on the ‘valid’ (but forged) mortgages.

“As a result, the Lands Titles Assurance Fund may see an avalanche of new claims to be paid out of the public purse.

“Under the court’s new interpretation of the law, lenders like Maple Trust will have a very difficult public relations problem enforcing mortgages against innocent owners like Susan Lawrence. But the mortgages stay on title, interest accrues and owners are unable to deal with their properties until the matter is resolved.”

“If this all sounds bizarre, I can assure you that it is.”

He goes on to comment that they think that’s a pretty bad decision by the Ontario Court of Appeal. I don’t know, and he didn’t comment in there, whether that has been appealed to the Supreme Court of Canada. One would hope it would be. But if it hasn’t, that’s the law of the province with respect to that type of transaction. It just shows you what can go on in terms of a system that does not protect the consumer.

I would comment, as the critic for government agencies, that I’m looking at that very carefully right now and certainly I’m going to be looking at it to the point of introducing legislation that will be able to protect innocent victims from not only having all the equity in their house stolen, but also losing their house. That’s not a situation that is good for business in this province, because it can extend not only to residential homes; it can extend to commercial properties, industrial properties. If we’re trying to maintain the integrity of the securities industry, which Bill 41 is trying to do, we should also be looking to secure the integrity of the real estate industry, because it is really at risk.

There are other types of transactions that have gone on in the real estate industry. For example, individuals who are working in conjunction or through a conspiracy, if you wish, go out and buy a property for a certain amount of money—say \$400,000—and then flip it and mortgage it to the hilt, as much as the bank will allow them, because the bank is obviously borrowing on their integrity but they’re also borrowing on the value of the property. They flip the property for, say, \$600,000 to one of their buddies, who mortgages the property to the hilt, as much as they possibly can, up to 90% or whatever. Then the next week or so they flip it again for, say, \$800,000, mortgage it to the hilt, and here you have an artificial price for that piece of property. Also, the people have probably bagged 95% of the equity in the property in the mortgage, maybe taken it stateside or who knows

where, and all you have is a fraudulent transaction where people are basically not going to pay their mortgage responsibilities, and disappear. That could happen, obviously, to a person who is an innocent bystander in terms of their own property being used for this type of transaction.

It’s important, and I think the minister recognizes this, that we move into the technological age with respect to dealing with transactions, not only in the capital markets but also in the real estate market, so we can come to grips with what we’re trying to deal with here.

The other two steps that he’s looking to do—and he didn’t mention this; I think he may mention it, because we’ve been commenting on it. I know the Speaker wants to hear about this. In terms of the Ontario Securities Commission, what plans does the minister have for that? We’ve already heard about the fact that they not only have the investigative role but they also have the enforcement role, the regulation role. I think it’s important that you’re going to have to separate those particular situations.

I’ll give you a simple example: the Ontario Human Rights Commission. It used to be that the human rights commission had the power to investigate and also hold the hearings. That was changed to where they didn’t have that. What was set up was the Human Rights Tribunal of Ontario, which deals with the litigation side of human rights complaints. Then you have the Ontario Human Rights Commission, which has the public education responsibility and is responsible for enforcement and the adherence to human rights in this province. They separated the two because they recognized that there was a conflict of interest. There also was a perception of bias and not real fairness in that particular system. That’s something the minister knows he’s going to have to deal with, because that was one of the recommendations of the Purdy Crawford report.

There have been enough high-level, very visible court cases and cases involving the Ontario Securities Commission that we know that certainly has been one of the arguments of lawyers who are involved in that particular forum. They feel they should be getting a fair hearing and they should not have to deal with the arm that is investigating and has all that power and has all the resources, which is not only deciding, “We’re going to prosecute you, but we’re also going to make sure”—you know, “We lay the complaint, we do the investigation, and then we decide we’re going to go after you,” in terms of a prosecution under the Ontario Securities Commission. So that’s something the minister knows he has to deal with, and I’m sure it’s a matter that he’ll give due consideration.

#### 1640

The other parts of the reform, I don’t know how long that’s going to take. I did get briefed by staff on that and they didn’t really know when that would come on. That is something that’s been ongoing for years. It’s not a simple exercise of changing the Business Corporations Act in terms of what the rules of play are going to be in

setting up corporations, because there are different rules. The way the law has evolved, a corporate entity used to be something that could protect people who went the corporate route from lawsuits, personally. But the law has evolved to the point where you can pierce the corporate veil in certain types of activities of the people who are the directors, shareholders or officers of a particular company based on the type of transactions they were involved in. It's a very important principle that was in place until recently, in terms of that corporate veil not being pierced. You could rely, I would go into a corporation, doing business, and you couldn't go after my personal assets, but that has changed and that's going to have to be addressed in that type of situation.

Another interesting case I was reading about in the paper the other day had to do with a judge who decided that a landlord didn't have to rent their property to an entity or a business that had not even set up its corporation. In other words, it had entered into some discussions with a business that was looking to rent or lease property in their mall. The court said that since there wasn't a company that had been established that they could rent to—there was none in place—it was not going to force a landlord to enter into that type of transaction.

This is an area that is really complex. The Partnerships Act is very complex now, with the type of corporate business vehicles you can enter into. Law firms have gone into LLPs. We have legislation in place where doctors, those types of professionals, can incorporate where they normally wouldn't have been able to incorporate. The Partnerships Act is something that was always strewn with problems in terms of the principle of who you know you're doing business with. Are you dealing with the person you should be dealing with when you're dealing with a group that puts out there, "We are a partnership," when in fact they're not?

I don't know what the minister has got in mind with that, but there's no doubt that's an area that is really going to have to be looked at closely because of the different types of business vehicles. Law firms have traditionally been your sole practitioner or partnership, but now they've gone into different types of vehicles that you could look at.

That's an area that as part of all this business—

**Mr. Bisson:** Are you still at it?

**Mr. Tascona:** Yes, I'm still going at it. The member from Timmins—James Bay has rejoined me. I imagine he's going to join the debate.

This is something that has been looked at in terms of dealing with the stakeholders. The member from Guelph—Wellington mentioned that. People who were consulted: the Uniform Law Conference of Canada, the Ontario Securities Commission—W. David Wilson is the chair; I don't know if he's related to the member from Simcoe—Grey—the USTA drafters, the Canadian Depository for Securities Ltd., the Canadian Capital Markets Association, the Canadian Bankers Association and the Ontario Bar Association, to name a few.

This is a bill that is going to be debated. There's all-party consensus with respect to going forward with this. I look to further debate and I look for some comments from the minister with respect to the areas that have been left out and where he's going.

