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ISSN 1181-6465

Legislative Assembly  
of Ontario

First Session, 39<sup>th</sup> Parliament

Assemblée législative  
de l'Ontario

Première session, 39<sup>e</sup> législature

## **Official Report of Debates (Hansard)**

Tuesday 13 May 2008

## **Journal des débats (Hansard)**

Mardi 13 mai 2008

**Standing Committee on  
Estimates**

Ministry of Economic  
Development and Trade

**Comité permanent des  
budgets des dépenses**

Ministère du Développement  
économique et du Commerce

Chair: Tim Hudak  
Clerk: Sylwia Przedziecki

Président : Tim Hudak  
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Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



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Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON ESTIMATES

## COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Tuesday 13 May 2008

Mardi 13 mai 2008

*The committee met at 0906 in room 151.*

### MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE

**The Vice-Chair (Mr. Garfield Dunlop):** We welcome everyone this morning—the minister and all the staff from the ministry. We're here to resume consideration of the estimates of the Ministry of Economic Development and Trade. There's a total of three hours and 37 minutes remaining. When the committee was adjourned, the third party had completed its 20-minute rotation. It is now up to the government for your next 20 minutes.

If I could ask everyone this morning—particularly when the minister's dealing with the two opposition members, we tend sometimes to get into a little bit of conflict back and forth. If we could have short questions and short answers maybe and not interfere with each other, that would be fine. I'm trying to bring a little bit more order to the meeting than we've had in the past. It's not just this ministry; it's over the years. I'm trying to be a little more polite about it.

To the government, then.

**Mr. Lou Rinaldi:** Thank you for your guidance on how we should react for the remaining three or so hours. That's a good point you make. Also, I'll ask your indulgence to stay on track with a question to the ministry related to the minister's agenda.

Once again, Minister, we hear that our government seems to be putting a lot of focus exclusively on the automotive sector. We know that the automotive sector is one of our bigger industries in the province. It's the largest sector in North America that we have here, and it's appropriate that we support it. But I wonder if you can shed some light on other programs and other initiatives beyond the automotive sector where we're making some headway and that we're certainly supporting.

**Hon. Sandra Pupatello:** I appreciate this opportunity because so many of us have watched—I know, Lou, in your own riding, that the auto sector's success is key to the region you come from because our auto parts supply chain goes right up the 401 corridor and is a significant employer right across your region as well.

I think it's important to note that we've got to look at where we've come from. We spent a tremendous amount of time in 2002 working with our auto partners even

when we were in opposition and, at that time, we already started to see the rise of the dollar.

What we were facing in 2002, in fact, was a government that would refuse to acknowledge the importance of the auto sector. At that time, the Minister of Economic Development and Trade—I think it was called OEO or EOI; it was a weird name, but it was the industry ministry, in any event—Minister Jim Flaherty at the time, interestingly enough, refused to say that the auto sector needed to have its own language in a fund. What they had come out with in the dying days of their government was a fund that was industry-based but not auto-specific. The difficulty at that time was that, given the broad breadth of criteria, it was very difficult for any sector. We'd asked, "How do people actually get access to this to help with their investments in Ontario?" In fact, it was so late in the term when this came out that there was actually never an application that came before it. Then, of course, we went into the election, and the government lost.

When we were in opposition, we developed, in cooperation with the auto sector, whom we worked very closely with, the automotive investment strategy. What we knew at that time, and this was still back in 2002, was that the way of the world was changing dramatically in the automotive sector where multinationals, who have a footprint on virtually every continent, were deciding where and on what continent they would be landing their products. We knew that it was very product-specific in terms of what we would be able to chase and land in our assemblies, or in fact in our parts suppliers. Some of the OEMs, the assemblers, have their own transmission division etc., so we knew it was critical to be able to be at the table when they were making decisions about where they would land these products.

We were very fortunate in 2003, number one, to win the election, and then by 2004 to actually come forward with the automotive investment strategy. That gave us an opportunity, and a fund with criteria that were then developed, to offer these companies an incentive to come to Ontario. At that time, the southern states were already in the game in a very dramatic fashion where new facilities were being built in the southeastern region, and we knew that they were in direct competition with us. What we were able to do between 2004 and 2007 was land \$7.5 billion of total investment by the automotive sector with five key automotive partners—Ford, GM, Chrysler, Toy-

ota and Honda—where that investment would simply have gone to other jurisdictions.

When we look at what is still happening in the world market with the automotive sector, what we know is that if we hadn't had those significant investments coming in in these last couple of years, we would be in a very dramatic and a very different place right now with our automotive sector. We also recognize that our traditional Big Three—Ford, GM and Chrysler—are feeling the competitive edge of other automotive manufacturers, and their market shares are changing. That means that while they can't predict what their sales will be, it absolutely changes their production numbers. That has a dramatic impact. Any jurisdiction that would have such a huge majority of that sector in one region is going to feel the pain much more so than other jurisdictions would feel it.

We also have the luxury that we've had over decades to have developed a huge automotive cluster around the assemblers. That means that our supply chain, 450 companies strong, goes right up the 401 corridor, right through eastern Ontario, all developed around our assemblers. We have 14 assembly plants across Ontario. No other jurisdiction can boast this. And our auto parts suppliers: No one can boast the kind of diversity we have among our automotive parts either, and that's because we've had such success with our assembly level.