**The Acting Speaker:** Questions and comments?

**Mr. Bisson:** I really want to commend the member for what were, quite frankly, some pretty insightful comments on this legislation. It doesn't surprise me at all. The member, when he gets the chance and has the opportunity, does a fair amount of research and has a pretty good sense of what he wants to talk about.

But I've got a couple of specific questions. I touched on this earlier and the minister responded to it somewhat. I give the government some credit for trying to deal with this issue in some of the things they've already done and want to do in this legislation, because I think the government recognizes, as we do, as most citizens do, that there has been a lot of hanky-panky in the market, as they might say in language that comes from back home, the sense that people who are investing their hard-earned dollars in the market in the hope that one day they're going to be able to draw on that money in retirement are finding that the money they thought was going to be there isn't there. Sometimes it's the whims of the market, and we understand that as investors. The market goes up and certainly it always comes down, and when it does, it normally takes your ups down with it. But that's a whole other story.

But there's been a lot of profit-taking as far as decisions made by boards and CEOs and others that have been pretty shocking. We look at what happened with Enron in the United States. We look at, if you remember, the Bre-X scandal that happened back in the 1980s. Now this is quite a different issue, I agree, but basically it drives against the confidence that people have to—

**Mr. Delaney:** That was the 1990s.

**Mr. Bisson:** That's what I'm saying. I'm not blaming you guys. I'm just saying—

**Mr. Delaney:** It was the 1990s.

**Mr. Bisson:** Was it the 1980s or 1990s? Whenever it was. I'm so old now I don't remember any more. Anyway, the point is that that really eroded the confidence of the investor in a lot of cases and people felt leery about investing.

What I want to hear the member talk about is his views on what needs to be done further to instill confidence in people and not have their life savings stolen.

**Hon. Mr. Phillips:** I appreciate the comments by the member for Barrie—Simcoe—Bradford. I'd just comment on a few things. The separation of the adjudicative function from the securities commission—I know you, Mr. Speaker, have been a strong advocate of that, as was the committee. I think the member from Barrie is as well. What we said on that is that we are not philosophically opposed to that. We're working, as members know, on attempting to find some way to move to a common regulator for the country. We actually have Mr. Purdy Crawford setting up a group that's composed of members



from across the country. The ministers responsible for securities regulation are going to be in Ontario in June. We're hosting the next meeting. I happen to think we're making some progress on that. What we've said to the House is that we'd like the separation of the adjudicative function to await the outcome of that progress.

The member from Barrie mentioned other jurisdictions. I think all jurisdictions are looking at moving to some form of this Securities Transfer Act. As I mentioned, Alberta introduced legislation this week, I believe, but I think all jurisdictions are looking at finding a way to move as close to this as they possibly can.

You mentioned some other areas that I will assure you—the whole real estate fraud area, which you have mentioned here in the Legislature several times, we are working on. We've got a group, including some of the police organizations, the bar, looking at the various issues you talked about: title fraud and mortgage fraud.

Finally, I would just assure you that on the issue of the Personal Property Security Act and the Partnerships Act, I mentioned in my remarks that that is the next phase of this, and we are in consultations right now.

**Ms. Andrea Horwath (Hamilton East):** I too want to commend the member for his remarks because, obviously, he actually sits on the committee that put together the report from which this particular bill was developed. He also raised some really important issues of other areas that the government needs to look at. He of course mentioned the fact that he's had some assurances from the minister and the minister's staff that this is the beginning of a process that hopefully will address many of the recommendations that came from the report that the standing committee on finance and economic affairs brought forward.

I thought it was really interesting and important that he also raised other issues, other areas that need to be looked at and reviewed, particularly the issue of the real estate markets and of what happened. The example he raised was a very scary one, around someone whose house had a mortgage put on it without them even knowing. That's something that anybody in Ontario could be vulnerable to, that kind of shucksterism. It's really important that that was raised, because I think there are things we need to do to make sure that people's interests are protected from those kinds of threats to your well-being.

1650

Equally, he talked about the legal profession and physicians' professions, particularly in regard to these partnerships and whether the public is appropriately aware and whether the regulatory framework exists for assurances that these partnerships are being appropriately managed. The areas of concern that the member raised are extremely important ones. I think that all members would agree that any movement forward in this current bill is positive, but there is still a great deal of work that needs to be done.

**Mr. Mario G. Racco (Thornhill):** I'm pleased to speak on Bill 41 for second reading. As we all know, the

way that things are taking place has changed. We certainly have been using significant modern technology lately. This bill is going to allow transactions to take place and be registered properly, instead of having to be delivered as they used to do in the old days, when a transaction would only take place when the actual delivery of the shares or the stock, whatever is in question, would take place.

This bill does have support in the industry. It is supported by the legal, the financial—

**The Acting Speaker:** If I could, member from Thornhill, you are supposed to be referring to the comments made by the member for Barrie–Simcoe–Bradford, if you could confine your comments to those.

**Mr. Racco:** Thank you, Mr. Speaker. I was trying to address the issues that I felt were important. The member made his comments, but the most important part of this bill for me is the fact that, no matter what comments the gentleman made, it is supported by the professions affected by this bill. Again, it's the legal, the financial and the business community. I suspect that, if they do support this bill, it certainly is going to be in the best interest of the consumers, the people affected, and therefore I believe this bill merits support.

It also codifies existing practices into law. Because of these reasons, I would suggest to this House that the bill should be supported.

**The Acting Speaker:** The member for Barrie–Simcoe–Bradford.

**Mr. Tascona:** It's my pleasure to respond to the comments from the member from Timmins–James Bay, the Minister of Government Services, the member from Thornhill and the member from Hamilton East.

As we get into the debate—I think the minister was quite straightforward with respect to the Ontario Securities Commission. There may be agreement in principle, but in terms of uniformity, I still think the Ontario Securities Commission is almost similar to the same thing with respect to the human rights commission. The thing is, there's not uniformity with respect to human rights across this country, though it would be nice. Each province has its own set of rules and whatever. Certainly it's more advantageous, in the corporate security market, for there to be a set of uniform rules. I think that's the objective here. But in terms of enforcement, every jurisdiction has their own rules and means and methods of enforcing their securities. There is an aspect, I'll concede, that if you're dealing with securities across provinces, although Ontario is certainly the giant with respect to the securities industry in this country—I think the principle in terms of separating the adjudicative arm of the Ontario Securities Commission from the regulatory arm has merit, and I think it's going to have to be looked at as we deal with the situations that are before us as we evolve, probably out of some of the instructions that are going to happen out of some of the major cases out of the United States—the Enron one right now, which I think is going to have far-reaching implications in terms of government corporate governance.

**The Acting Speaker:** Further debate?

**Ms. Horwath:** It's certainly my pleasure to speak this evening—this afternoon, I guess, technically—on Bill 41, the Securities Transfer Act, 2006. Of course, I'm not a member of the committee or the subcommittee that put together the report from which this bill flows, but I do understand that some significant work has been done in regard to the securities regulations and the securities structure, if you will, in the province of Ontario, and there is quite a bit of ongoing debate in that regard.

My understanding is that this particular bill deals with a specific piece that has to do with the electronic nature of the market at this point in time and basically keeping up with technology in terms of ensuring that our appropriate regulatory framework is up to date with what is happening in the world of electronic transactions.

Having said that, I don't know that I'm going to be spending a lot of time on the details of what this means because, quite frankly, you need to be one of those finance lawyers to get all the details of the language that's in the bill. Nonetheless, I think the principle is an obvious one. I think everybody in this House would likely agree that this is a good first step in bringing us where we need to be, but that there are also many, many more steps that need to be taken. I think, if I heard correctly, the minister has indicated some willingness to start moving us on this road.

Mr. Speaker, I need to bring to your attention the fact that I've been given an hour. My understanding was that there had been unanimous consent to stand down the lead of this speech that was arranged by my whip. Of course, the lead would be our critic in this area, which would, in fact, be the Speaker, who is in his chair right now. So I don't know if I'm allowed at this point, since I've already begun to speak, but my whip did tell me that he had already made that arrangement. I don't know if I can seek unanimous consent at this point in time.

**The Acting Speaker:** Are you seeking unanimous consent to stand down the lead?

**Ms. Horwath:** Yes, I am.

**The Acting Speaker:** Is it agreed? Agreed.

**Ms. Horwath:** Thank you, Mr. Speaker. It made me very nervous when I looked up at the clock and thought I had to talk about this bill for 58 more minutes.

I find it interesting, because the things that occur in everyday life have already been referred to by other members discussing this bill. And interestingly enough, some family time that I had on the weekend had to do with, maybe not the detail of this bill, but certainly the broader report that this bill flows from, that I have already mentioned. It's because my son convinced me, when we were having our Saturday afternoon, to actually rent a movie on Saturday night and to kind of hang out with him and watch a movie—not something we get to do often enough, unfortunately, but we did do that. So the movie that he decided he wanted to see was with one of his favourite actors, who was of course a Canadian, Jim Carrey. My son's 13; he loves comedies. Anybody with a 13-year-old son knows that—comedies are still his

favourite kind of movie, thank goodness. I hope it stays that way for a long time.

Nonetheless, we were watching this movie called Fun with Dick and Jane. This movie, Fun with Dick and Jane, is all about this huckster of a corporate head who goes through the process of basically filing fraudulent financial statements and then subsequently selling off all of his own stock in the company, and the value of the stocks go plummeting. The company goes belly-up and all of the employees are left without work. The main character, who is Jim Carrey, had just been promoted to vice-president of communications and he got stuck trying to explain to the media why it was that all of a sudden the company was losing value left, right and centre. And of course the movie goes on to talk about the desperate circumstances that the employees were left in as a result of the behaviour of this corporate head.

I'm not going to give a review of the movie—I'm not a reviewer—but I have to say that the funniest thing, for me, in the entire movie wasn't any of the scenes. It was the credits. My hubby and I sat watching the credits and all of the credits in the movie were to Enron and to Bre-X and to companies that had basically done the same thing. So the movie was modelled after, unfortunately, these nasty situations like Nortel, Bre-X, Enron, WorldCom, and that's what was in the credits. So the credit for the movie was going to these real-life nasty situations. That, I thought, was kind of humorous in a very cynical way.

**1700**

What the standing committee on finance and economic affairs did in the several months that were put aside to review—it was a requirement, actually, that the review take place. So on the five-year review, they came up with a report that undertook a number of issues, that tackled a number of issues that are of concern in Ontario's securities system. I have to say that although this bill addresses one small transactional piece, if you want to call it that, of our system, there are a number of other recommendations that New Democrats had hoped would be acted on by the government. We're still hoping that's going to take place, so what I'd like to do now is outline a couple of the areas that we had hoped would be looked at.

I guess the first one is a part of this report that was produced by the committee around the structure of the Ontario Securities Commission. More particularly, the issue is that the structure is such currently that the adjudicative function of the Ontario Securities Commission is also—the commission also takes on other functions. The recommendation is that we need to remove the adjudicative function in order to reduce the perception of bias that currently exists. In having this discussion, a number of experts came forward and gave evidence. Of course, the member previous spoke about the Crawford report that led to where we are now, this phase of the review.

I just wanted to quote something that speaks in favour of the idea of restructuring. It says, "In response to the Crawford report, the Ontario Securities Commission asked the province's Integrity Commissioner, Coulter

Osborne, to head a review committee to examine the commission's structure." That report came out in 2004 and here's what that report said, which was the responsibility of Mr. Osborne: "... the nature of the apprehension of bias has become sufficiently acute as to not only undermine the commission's adjudicative process, but also the integrity of the commission as a whole among the many constituencies that we interviewed. Matters of institutional loyalty, the involvement of the chair in the major cases, the increased penalties, the sense that the 'cards are stacked against them,' the home court advantage, the lengthy criminal law-like trials and the commission's aggressive enforcement stance, which will likely only increase over time, all combine to make a compelling case for a separate adjudicative body."

The report goes on to indicate both pros and cons, different opinions that came to the committee. But ultimately, what the committee decided is this, and this is the opinion of the committee itself: "In our view, the issue of perception has become paramount. Any new single securities regulator should include a separate adjudicative function. Failing substantial progress towards the establishment of such a regulator over the next 12 months, we believe the Ontario government should take the necessary steps to separate the adjudicative role of the commission from its other roles. This should not preclude the government from immediately beginning the serious examination of the necessary steps needed to undertake such a transaction."

So the recommendation, Mr. Speaker—and you know it well, having participated—is one that's quite clear in terms of the requirement of separating out the adjudicative role. It provides at least a sense that people are getting a fair shake when matters are being adjudicated and that the adjudication is a fair and unbiased and transparent process. Of course, that's something that we often talk about in this place.

It says, "Under the Securities Act, the commission performs multiple functions: policy development; conducting investigations into possible breaches of security laws; prosecuting cases; and adjudicating cases. However, it is the dual role of prosecutor/adjudicator that has for years been the source of complaints from corporate lawyers and companies that have been subject to the commission's rulings. They say this dual role creates a perception of bias (if not actual bias)."

That is a major point that I thought I should bring forward, one that we believe needs to be addressed, one that we're hopeful that the minister will, as he moves forward going through the rest of this report, see fit to implement. We're certainly awaiting the implementation of that. I could read the exact recommendation, but I think people get the gist. It's taking away the adjudicative role, allowing all of the other roles to continue around policy development and others, but particularly taking the adjudication role out and keeping it separate to maintain, if not an actual, a belief or perception that there is no bias in the system.