In addition to that, we have major clusters around tool, die and mould. In fact, we are so advanced and have such expertise in the tool, die and mould sector, there's no jurisdiction that can boast the level of expertise that Ontario maintains in the tool, die and mould sector. Because 60% of the tool, die and mould sector feeds the automotive industry, if the automotive industry market shares are changing, then automatically, Ontario will feel the pressure in the tool, die and mould sector as well as the parts supply sector, all related to the automotive sector, when the lion's share has traditionally been the American Big Three.

The good news is that many of our companies are now seeing what they need to do to expand their customer base. Yesterday, in Windsor, we were able to make an announcement that actually brings together the aerospace council with our tool, die and mould sector. The expertise that exists with our tool, die and mould sector, most of which has never serviced the aerospace sector—but what we've learned as a government is that the aerospace sector is growing around the world, and they are looking for much of the same that the auto sector looked for in the last several years: better fuel efficiency, lighter-weight materials, new materials. All of the expertise gained by our tool, die and mould sector, that high level of technology, can now be applied to the aerospace sector. With a little bit of help, which is what we're able to provide to make those key links, we can actually marry those two sectors, having people meet people that they've never engaged with before. That was part of yesterday's announcement.

On Friday, we were able to announce that we're going to actually assist the tool, die and mould sector in or-

ganizing a reverse trade mission here in Ontario, by reaching out around the world and bringing significant players of a multitude of sectors. So if you go on the plant floor in many of our successful businesses today—in the auto parts supplier sector, for example—you'll see part of their square footage dedicated to the automotive parts that they're making. Then they'll have another division that's dedicated to the mining sector, which they've now reached out to and are successful in landing contracts, because they carry that same expertise that can be applied to other sectors. Likewise, they'll have some portion of their floor space dedicated to the aerospace sector. So now we're able to say that we've got great companies who do great work, and all that expertise can be doing more than just servicing the automotive sector. This really is the way for us to still dedicate ourselves to a tremendous industry that we have in Ontario in manufacturing, in automotive, and also to extend that expertise to new sectors that we know are booming.

We know that the oil sands are providing a multitude of opportunities for our companies. We've opened our engagement with Alberta on a regular basis. We are now in our second years of actually having staff on the ground, in Alberta, to help do that kind of matching. From last year's show, when we brought over 120 companies with us to Alberta to meet those oil and gas partners, we've now landed 60 contracts that we're aware of for Ontario manufacturers, for manufacturing to be done right here in Ontario, with product shipped to its destination in Alberta.

Likewise, we anticipate that we're going to have more success with aerospace, that in fact companies around the globe will be looking. All of the capacity is full in terms of the order sheets for what they're currently producing for aerospace partners. So companies who heretofore have not serviced the aerospace sector will have room, with contract opportunity to be had in the aerospace sector.

While we recognize what the challenge is, the government needs to be clever about where it inserts itself. How does it intervene to actually be helpful? Major tax policy across the board: The last budget was a tremendous example of how we can use tax policy to get cash back, right in the hands of the employers that need it right away. In fact, the last economic statement in the fall gave them that capital tax elimination. This last budget in March actually made that retroactive to January 1, 2007. So these companies, those that struggle the most, which have taken the time to make that investment, are actually going to get cash back, just when they need it the most.

With tax policy that's been very beneficial, companies the size of GM, who would have saved somewhere in the neighbourhood of \$10 million just from last fall's economic update, now can see that we have, in comparison to our competitive jurisdictions, the best corporate tax policy going in the automotive sector, in manufacturing. Those benefits of tax policy are extended to the resource sector as well, which also benefits so much of our supply chain in mining, much of which exists here in Ontario.

**Mr. Lou Rinaldi:** Thank you. What's our time like?

**The Chair (Mr. Garfield Dunlop):** You've got 10 minutes left. Do you have a second question?

*Interjection.*

**The Vice-Chair (Mr. Garfield Dunlop):** Go ahead, Madam Mangat.

**Mrs. Amrit Mangat:** Minister, does your ministry currently support any program in Mississauga?

**Hon. Sandra Pupatello:** There are a number, actually. I had an opportunity to be in your region on the plant floor of an aerospace supplier that's doing some very incredible things. When we step back, I think we realize just how much innovation is happening here in Ontario. These folks were working on composite materials. They had initially been building parts that go inside an aircraft. Now, because they had done so well, they were charged with doing work to develop composite materials that would be used on the landing gear pieces. Thirty per cent of the world's landing gear is supplied by Ontario companies—a staggering figure. If you travel up the highway and get to Stratford, you see FAG Aerospace, for example. From Stratford, the precision required in the creation of the ball bearing is used in every jet engine that flies around the world.

**0920**

These are some very compelling pieces of data that should make us really appreciate what we have in manufacturing here in Ontario. Not only do we have the clusters, the size of which is very difficult for any other jurisdiction to compete with, which gives us that really big bulk of skill available in our workforce for that sector, but what we do we do so well that we end up servicing the globe based on that, whether it's ball bearings from Stratford out of FAG Aerospace or whether it's the shop we were in in your neck of the woods around Mississauga, doing terrific research and development on composite materials that will dramatically alter the weight of landing gear.