There are three that we thought were important to put on the record. The second is that the government should move forward on the establishment of a task force to review the role of self-regulatory organizations. That task force should also look at whether a trade association and the regulatory functions of a self-regulatory organization should be separated. So again, this is an issue of trying to make sure that complaints and concerns that are raised with self-regulatory organizations are, from the complainant's perspective, taken in a non-biased way, taken in a way that cannot be perceived to be biased in any way because the functions are in the same organization.

From the Crawford report recommendation, which was the precursor to the report, the five-year review, that the committee put forward on the Securities Act, the Crawford report recommendation reads that "the commission study whether the act should be amended to give SROs (self-regulatory organizations) the following statutory powers:

—jurisdiction over current and former members or 'regulated persons' and their current and former directors, officers, partners and employees;

—the ability to compel witnesses to attend and to produce documents at disciplinary hearings;

—the ability to file decisions of disciplinary panels as decisions of the court;

—statutory immunity for SROs and their staff from civil liability arising from acts done in good faith in the conduct of their regulatory responsibilities; and

—the power to seek a court-ordered 'monitor' for firms that are in chronic and systemic non-compliance, close to insolvency or for other appropriate public interest criteria."

Looking at the SROs' self-regulation or the enforcing of their own rules, what the discussion centred around in terms of the committee's discussion was that there was "a perception that SROs are not able to impose meaningful sanctions" on their own members. Again, some would say it's because of the sheer nature of the clubbiness of a lot of these organizations, that they often cross-pollinate between roles, between being on boards and being clients and being lawyers who are working for the boards. So as people circulate in and out of these roles, there is some sense in some quarters that the sanctions are more difficult to impose on those members who are so close to each other. In fact, "the five-year review committee considered whether recognized SROs and stock exchanges should have statutory authority to enforce their own rules" at all. "In considering this issue, the committee observed that securities legislation in the United States now gives SROs authority to revoke a member's registration, to" ensure—sorry, I can't read anymore; it looks like it's time to get my glasses soon—"censure or impose limitations on a member, and to remove from office or censure officers and directors of a member."

Ultimately, what the standing committee recommended in regard to this issue of self-regulatory organizations is that they are not confident that complaints that come to a self-regulatory organization "will always be handled in

an objective manner under a system of self-regulation.” The Crawford report—again, the precursor—said, “we remain concerned about [this] issue.... Investors must feel that when they have a complaint against an IDA member they receive fair and unbiased treatment from the IDA in addressing their complaint.

“In view of the concerns about self-regulation expressed by the five-year review committee (in both its draft and final reports), and by witnesses appearing before the standing committee, we cannot fully endorse the recommendation concerning SRO enforcement powers ... and separation of self-interest and regulation.”

#### 1710

So recommendation 9 from the committee is this: “The government should establish a task force to review the role of SROs, including whether the trade association and regulatory functions of SROs should be separated.”

So ultimately there’s more work that needs to be done on this file, and I don’t recall hearing that that work was being commissioned at this point by the government. But we certainly believe that since this is an outstanding issue that’s been raised many times and still has not reached a resolve, it’s extremely important that we ensure that the work is done and that we come to a resolution so that there is confidence in self-regulatory organizations and their ability to discipline members in the public interest and in the interest of people who perhaps could have been wronged by one of the members of the organization.

That brings me to the final issue that we thought was important to raise. This issue was around the Ontario Securities Commission’s establishment of a workable mechanism that would allow investors to pursue restitution in a timely and affordable manner and that the government report on its progress in this regard within 12 months. Again, this is a piece of work that the committee is recommending be undertaken. It’s come out of the report. The recommendation is pretty much as I described it. The idea is that where somebody has been wronged, there needs to be a way that that person can get financial restitution in a way that doesn’t make it useless to even pursue because it costs so much in lawyers’ fees and procedural fees to get to that point of restitution, but also so that it fairly reflects the loss that the complainant has experienced.

From the Crawford report, recommendations 75 through 77 indicate that the “commission monitor the exercise by the Manitoba Securities Commission and the FSA of their respective new restitution powers and consider the practical implications of the exercise of this power....” It goes on to talk about encouraging the commission “to exercise its discretion, in appropriate cases, to apply to the court under section 128 of the act for a restitution or compensation order.” It also recommends that “consideration be given to the desirability and implications of amending section 128 of the act to permit investors, in certain circumstances, to apply to the court directly for an order for restitution or compensation.”

Mr. Speaker, as you again will know, the discussion talked about other jurisdictions as well as regulatory

agencies like the Ontario Securities Commission, which does not have the power to order restitution because the goal of the regulatory legislation is protective rather than remedial. Nevertheless, the Crawford report recognized the role of the regulatory agency as it’s evolving and used the Manitoba situation, as well as the UK, to demonstrate where securities commissions now also do have the power to make restitution orders directly.

So the standing committee came up with the following: It “believes that investors, especially small investors”—it’s interesting that this was taken as an important consideration, because it’s the little guy who doesn’t often have the resources at hand, who doesn’t have a flurry of staff lawyers or a massive army or group of adjudicators there at the whim of the head of some big company to address these issues. Instead, it’s the little guy who gets burned by perhaps a decision or a situation, and in order to try to get restitution really ends up spending every dime they have, and the restitution eventually, if they ever get it, never even covers off the cost of getting there. So in the need to protect the little guy and the need to make sure that the little guy gets some justice and gets some restitution or some financial repayment of any of the wrongdoings that have occurred, the committee is recommending “that the government work with the Ontario Securities Commission to establish a mechanism that would allow investors to pursue restitution in a timely and affordable manner and that the government report on its progress....” So the bottom line is to make sure that the small guy gets a fair shake in these situations and isn’t broken at the bank, isn’t financially made destitute in his or her attempt at achieving justice and is able to take on a process that is not only affordable but also timely insofar as it doesn’t lag on for years and years and thereby the person faces financial ruin as a result of it just taking too long in the courts to be resolved.

In the interests of making sure that the little guy gets a fair shake, the committee did an admirable job of making sure that that is something they are suggesting the government take on as yet another piece of work that needs to be done as a result.

Thank you very much, Mr. Speaker. I appreciate the opportunity.

#### **The Acting Speaker:** Questions and comments?

**Mrs. Carol Mitchell (Huron–Bruce):** I want to thank the member from Hamilton East for her comments. All parties understand that everyone benefits from a reliable securities market, be they large, be they small. The whole province, the whole country, benefits.