I know many of us have been reading the newspaper lately to read about the surcharges for fuel affiliated with the airlines. These kinds of changes and how they actually make the airplane will dramatically influence how much better and more fuel-efficient these airplanes will be. That's happening right in your hometown, right in your backyard. These are the kinds of stories that we need to tell the world about, that they will be supplying the world when they develop these new products.

**Mrs. Amrit Mangat:** How about the ridings of other committee members?

**Hon. Sandra Pupatello:** There's a significant amount of investment that's happened in all of our ridings, frankly. One of the best examples might be Roxul in Halton. Roxul, which has been there for many years, decided to develop a new type of insulation, and in keeping with the climate change agenda, they're using recycling material to actually develop the insulation. So now, to support the housing market and the building supply sector, they are not only supplying an insulation that is far more efficient and keeping the temp. reasonable in the household, they're also using aggregate materials and other recyc-

lables from construction-sector-type materials to actually build their product, so that on all fronts they're making a better product and it's better for the environment—a significant investment there made by Roxul, and employing people.

I think that's important that when we talk and engage with these partners, we look to them for employment, we look to them for retention in the world of competition that changes for them every day. Those are the kinds of conversations that we have.

**Mrs. Amrit Mangat:** Thank you.

*Interjection.*

**The Chair (Mr. Garfield Dunlop):** You've got about six minutes remaining.

**Mr. Lou Rinaldi:** Thank you, Chair.

More in general, Minister, we talked about the auto sector, which is a big sector in Ontario. Can you maybe tell us a little bit about how we're supporting small to medium-sized businesses? Obviously, a lot of them are facing some challenges in every community, I must say, and for the same reason some big businesses are suffering, but in many cases we hear—I know I talk to some folks who say, “Well, yes, you've got supports for the auto sector or the big industries, but what are you doing for small to medium-sized business?” I wonder if you can elaborate a little bit on that issue.

**Hon. Sandra Pupatello:** Let me just focus on the last budget alone, because I think we'll run out of time by the time I get through that list. The advanced manufacturing investment strategy out of MEDT is one of those examples where we've constantly revisited the thresholds in the AMIS program to make it more beneficial to small and medium business. In this last budget, we actually took the thresholds and made them lower, so that the total investment now is some \$10 million, with a job requirement of 50, and that continues to be ratcheted down, all in response to hearing from small businesses saying, “I'm not that large. My investment won't be that big, but over five years I can hit these targets.” Moreover, while that was always a loan program, and it still is, it's also moved from being a 10% loan of a total investment to a 30% loan of a total investment.

That may seem much or little to many, but what has happened with the companies we've dealt with is that we've actually become the glue that's allowed that company to go forward and secure other financial support, because they see that the government has done its due diligence to look at the project and say, “Yes, we believe in this.” And that's brought others to the table to in fact allow those projects to move ahead.

A number of initiatives that we heard about: One was just announced by our Minister of Small Business the other day, where the budget item identified \$5 million specifically for small and medium-sized businesses to be able to capture more of the global market and expand to more of the brick regions where they may have product that should be suitable for those markets. That's something that the Minister of Small Business will be rolling out shortly to actually help with financial support to get

these companies from Ontario into trade shows that are held abroad on a regular basis, to get their products out into new markets. That's very direct assistance.

Some of the tax initiatives that we've spoken of will have a dramatic impact. Last year's economic update, followed up by this year's budget, with a decrease over the next seven years to the business education property tax, for example: That's the kind of expense to a business that they have to pay no matter how much business they're doing that year. It's one of those stable costs they know they have all the time. Those are the kinds of costs that they can clearly see will be coming down lower and lower for the next seven years. The total initiative, just on the business education property tax, is \$540 million across Ontario, literally a cost they know they have to pay regardless of how well or how poorly their business might be doing in that particular year.

We have a number of other opportunities through MEDT to be helping our small and medium-sized businesses. We want our jurisdiction to be global. Because of that, we've opened 10 offices around the world, in various parts of the world. Any one of these offices will be suitable to some of our businesses here in Ontario. So if they have a product that's suitable to emerging markets, we have an office in New Delhi, in Shanghai and in Beijing. If we have a product or a company that can do very good business in Europe, we have offices in Paris, in London and in Munich. If they're largely west coast US, we have an office in LA, with an officer there who does work all along the coast on the western side; and similarly an office in New York. So these are the kinds of opportunities where literally—at ontario-canada.com, you'll find our offices one e-mail away from finding out where their suitable partners are that they can contact, saving businesses time and money from reaching a potential market for their product.

This is more important for small businesses, perhaps, than large. Some of our large businesses open offices in these other countries on their own and they manage just fine. In fact, it's the small and medium-sized businesses that perhaps don't have the wherewithal or the special marketing department in their company to do that kind of leg work. That's what we're there for. We're there to help to open markets for Ontario. Ninety per cent of all of our product goes outside of Ontario. We're an export jurisdiction. It's been the success of Ontario for many decades now, and it will continue to be in the future. What's different is that while 80% of that product goes to the United States, we have to be sure that a larger percentage continues to go outside of America and into other markets, so that as world economies change, Ontario won't be so buffeted simply by being so wed to the American market, which is certainly what we're facing today in the slowdown of the US market.

**The Chair (Mr. Garfield Dunlop):** We'll now turn it over to the opposition.

**Mr. John O'Toole:** I know that you know full well how important the auto sector is to Ontario, and certainly,

as a person who worked there for over 30 years in a variety of locations, I know as well.

We met last week with the Canadian Vehicle Manufacturers' Association—and I'm sure you did as well; they had a lobbying day here. It's so important to the economy. It represents about \$20.57 billion, employment is 232,000, and revenue is \$128.3 billion. So it's a huge industry. Even if you attract the questions that Mr. Chudleigh has brought with the Roger Martin prosperity report, where it clearly says, in several places—you paid for this report. It clearly says that we're in a gap with our North American peers; that's on page 9, although throughout the whole report it's giving you something very profound.

On page 45: "The incoming government needs to pursue tax reform as a high priority to raise Ontario's competitiveness and prosperity."

On page 47, it says, "Taxation of new business investment is higher in Ontario than nearly all OCED countries." In fact, the list goes on.

#### 0930

But I think even in practical terms, Murray Campbell's article this morning—and I do want to read it—is quite good. I think it's telling, not because I know your riding is in Windsor and that it's devastating—as a former employee there myself, I'm devastated. What I'm devastated about is that you have no plan. There's clearly no accountability—and there's a whole bunch of issues here that I certainly want to bring. But I'm going to read this for the record:

"The plant closing has exposed a profound weakness in the government's auto sector strategy in that it has limited ability to influence the Detroit-based auto makers even though it is shovelling piles of money at them.

"For years, the Premier has talked ebulliently about how the government has leveraged \$500 million into \$7 billion of investment in the auto industry. It's clearer now than it has ever been that there are two parallel roads here that will never converge. Ontario may influence decisions by the Big Three by writing cheques to cover 10% of their new investments. But this does little to alter their planning around existing assets. GM, Chrysler and Ford remain the big dogs of industrial capitalism. They may be foundering, but no government in a branch-plant jurisdiction is going to tell them what to do."

And we're a branch jurisdiction, it goes on to say.

Minister, it's a big game, and I'm not sure if you have the skills to compete in it, but if I look at what's actually going on, and not to be personal here—this isn't the point. The point here is that next week, the big plan is that you're going to Italy. I'm not sure exactly why you're going to Italy. We could build all the cars that Fiat makes at the General Motors plant in Oshawa in a week. I don't know what the big deal is except there's good weather in Italy, is all I can say.

Even if you look at the other reports, the last testimony in this article says:

"In earlier testimony,"—when questioned by member Chudleigh here—"she declined to talk in detail about the

job guarantees in the auto sector grants. 'There are just certain contracts that we will not release in the public domain,' she said. Is that defiant attitude appropriate, given the way GM is treating Ontario?"

That's an appropriate question that member Chudleigh as well as member Paul Miller challenged you with in this very setting. Look at the issues that I'm looking at. Even in the clippings this morning: "Canadian Firms Burdened by Tax." This isn't written by some politician; these are written by PricewaterhouseCoopers and other experts who see the burden on what we consider the lifeblood.

Creating jobs in the government—they're good, they're important and they're necessary for our quality of life, but they don't create wealth. They create a standard of living, and society benefits, which we all want—don't misinterpret that—but you have to grow the economic value of this pie.

You don't seem to have a strategy. In fact, you do nothing about most of the questions that have been asked by Mr. Miller and Mr. Chudleigh. I would say that I've got a couple here that I'm going to get down, with your indulgence, Mr. Chair.

**The Vice-Chair (Mr. Garfield Dunlop):** You've used up five minutes so far.

**Mr. John O'Toole:** Oh, I have? Time goes quickly when you're having fun.

If you look at the budget—let's get right down to specifics—are we getting value for money with your ministry? I have serious doubts. The staff, I'm sure, are working under your direction. That's why results aren't there.

"According to the 2008-09 ... budget, total expenses for the Ministry of Economic Development and Trade for the fiscal year 2008-09 is \$445 million, up \$105 million, or 31%, since 2007-08." One of the questions there is: Why has spending increased so dramatically?

"According to budget 2008, in 2007-08 the Ministry of Economic Development and Trade spent \$340 million. That is over \$13 million more than the \$327 million it said it would spend in the 2007 budget, and \$141 million more than it spent in the previous year, a year-on-year increase of 71%. Do you expect the same cost overruns again this year?"

You're spending more and getting less. That's the whole point here. It's tragic. The evidence is clear. I can go on further here:

"Spending in the Ministry of Economic Development and Trade is up \$341 million since 2002-03, or 328%—hemorrhaging, you might say—spending is up \$356 million, or 400%, since 2003-04. Given the current state of the economy, would you say this was money well spent?"

That question is self-evident here. Just the evidence from Murray Campbell this morning is a good example. So the question is—and this is a real question about a sector that's failing in front of your eyes, right in your own riding—what's the plan? What are the guarantees for the taxpayers of Ontario?

There's more here. We're terrified, quite frankly. The economy is going to pull itself into the hole. There's no plan here. It's sort of like a vacuum cleaner out of control, sucking the life out of the economy: manufacturing, forestry, the resource sector and the cost of energy. You have some controls here, but there's no plan. I hear about nothing but trips to various parts of the world, China, so that we can bring in cars that they build over there or something.

That's the question. What's the plan here? Your spending is up; your performance is down.