I just want to put special emphasis on stakeholders in the legal, financial and business communities. They’re encouraging the unanimous consent of the standing committee on finance and economic affairs to move forward. They have reached unanimous consent and the business, financial and legal communities are encouraging them to move forward.

I just want to speak to Bill 41 in the time that I have left and certainly make the indication that I will be supporting this bill as well. I see it as having three main

objectives: to provide a legal foundation for existing marketing practices; harmonizing and modernizing the legislation; and providing uniformity.

I feel that in order to ensure Ontario remains strong, we need to, as a government, quite often review the legislation that ensures our financial economy remains sound. This piece of legislation has been a long time in formulating and I feel that, by having unanimous consent, which is three parties sitting at the table with the standing committee on finance and economic affairs, it will be well vetted. We see from the business, financial and legal communities that this is something they want to see move forward too, and we as a government need to make sure that the finances remain secure in Ontario.

**Mr. O'Toole:** I do want to respond to the comments made by the member from Hamilton East on a very, very important yet very technical bill that has quite a long life. You would know, Mr. Speaker. You and I actually sat on the committee that reviewed the securities regulations issue. I said earlier—and not to be disparaging to Minister Phillips in government services, I would have felt more comfortable, perhaps, talking to Greg Sorbara, but he was removed from that because of other issues, of course, which are before the courts. I think what's most important here is what the bill doesn't do, and that leaves me somewhat suspicious that the job is not done.

There are really six principal sections to the bill. As the member said, and she points it out very well, there's very little here representing the consumer. These are our constituents, who find themselves victims through some circumstance—perhaps judgment or improper advice. But what this bill really does in a very strict sense is regulate the transfer of securities, and those are the obligations and the liabilities that are set out in this bill. I would say on the record that of that very small part of the bill, we're quite supportive. These were primary recommendations from the Purdy Crawford review, the five-year review of the Ontario Securities Commission.

*Interjection.*

**Mr. O'Toole:** Well, our caucus—in fact our critic, Tim Hudak, was principally one of the leaders and now is our critic for finance and knows much about this, but he's holding back; I understand that. He really does want to respond, I think, Mr. Speaker, when you're making your response to the minister's statement, the one-hour lead-off.

The member from Barrie–Simcoe–Bradford did an impeccable job today outlining some of the commercial issues with respect to the Business Corporations Act, but I think that for the consumer there's very little here in most transactional issues where the consumer is being protected. I don't think it goes far enough, and I think the member from Hamilton East is quite right in pointing out that we are here to protect the small people in our communities and our constituencies.

**Mrs. Sandals:** I'm pleased to respond to the comments from the member for Hamilton East. I think it's important to point out that the minister has outlined in his comments that Bill 41 is the first of a series of bills that

will address the recommendations of the five-year review and the standing committee on finance and economic development. In fact, Bill 41 is very narrowly focused on modernizing the rules around security transfers to make sure we don't have a legislative regime that talks about paper when most security transfers today are done electronically. So the members are quite right in observing that this bill does not do a number of things. It was never intended to do a number of things.

**1720**

What it does do very well, and which is the result of a lot of work with all the other provinces, is that we have had legal minds from all across the country look at the drafting of the Ontario bill, because one of the things we want to make sure is that the rules in Ontario are aligned with the rules in the US. Twenty-five per cent of the trading in Ontario is cross-border with the US, so we want to make sure that this law is aligned with the US law, which it is. We also want to make sure that as the nine other provinces come into updating their own legislation, it will be in line. That is why Ontario has taken the lead in working with the legal folks from the governments of the other provinces in drafting this legislation. Alberta is following suit this week, and we expect that perhaps BC may follow suit very soon to make sure we have this law aligned across the country.

**The Acting Speaker:** Questions and comments? Seeing no additional questions and comments, the member from Hamilton East has a response.

**Ms. Horwath:** I want to thank the members from Huron–Bruce, Durham and Guelph–Wellington for their remarks. When I began my speech on this issue, I think I acknowledged—and I'm glad it was raised again—that all the parties I think would agree that this bill is one small step in a number of initiatives that need to be undertaken to ensure the efficacy of our securities system, to ensure that our investment regime is sound and that the advice and the contact people have within that system is going to be a positive experience, and one that is accountable.

That's why I thought it was important in that context to raise the issues about the separating out of the adjudicative function of the commission, and also the two pieces of really unfinished work that we, as New Democrats, think are extremely important to make sure that the little guy, if you will, or the everyday investor, the everyday person coming in contact, the people who live in my riding and live in all of your ridings, can be assured that the issue of whether the self-regulatory organizations can discipline their members is undertaken. There needs to be a look at that, as well as that the regulatory functions of SROs should be separated out from the trade association functions. So there are a number of pieces still outstanding.

I think it is important, though, that we all acknowledge and recognize—and I did so at the beginning of my remarks through talking about a film I watched with my son, Julian Leonetti. We all remember Bre-X, Nortel, Enron, WorldCom, Andersen accounting—an issue a little

closer to home—Global Crossing, Tyco, Martha Stewart, all of these are reasons why we need to be diligent in moving forward with these reforms.

**The Acting Speaker:** Further debate?

**Mr. O'Toole:** It's a pleasure to stand. I'm somewhat disappointed in the fact that I'm not particularly well prepared in the general sense, but I would say that if I look back to the comments made by the member from Barrie—Simcoe—Bradford, he really did say a good deal of what was on the record.

It's important just to boil this down to what I would say is understandable language for the consumer. I'm going to do that because we have till 6 o'clock, and that time should certainly be used appropriately to inform the consumer, the viewer.

**Mr. Tim Hudak (Erie—Lincoln):** Actually, those in the beautiful riding of Durham.

**Mr. O'Toole:** Yes. In fact, in the riding of Durham there are a lot of things going on this evening. I'm quite disappointed I can't go to Joe Hickson's. I hope this is being broadcast to his home. Joe, congratulations. You're being recognized for the work you've done in agriculture, the Farmers Feed Cities issue. But I don't want to be deflected off topic here because the member from Erie—Lincoln—that was the old name. What's the new riding?

**Mr. Hudak:** It's Erie—Lincoln.

**Mr. O'Toole:** In fact, he's actually our finance critic.

But I think what we do agree with primarily—it has been said by the parliamentary assistant, who's done an inordinate amount of work on this, and I commend her for that because she has a master's degree in math, I think, so you're eminently qualified to look at the numbers. This is all about numbers. Actually, it has a dollar sign in front of it. That's what makes it different and that's how it affects our constituents.