**Hon. Sandra Pupatello:** How much time do I have?

**The Vice-Chair (Mr. Garfield Dunlop):** You have 14 minutes.

**Hon. Sandra Pupatello:** Number one, I think it's really important to note that Fiat is a great company, not only because of my own Italian roots, but because it has a long history. I'm going to send you a website so that you can have a look at some pretty fabulous cars. I think their production levels are at about 2.5 million, so I would question the veracity of the statements that this member in particular makes with Fiat.

Moreover, the Premier will be travelling to Europe this month, and I wish him well. He always does a great job for us. He's the best salesperson that Ontario has ever had.

I also have to say that it's important, when talking about the budget of MEDT, that we look at it in the context of what the real numbers are for job creation in Ontario. Ontario has now surpassed 458,000 new jobs. Many members of the opposition would like to boast that they're not the right kind of jobs, but I have to ask you—in fact, the ICT sector is growing by leaps and bounds. I walked through the new floors that Silicon Knights has established in downtown St. Catharines. Those young people who work in this sector walk in the door at \$80,000 a year. There is a tremendous boom going on in the ICT sector, and I have great specialists in the MEDT who work very directly with this sector, so that we can engage our policies to help them even more, because the sector is booming.

Likewise in financial services, we are seeing tremendous growth in the financial service sector. We, too, have specialists in our ministry who work very directly with the sector to engage them and engage other ministries to see what more we can do and what policy we can develop and implement that will help their sector grow even further.

The reality is 458,000 new jobs in Ontario. That is a dramatic number. That is like half the size of Mississauga. I'm probably adding a few to the population of Mississauga.

In any event—very specific questions around the budget of MEDT. I think it's noteworthy that when we throw out numbers about how much more MEDT is spending, it is very specifically related to the programs that we are dealing directly with our business partners around. That's it. In fact, our ministry is doing more for less, and that's been the case for the last five years.

We're engaging more sectors with the same level of staff we had in the past. There has been very little change in the administration and administrative costs of the ministry, and in fact, the result of the work done at MEDT has resulted in over 458,000 new jobs.

We have to keep that in mind that Ontario is doing very well on a number of fronts in a number of sectors. We, as the government, are acknowledging the challenges in manufacturing. While we were still in opposition, we acknowledged the challenges that this sector faced back in 2001, and that was specifically related to the rise in the value of the Canadian dollar.

Let's remember, for those of us who have been here for a few years—this particular member and I both started in 1995—these challenges began in about the year 2000, when our Canadian dollar took off, much to the surprise of all the economists who today write their reports. None of them predicted this level. When our manufacturing sector is as integrated as it is with our colleague American jurisdictions, then automatically, every time the dollar goes up, the cost of our product goes up by virtue of the fact that 80% of it is being purchased by our American friends. So naturally, they've had to look at those kinds of cost savings and productivity issues, because year after year, the value of the Canadian dollar went up.

Today, not only are we still facing that challenge, we now have the added challenge of the price for a barrel of oil at an unprecedented level. Again, no economist—all of those who write these reports—ever predicted that we would see the cost of a barrel to be at this level, ever. We knew it was gradually going up, but no one expected the soaring that it's seen, especially in the last 12 months.

In addition to that, because 80% of Ontario product goes to the US, they also did not anticipate a slowdown in the US economy. That, coupled with emerging markets coming on stream to challenge us and be very competitive on some fronts in manufacturing—certainly not on all fronts, because there are things they simply cannot offshore, and that's largely because of the skill set in the workforce here in Ontario.

**0940**

We've seen a number of challenges, all landing at exactly the same time, but some of those challenges were around when our colleagues in opposition were then in government. The response at that time by opposition was, "Step forward, come forward with a plan." But at that time, Minister Flaherty, who is now the Minister of Finance for the nation, turned his back on the manufacturing sector and said that it was all about corporate tax policy. The reality in a manufacturing sector that is being challenged is that they actually would see little profits and absolutely zero advantage to changes to the corporate tax rate. It changes not one bit their financial statement for that year. So when the Canadian manufacturer—the vehicle manufacturers were here just this past week speaking to all parties, as they should. They never once mentioned corporate tax policy in Ontario. Why? Because that is not on their agenda. The reality is

that they are looking for how governments can step forward to help. How can we be certain—

**Mr. John O'Toole:** Thank you for that.

**The Vice-Chair (Mr. Garfield Dunlop):** Excuse me, Minister; one second. Can we get a moment of order: Are you saying—

**Mr. John O'Toole:** I'm very happy. I'll have a copy. Just send me a copy of your briefing book. I have a couple of more questions.

**The Vice-Chair (Mr. Garfield Dunlop):** I think we're trying to get a few questions in here so we can get—

**Hon. Sandra Pupatello:** Just on the matter of the financials: I'd like to turn it over, just for one minute, to my CFO to speak to the specific items that are increased year after year. That would be great.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. We'll do that at the next question, because we've had a seven-minute question and a seven-minute answer. We're going to get a few more of them here, so let's go to the next question. There are only seven minutes left.

**Mr. John O'Toole:** I would say that my response here—and I'm going to flip it over to Mr. Chudleigh, who's the actual critic of your ministry.

**The Vice-Chair (Mr. Garfield Dunlop):** Let's get a question to the minister.

**Mr. John O'Toole:** I'll default to Mr. Chudleigh, because I'm very frustrated. I'm almost in tears.

**Mr. Ted Chudleigh:** Minister, you're aware of treasury board orders?

**Hon. Sandra Pupatello:** I've been a member of treasury board for about five years.

**Mr. Ted Chudleigh:** Good. In 2006-07, the ministry received four ministry board orders totalling \$7.6 million. Could you tell me what happened with that money?

**Hon. Sandra Pupatello:** I'll turn that over to my chief financial officer. If we don't have it today, we'll be happy to get you that information.

**Mr. David Clifford:** We don't have those details with us. I believe those treasury board orders pertain to a number of year-end investments that were made. But we'll get that information back to you.

**Mr. Ted Chudleigh:** There was one on June 15, one on November 16, one on January 29, and one on March 22, 2007, totalling \$7.6 million. The auditor's report indicated that there was only \$1.6 million of that spent. What happened to the other \$6 million?

**Mr. David Clifford:** Unfortunately, we don't have those details with us here, so we'll get back to you with that.

**Mr. Ted Chudleigh:** When would I have that information?

**The Vice-Chair (Mr. Garfield Dunlop):** Could you introduce yourself for Hansard, please?

**Mr. David Clifford:** I'm sorry. David Clifford, chief administrative officer for the ministry.

**The Vice-Chair (Mr. Garfield Dunlop):** Thank you.

**Mr. Ted Chudleigh:** When would I have that information?



**Hon. Sandra Pupatello:** We'll get that to you as soon as we have it.

**Mr. Ted Chudleigh:** What kind of date would that be? Is that next year or this month or next month?

**Mr. David Clifford:** I would think this month would be reasonable, but I'll defer.

**Mr. Ted Chudleigh:** I'd receive that information in the month of May?

**Hon. Sandra Pupatello:** We'll get back to you with that information as well.

**Mr. Ted Chudleigh:** I'm trying to get a timeline on it, Minister.

**Hon. Sandra Pupatello:** We'll get that to you as soon as we can.

**Mr. Ted Chudleigh:** I know. That's kind of like a Liberal promise. I'd like a little more succinct time frame on that.

**Hon. Sandra Pupatello:** We'll get that to you as soon as we can. Thanks.

**Mr. Ted Chudleigh:** By the end of May I'd have that information?

**Hon. Sandra Pupatello:** We'll get that to you as soon as we can.

**Mr. Ted Chudleigh:** I'm interested in whether that \$6 million went into a slush fund somewhere. If you could be a little more succinct as to where that money went, I would appreciate that information.

GM just announced that it had 900 layoffs in Oshawa, and there were 1,200 layoffs in Windsor. Is there any attempt at all to see if we can get some of that \$235-million grant that you gave GM, to recoup any of that money?

**Hon. Sandra Pupatello:** Some of the information that had come out last year indicated that General Motors would be laying off 1,200 people. That was last year. Because of their contractual obligations with the CAW, they're compelled to make announcements of pending layoffs very early on. What happened with that 1,200 notice that went out in one month is that it actually became a layoff of 400. The difference is that the number that's in the public domain and used by opposition members is in fact not the number of layoffs that actually occurred. What happened last week was that General Motors announced 900 layoffs that would be coming into effect this coming September. What I anticipate is that that will not be the final number of layoffs, because none of the OEMs who make announcements of the total number initially, which they're required to do by law—they don't come out with that actual number, so that the numbers are actually—

**Mr. Ted Chudleigh:** I'm sorry, Minister, the question was, was there any attempt to get the money back?

**Hon. Sandra Pupatello:** When they made their announcement last year, automatically our first reaction was to go back to the contract we signed with General Motors.

**Mr. Ted Chudleigh:** Chair, the minister is obviously just killing the clock. She's not answering the questions. The question was—

**Hon. Sandra Pupatello:** So when they made their announcement last year around—

**Mr. Ted Chudleigh:** The question was, was there any attempt to get that money back? That was the question.

**The Vice-Chair (Mr. Garfield Dunlop):** Can you try to answer that particular question, Minister? Thank you.

**Mr. Ted Chudleigh:** A succinct and clear answer would be appreciated.

**Hon. Sandra Pupatello:** When we have announcements of potential layoffs—because that 900 announced last week in fact isn't taking effect, hasn't taken effect and won't until this September, and as was the case with last year's announcement of layoffs, the number isn't the number that is out in the public domain—we automatically go back to our contract to look at what footprint was identified in the contract, and what we knew of, even last year's announcement, keeps that contract whole. Those are the negotiations we have with every OEM when we're signing contracts to be involved with our automotive investment strategy.

**Mr. Ted Chudleigh:** I'll take that as a no. You're not making any attempt whatsoever to get that taxpayers' money back from General Motors in this program, even though they have announced layoffs of over 2,100 people in the last couple of weeks.

**Hon. Sandra Pupatello:** As I've indicated, the numbers that you are putting in the public domain are in fact—

**Mr. Ted Chudleigh:** There is no attempt by this government—none whatsoever—to recover any of that money and there is no attempt by this government—none whatsoever—to look at the program—

**Hon. Sandra Pupatello:** Chair, I'm sure you'll allow me some response time.

**Mr. Ted Chudleigh:** —to look at the contract that they had and to let the taxpayers know how badly they're being treated in this particular instance. Is that correct, Minister? There's absolutely no attempt—

**Hon. Sandra Pupatello:** The numbers that you're choosing to put in the public domain—

**The Vice-Chair (Mr. Garfield Dunlop):** Okay, there's two minutes to respond to this and then we'll go to the third party.