On this bill, it says—I'm going to just sort of go into the low-level education mode here. In the explanatory notes, what it does say is that "The bill is modelled on the Uniform Securities Transfer Act" that was prepared by the Canadian securities administrator. So really, it's talking about harmonization with respect to the rules that the Securities Transfer Act Task Force reported in 2004, and the Uniform Law Conference of Canada. What they're trying to do is, there are a lot of transactions in the market today where those who are buying or purchasing a security, those who are acting as a transfer agent of actual electronic dollars—in actual fact, many a time there aren't real dollars. I may have an account with a brokerage firm, and that account would allow me to log on online, real-time, and actually purchase or put or sell or exercise a warrant. Those transactions have to be transferred.

In fairness, this is a fairly lengthy little bill. Although it's not as controversial as some would suggest, it's 70-some pages, of which 35 are in the English language: very, very technical language. Most members have drifted around the sides of it because to get the Uniform Securities Transfer Act in place—that is between the jurisdictions in Canada, within our jurisdiction. But think

of it: A lot of the transactions are occurring in other markets. The other market could be New York; it could be Hong Kong; it could be London. There need to be transfers; it needs to be recorded. They need to have securities and liabilities and risks so that the investor doesn't get euchred by someone who is maybe not playing by the rules of the game.

When you're dealing with the dealers' association, they have to be licensed. They are regulated. The Mutual Fund Dealers Association, MFDA, are actually regulated federally and have a uniform set of rules and licensing and regulation and enforcement for inappropriate behaviour. That's where for some of the persons operating in these financial adviser roles and other roles we need to have oversight and a set of regulatory—I would say as a profession, it should have some measure of being able to exercise enforcement issues. If, for instance, there's inappropriate behaviour by a financial planner or a dealer whom you're working with, who isn't appropriately licensed and is not making proper disclosure to a purchaser of the risks, then there's no ability by the consumer—that's my constituent—to get recourse, unless they go to court. But of course, as has been mentioned by the member from Hamilton East earlier, when they've lost their life savings or a nice tidy bundle in the marketplace—indecision, bad advice, whatever—we've got to make sure that there is recourse. Often, the person is rendered destitute or penniless; they've lost their money. So how do they get appropriate and highly technical legal advice? We need to make sure that this marketplace is fair to the consumer. There are a number of writers in some of the papers who do comment on this. It's not the most exciting news, as this bill is not the most exciting bill.

**1730**

"The bill establishes a comprehensive system of rules for the transfer of investment securities that reflects current international commercial practices." That's good. "The rules contained in the bill address both securities that are directly held"—that's where I've actually got the security—"that is, issued by the issuer to the investor"—that's me, the investor—"and those that are indirectly held (that is, issued to securities intermediaries)—somebody may be holding the stock or it may indeed be in a fund—"so that the investor has rights in relation to the security, but does not directly hold the security)."

There you have it. I could have a mutual fund or other kind of money paper, document, and we need to have confidence in that system, so I don't think you'll find much opposition to that.

All of this goes back to big terminology. The OSC, in fairness—Mr. Speaker, you would know—has an education week for investors. All of the members receive a package. It's usually a CD that we're able to give to consumers, give to our constituents, to engage them in the education of themselves in the marketplace. What's most frightening here is that education is the key, and I think it's a very important role of the Ontario Securities Com-

mission to educate the consumer. Why I say this is that when we look at the poor rate of return today in the traditional mode of savings, which would be a savings account or perhaps having bonds or maybe some sort of monetary investment at the bank level, these are pretty unsophisticated. In fact, you're dealing with somebody at the bank who's giving you advice on whether or not you should have a fund of some sort set up, and maybe it's registered, maybe it's not registered, and you start to move out of the traditional savings mode, which is money in the bank where you have a savings account. Today, you'd be lucky to get 2% to 3%. So people are looking for other vehicles of investment to grow their capital or grow their little nest egg, if you will. That's why we need to have confidence in the marketplace.

To their credit, the Ontario Securities Commission has gone a long way on the side of trying to educate consumers. So in fairness, this isn't a blame game here. I credit, quite frankly—and you would know, Mr. Speaker—the work done by Jim Flaherty, who was the Minister of Finance under our government. I was fortunate to be his assistant. In that, we looked at the liquidity issues with respect to some of the pension funds. In that discussion, there was a fund—it was an issue that some listeners and some members here may be familiar with—dealing with what they called pension surplus distribution rules. If you start tinkering with pensions, the bells and whistles go off. People should know that pensions are really just a reservoir of capital so that in the future they'll be able to draw an income from it.

Most members yesterday, or in the last couple of days, received a report from OMERS. I encourage members to read it. The OMERS report, on the very second page, shows that they have a deficit, an unfunded liability—the Ontario municipal employee retirement savings plan, a huge fund, probably the second-largest pension fund in Ontario. And we're all talking about the same thing; it's about securities.

This bill specifically is about transfer, but let's talk about the financial marketplace. For those of us who are looking for a pension or some security or some confidence, we need the OSC and the Pension Benefits Act to have some strength and some teeth. If the minister is prepared, as said by his parliamentary assistant, that this is the first of many steps—here's the history on that one file. I had the privilege of doing a report on the pension surplus distribution on a partial windup. The case that I went to the courts—as an observer. I had no role; I should be quite frank. There were members of the fiscal staff, and they were very kind to try to educate me, and often it could be a very difficult job. But in the court proceedings, what was determined was that in this case—it was called the Monsanto case. The Monsanto case was quite technical. In fact, it was saying that Monsanto as an international corporation was not going bankrupt; it was a division that was actually trying to divest itself of a pension fund.

Now, getting into the pension side of it a bit—it's not really technical. There are two types of pensions. One's a

defined-benefit plan, which means the employer—in some cases the employer and the employee—contribute into a fund. They give it to a pension manager who hopefully manages it properly and, at the end of some years or length of service, you're entitled to some kind of payout. The other one, which is the new and emerging one—and in fact I think it's probably the only one that has a future with the types of employment relationships today—would be a defined-contribution plan. That's where I give my \$5 or 5% of my pay and the employer gives their 5%. It goes into a registered pension plan. It's a self-directed plan, generally. I could transfer employs; it's a portable thing—I take the fund with me. Members in this House would know something about that. The fund's performance is up to me to monitor, not some financial planner, some adviser. Technically, it's up to me to intervene, to see if Beutel Goodman is doing well in the marketplace.

The sophisticated investor may not often be up to speed on some of the technicalities, but don't play with fire. This is a marketplace and, as such, if we've seen—I remember one of the cases that came before the pension board, and that case was where one of the public sector funds was over-invested. There are rules about the percentage of their portfolio that can be in one sector, whether it's real estate or financial institutions or the industrial place; they can't be over-contributed to a certain section. If they're over-contributed to a certain section, there are rules that say they have to sell off and diversify so that there's diversity in their fund and it spreads the risk, because if the industrial sector goes down, maybe the high-tech sector goes up or the energy sector goes up—and it's going to go up because of the current McGuinty policies, of course. You'll see a lot of speculation in that market, whether it's the nuclear generators or the wind turbines and those other marketplaces. These pension things are extremely important, and we trust the regulators to oversee these large funds.