**Hon. Sandra Pupatello:** Yes—are actually inaccurate. The 1,200 that was announced last year in fact became 400 when it actually happened. Likewise, the 900 announced last week won't take effect until this September, so those 900 have not been effected today and we don't know what the ultimate number will be.

What's really important is that as we go forward in negotiations with our assembly partners, we identify what product is affecting what plant and look at the numbers and job numbers around the plants that are being impacted by the investment that the company is making.

To date, with all of our OEMs, all of those contracts are intact. None has had a breach of contract. Every time there is any glimmer of a rumour or a story, the first thing my ministry officials do is go to the drawer, pull out the contract and see that our contracts are left whole, that all

of the activity at the facilities that have been identified by the contract, by the product that is being delivered to that plant or facility—that those job numbers remain intact with the contract that's been signed with the Ontario government.

I think it's fair to say that in an ideal world, we'd want to look at the company's total footprint in Ontario. That is simply not the reality in the automotive sector today. It would be impossible to have a company that would commit to something that happens 500 miles from one of their facilities, because the investment is by facility, so our contracts are actually written by facility.

**The Vice-Chair (Mr. Garfield Dunlop):** That's the time of the official opposition. Now we'll go to the third party. You have 20 minutes.

**Mr. Paul Miller:** Good morning, everyone. For the last two sessions, I've been asking about job creation and/or retention commitments in three ministry-funded projects: the \$235-million Beacon agreement with GM, the \$76.8-million agreement with Chrysler and the \$100-million contribution to Ford's Centennial project. Each time I've asked, you have refused to answer, saying that your ministry does not reveal job commitment retention information to the public.

I have a document which our research staff received through the FOI request which I would be glad to distribute to the other members of this committee. The document details all contracts that were signed under the ministry's main funding programs, including job retention, creation targets and total contract value as of February 8, 2008. The covering letter is signed by an assistant deputy minister, David Clifford. I'd like to go through five of the larger contracts with you, one by one, and you can tell me if the information your officials supplied is correct or not.

According to this document, General Motors' share of the Beacon project is \$175 million, of which just over \$117 million had flowed by last February 8. This document says that they've committed to create 900 jobs. Are these numbers correct and, if so, have the 900 jobs been created?

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**Hon. Sandra Pupatello:** The contract with General Motors, in fact, isn't complete. As this member opposite would know, our commitment, as well as the federal commitment at that time, is that as the companies continue to make investments, that is what kicks in the time frame by which we would make our commitment. So as companies make investments, so too does the Ontario government make a commitment.

If the document that this member is referring to suggests what level it's achieved, that's only because it's always going to be a percentage of what the company is investing. The numbers are also over a period of years, also identified in the contract, so that in fact if the numbers aren't achieved, we aren't at the end of the cycle of the contract either.

**Mr. Paul Miller:** Mr. Chairman, can I interlude—I don't think the minister's answering the question. Were

those 900 jobs retained? It's my understanding that they were not. There are jobs leaving the area all the time.

You don't go over the length of the contract and hope at the end of the contract that they retain the jobs. The jobs are supposed to be there. Even if the place closes, they're supposed to retain jobs in the area, and they're not. That was part of the deal: to retain jobs. You don't wait until they close and leave and say, "Oh, well. We can't control the length of the contract." I'm confused by that answer, so maybe you can help me out.

**The Vice-Chair (Mr. Garfield Dunlop):** Try to be a little bit more specific, Minister.

**Hon. Sandra Pupatello:** The General Motors contract that this member is referring to actually refers to the Oshawa site. At the Oshawa site, there is a contract signed with the Ontario government that extends over a number of years. Just like the AMIS program—also a five-year contract with these companies—we work with the companies to identify what will happen over the life-span of that contract.

This member opposite has identified that the total amount hasn't flowed from the Ontario government. That's because it is constantly mirroring a percentage of what the company itself invests. So as the company invests, so too does the Ontario government, and it will continue to do that until we get to the upper limit of the contract. The numbers that are identified in our negotiation with the company are also numbers that are generated over the length of the contract.

To answer the question is specifically to say that we're in the midst of several contracts with several companies, and that's what we identified. We know that these investments happen over time, and our contract is reflected in that manner.

**Mr. Paul Miller:** Well, I'm not sure, Mr. Chair—

**Hon. Sandra Pupatello:** Perhaps my deputy has something to add here.

**The Vice-Chair (Mr. Garfield Dunlop):** Hold on. I'd like to get a clarification for Mr. Miller.

**Hon. Sandra Pupatello:** Sure, and my deputy would like to add something as well.

**The Vice-Chair (Mr. Garfield Dunlop):** A little bit to be added by the deputy. Thank you.

**Mr. Fareed Amin:** Just to add to what the minister said, for all these contracts, we have very detailed provisions on investment levels and job numbers. As the minister said also, we will continue to monitor those investment levels and job numbers to ensure that the recipient of government assistance does meet all its obligations under the contract. So we're constantly ensuring that the public interest is protected by ensuring that there's accountability for money spent on behalf of government by these organizations.