In the case I was referring to, the OMERS thing—in fact, if you read page 2, there's a deficit, and if you read going forward, there's a projected deficit. That is a liability based on actuarial assumptions, based on the contribution, the rate of return and the life expectancy.

Now, how does that relate back to this bill? I'm going to read one of the sections here on the general provisions. I'll try to read slowly so I understand it.

“Part I contains the definitions and interpretation provisions that apply throughout the bill. It sets out parameters for the bill's interpretation, imposing an obligation of good faith”—that's pretty soft language, actually—“permitting the variation of the effect of the bill by agreement”—so there's some expectation that there's an agreement here—“providing that the principles of law and equity continue to apply and supplement the bill.” That's pretty fuzzy language, actually. “It deals with the application of the bill to the crown.” In some cases, some people would go to the government to protect their rights. That's our constituents again. It deals with the application of the bill as it affects the crown. “It provides

that rules adopted by a clearing agency prevail over the bill in the event of conflict.”

So there’s some sort of organization that will make decisions about who transferred what assets to whom and where those actual funds are. That’s what you’re trying to do. For instance, if a transaction was international at New York and you get into tax rules and capital gains rules etc., it’s quite technical.

Part II deals with general matters of security and other financial assets, and here it says:

“Part II sets out some basic concepts and rules applicable to securities and other financial assets: it classifies certain obligations and interests as either securities or financial assets, explains the acquisition of financial assets or interests in financial assets, sets out what constitutes and does not constitute notice of an adverse claim and defines what constitutes control of financial assets. Rules for effective endorsements, instructions and entitlement orders are set out” very clearly here. “The warranties that apply in security transactions in both the direct and indirect holding systems are set out. Rules governing the conflict of laws, seizure of securities, the enforceability of contracts and evidence in legal proceedings on securities are set out.” That part of the bill “deals with the liability and status of securities intermediaries as purchasers for value.”

1740

The key thing in there is these agents and their exposure for liability and recourse in the courts—if, for instance, I, as the investor, don’t have some security, or at least if the agent takes off with the money, I’m left holding the bag. If there were stocks purchased or equities purchased or, indeed, it says here, properties, financial assets—it could be fixed property and there could be other instruments of investment. But as you can see by this almost mind-numbing language here—and I don’t blame the minister. This is a technical and legal area.

Mr. Speaker, I look forward to your remarks. When will you be speaking on this? You could give me a signal. Would it be Monday? Just shake your head. I’m looking forward to it because you and I sat on the committee.

I could go on about how this has been studied by experts, and you would know; we heard from them. Purdy Crawford appeared. I think he resides down east. He’s a professor; he’s a well-respected lawyer who practises in the area. His report made a number of recommendations, and very few of them are in here. One of the securities transfer things is one that we agreed with.

What they didn’t deal with—I mentioned it in my earlier remarks and I’m going to make this my summation. In fact, I wish I had a bit more time. Maybe the viewers don’t, but—

*Interjections.*

**The Acting Speaker:** Order, please.

**Mr. O’Toole:** It’s quite an issue. One thing that—and this isn’t criticism. I have every confidence that Mr. Phillips will do the right thing, if he doesn’t run out of time, because we’ll probably be the government in 2007

and we’ll probably carry on with it. The issue there was the role of the Ontario Securities Commission. Look at it as the organization. It’s a government agency, and David Brown, when I was doing work there, was the president and CEO and a very eminently qualified lawyer. I think there’s a new replacement; I just forget his name. It was published and gazetted and there has been no great red ink on it, so it sounds like he’s the right person for the right time in the right job.

The securities commission’s mandate is the regulator. It’s an agency of the government. That regulator is charged with setting up the regulations to govern all these proceedings, rights, liabilities etc., primarily in the interest of the taxpayers, I hope, and to have a properly functioning marketplace. We need to be able to get capital in and out of the market and to make sure the investor is protected in these transactions. That’s not too complicated.

But when they have the role of the regulator—and in many cases, these are highly paid, highly qualified people. There’s a function there of education, as I said before, and I commend them for having an education week for new investors. In fact, I think programs in high school should teach how to learn about the market without actually investing.

The issue I bring to the attention of Minister Phillips, respectfully, is this: You have the regulator; then you have the investigations branch. Somebody says that Nortel or somebody is not behaving appropriately in the marketplace. We’ve seen the Oxley report in the United States, which talks about improper disclosure, writing down of assets, and improper accounting procedures, and there’s been much talk about that. That’s the enforcement group. That would twig them to something happening, whether it’s in Nortel or in, Lord forbid, Research in Motion or one of the more successful companies. Some of them will report late this year, and this is a problem too: a lot of changes in their accounting responsibilities. This is the real issue, in the last minute: the enforcement and the authority to make rulings all under the one administration. As I said earlier, it’s perhaps a bit too close, a bit too collegial, a bit of a conflict. I would like to see an independent—a subrogated organization dealing with making decisions on whether the regulation was at fault, the enforcement, or the investigation proved their case. So that is something that’s not in here. The Wise Persons’ Committee—that was a report that was issued by them. They suggested it. The Purdy Crawford report suggested it, and it’s not here.

Once again, there’s not much in here actually to directly, in this purest case, protect the small investor for their nest egg for the future, so that we can take care of our constituents and the government is doing their job. There’s more work to be done on this and I look forward to our critic Tim Hudak speaking on this bill, because he’s the finance critic. As I said earlier, Greg Sorbara should actually be the minister in this, but he’s got other business at hand.



**The Acting Speaker:** Before I call for questions and comments, I will first call for order. It's kind of loud on that side.

Questions and comments?

**Ms. Horwath:** I quite enjoyed the remarks from the member for Durham. I think he raised some really important issues about Ontario's security system, our structure, the importance of the commission. I think he raised issues that were new to the debate today. In the initial part of his remarks he talked a lot about the need for the commission to educate the consumer so that the consumer is aware. What's that? Caveat emptor? Is that right? Buyer beware? I think that's an important piece of this debate. As we look to further strengthening confidence in our markets, in the Ontario perspective anyway, education is a big, important piece of that.

He also raised some issues that are near and dear to my heart, particularly the issue of pensions and the Monsanto decision on distribution of surplus funds and on partial wind-up. I don't think he actually ever articulated what the final decision was, and it was quite a interesting one, which was that the pension surpluses were considered to be, and are to this day considered to be, workers' dollars. They're dollars that workers have set aside as deferred wages in their pension plans, and on wind-up or partial wind-up of any pension plan, those surpluses, or anything that's there, that value goes to the workers. I think that's an important thing that needs to be articulated.

I also think it's important to put a different opinion or a different perspective on the table with regard to the member's comments around defined benefit versus defined contribution plans. Quite frankly, although it's the trend now to support defined contribution, really the only thing that guarantees a decent quality of life, at the end of the day, is a defined benefit, because you know what you're going to be getting upon retirement.

**Mrs. Sandals:** I'm pleased to comment on the speech by the member from Durham on Bill 41, the Securities Transfer Act. As the member mentioned, this is a very technical bill. It's about the rules that a variety of institutions and corporations need to follow as they transfer what are broadly known as securities. The legislation has not been updated for 20 years, which means, I think, that two significant things have happened. Obviously, we've gone from a largely paper-based business system to a largely electronic-based system. One of the primary focuses of this bill is to allow the securities transfer institutions to update the rules so that we are recognizing what is current business practice, which is that most business takes place electronically, not with people handing a paper from one person to the next. So this act is very much focused around the rules we need to put in place to ensure secure electronic transfer of securities.

But the other thing that has happened is that more and more security transfers that happen in Ontario are either cross-border in terms of crossing to the US or cross-border in terms of crossing borders within Canada. At the moment, we have different security transfer legislation in

the US and in each of the provinces in Canada. In fact, the US is already largely aligned. All 50 states have uniform legislation. One of the goals of this is to bring Ontario first and then, hopefully, other provinces into a North American common regime. This act is a step in that direction.

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**Mr. Hudak:** I'm pleased to rise and offer some comments. My colleague, the member for Durham, always impresses me with his ability to spontaneously come forward with very coherent, cogent, well-reasoned, compelling, engaging remarks, to say the least. He certainly revived the energy level in the House as he held forth on Bill 41, the Securities Transfer Act, 2005. My colleague from Durham said it quite well—actually, no; he was too modest. We should say on the record that my colleague from Durham was involved at a very early stage in dealing with securities transfer issues as parliamentary assistant to the then Finance Minister, Jim Flaherty, if I recall. I remember Mr. O'Toole presenting to the then governing PC caucus about the importance of this initiative. He had done some research in this regard that helped to inform the Purdy Crawford process that followed up, and now we see this legislation coming forward. So my colleague, who spontaneously came up with some compelling remarks and insight into the bill, did so because of his past work in this area, and he's convinced me to delve into this legislation even more than I have to date.

The other points raised by my colleagues are important as well. We're in a different world when it comes to transactions, with the vast percentage, if not all, done electronically. The time to move on from paper-based has actually happened in the business world, and it's important for our legislation to keep up and make sure that the protection is in place for consumers and for investors and to recognize that 2006 is a heck of a lot different than 1906. It's no longer the ticker tape. We're in an electronic world, and Bill 41 will help us catch up.

**Mr. Bisson:** I'm really looking forward to having an opportunity myself to participate in this debate, and it is coming. It's probably not going to be today—probably the day after—but I want to comment on a few things.

Generally, I agree with the member that we can support a lot of what's in this legislation. I think there are some things that we would like to propose as New Democrats that should be additions to this, and we'll go through that in a little more detail when I get a chance to debate this particular bill.

I think the overall general comment I would like to make is that there really needs to be—and I said this earlier—a sense of confidence for people when it comes to investing. There have been far too many scandals out in the marketplace where people have absconded with all kind of funds. There have been all kinds of shenanigans. You see the CEO of Enron and others who are going to jail for having pilfered the company or fixed the company books. The effect that has at the end of the day is that little old investors sitting back in the communities that we represent say to themselves, "Well, there was a

day when I used to have a defined pension plan. I used to be able to dream that one day I would retire and I'd get X amount of dollars every month and I could budget on that." But over the years, not only governments but employers have gotten rid of defined pension plans, as they did in this Legislature, and people are having to resort to the whole issue—

*Interjection.*

**Mr. Bisson:** Shame on Mike Harris. I'll never vote for him again because of that.

Anyway, what's happened is that many people have now converted to plans where they buy investments in the stock market, RRSP-type plans, and they are really worried. They say to themselves, "Not only am I open to the whims of the market, maybe making money on the \$3,000, \$4,000 or \$5,000 a year that you put into the market through RRSPs, but look at these kinds of Enron situations. What does that mean for me when I come to retire?" We need to make sure that we do what's necessary, at the very least, to protect the small amount of money that people will get.

I still believe that we should go to a defined pension plan. That would be the best way to go.

**The Acting Speaker:** The member for Durham.

**Mr. O'Toole:** I would like to thank the member from Hamilton East. Her comment "caveat emptor" is something we should all observe.

The member for Guelph–Wellington, of course, is quite versed on this issue.

The member for Erie–Lincoln is always eloquent and always informed.

To the member for Timmins–James Bay, I'm anxious to hear his remarks as well, protecting the constituents in Timmins, who are probably invested in minerals and mining, which is probably one of the more risky areas, if you want to get down to it.

In the very limited time that's left here, there are just a couple of small things to bring some clarity to it. We're

talking about section 33 of the bill, and it talks about warrants applicable to direct holdings:

"Warranties on transfer of certificated security"—that is, I actually have the piece of paper, the document, the official stock, the equity certificate, which is endorsed. Here's the issue:

"A person who transfers a certificated security to a purchaser for value warrants to the purchaser and, if the transfer is by endorsement, also warrants to any subsequent purchaser, that,

"(a) the security is genuine" and has not been materially altered;

"(b) the transferer does not know of any impairment of viability of the security;

"(c) there is no adverse claim to the security;

"(d) the transfer does not violate any restriction on the transfer," and it goes on.

Uncertificated security: "A person who originates an instruction for registration of transfer of an uncertificated security to a purchaser for value warrants to the purchaser that,

"(a) the instruction is made by the appropriate person or, if the instruction is made by an agent, the agent has actual authority"—that the security is valid. So when these transactions occur, is there a real asset that is being transferred between parties, and is there an agent who can certify and verify that there is, somewhere, a security, either held or not held? That's why this bill is very technical. So I encourage members, on behalf of their constituents, to listen to the debate on this. Hopefully, as they move forward—we move into a more uncertain investment climate, and we need to be keeping our eye on it.

**The Acting Speaker:** It being nearly 6 of the clock, and inasmuch as there's going to be a further legislative hearing this evening, this House stands recessed until 6:45.

*The House adjourned at 1756.*

*Evening meeting reported in volume B.*

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