**Mr. Paul Miller:** Thank you. The minister stated that \$117 million has flowed already. How many jobs have been created as a result of that investment?

**Hon. Sandra Pupatello:** We would have to go back and look at what the numbers would be at this point in time, but again, the job numbers that we work with all of

our OEM partners are extended over the life of the contract. So I wouldn't be in a position to say what percentage of the total and therefore what percentage of jobs. It depends what that investment is for. Some of our investments, for example—

**Mr. Paul Miller:** So we could say that—

**Hon. Sandra Pupatello:** Sorry, if I could just finish.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. Let her finish.

**Hon. Sandra Pupatello:** Thank you. Some of the monies, for example, are targeted directly to training, so that we know the funding is being used for training. That training is going to happen in different segments of time, so that you would have some of the amount go out early—because they've trained, say, one third—and then the next round may not be for another year, or the second year, when that training money would be flowed again because that's when the training actually takes place. So every contract is very different.

**Mr. Paul Miller:** That's sufficient. But we're not talking about training; we're talking about job creation and job losses. As I've stated in the House, you can train as many people as you want, Minister, but if you don't have jobs to go to, that's useless.

According to this document, Ford will receive \$100 million for its Centennial project, of which just over \$90 million had flowed by February 8. This document says that they committed to retaining 4,000 jobs. Are these numbers correct? If so, have the 4,000 jobs been retained?

**Hon. Sandra Pupatello:** This member opposite would know also that the project with Ford has been a tremendous success for Oakville. All of the members from that region would know that the Lincoln MKX and the Edge are doing tremendously well in the marketplace, and it's due in large part to the program that Ford has brought into the Oakville plant. That establishment is doing very well and the sales are doing very well.

The contract with Ford is over a number of years. The government's portion of the investment is made as the Ford company makes—

**Mr. Paul Miller:** Mr. Chairman, the minister is not answering the question. Have they retained the 4,000 jobs, yes or no?

**The Vice-Chair (Mr. Garfield Dunlop):** Try to be a little more specific, Minister.

**Hon. Sandra Pupatello:** Thank you. The number of jobs that we work in negotiation with the company is a commitment that the company makes over the length of the contract. There is not one assembler who has entered into an OASIS contract with us under the automotive investment strategy—not one of those companies is in breach of the contracts that they have signed with the Ontario government.

**Mr. Paul Miller:** Does that include job retention?

**Hon. Sandra Pupatello:** Job retention is a function of the contract signed with the Ontario government, so naturally—

**Mr. Paul Miller:** So that's a yes?

**Hon. Sandra Pupatello:** —not one assembler—

**Mr. Paul Miller:** One job is lost?

**Hon. Sandra Pupatello:** —not one assembler is in breach of the contract. I know that he doesn't like to hear that. He wants to hear the negative, but in fact it is a success story in the Beacon project. The Oakville plant—

**Mr. Paul Miller:** Could we move on, Mr. Chair?

**The Vice-Chair (Mr. Garfield Dunlop):** Let her just finish. Let her wrap up—

**Mr. Paul Miller:** But she still hasn't answered the question.

**The Vice-Chair (Mr. Garfield Dunlop):** Let her just wrap up.

**Mr. Paul Miller:** I've asked how many jobs are lost—

**The Vice-Chair (Mr. Garfield Dunlop):** Mr. Miller, if I could just have her wrap up and then we'll go to your next question.

**Mr. Paul Miller:** Well, if she'd answer the question, Mr. Chair—

**Hon. Sandra Pupatello:** Specifically around the Oakville plant, which I think is the plant that's in question here—

**The Vice-Chair (Mr. Garfield Dunlop):** Job retention—

**Hon. Sandra Pupatello:** —the contract that was struck with Ford around the Oakville facility is going extraordinarily well. Not one assembler signing a contract with the Ontario government is in breach of their contract. That may not be what this particular member wants to hear, but that is the fact.

**The Vice-Chair (Mr. Garfield Dunlop):** The next question, Mr. Miller.

**Mr. Paul Miller:** Thank you. I still haven't got any answers, but anyway. According to this document, DaimlerChrysler will receive \$76.8 million for expansion at the Bramalea and the Windsor project, of which just over \$35 million had flowed by February 8. This document says they committed to retaining 5,200 jobs. I don't know if the 1,400 that were just lost are included in that 5,200. Are these numbers correct, and if so, have the 5,200 jobs been retained in the Bramalea and Windsor areas?

**Hon. Sandra Pupatello:** If I may, the contract signed with Chrysler is going extraordinarily well, and I would hope that this particular member would keep his OEM companies straight when he's discussing numbers in terms of layoffs. A great part of that amount went into the building of a new paint shop. Not only was that great for jobs in the Windsor area, but it was also great for the environment because it's a paint shop that is at the highest level of technology and rolled into—

**Mr. Paul Miller:** Mr. Chair, I'm a little surprised by the minister's comment. These numbers are released by the ministry, by the staff.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. I'll let the minister wrap up there and then we'll get on to your next question.

**Hon. Sandra Pupatello:** Again, the funding that comes from the Minister of Economic Development and

Trade is directly related as a percentage to the company's investment in their facilities identified in the contract. The Chrysler contract is going extraordinarily well. Like the other OEMs that we have signed contracts with, not one of our assemblers is in breach of their contract. Chrysler is doing very well. We just launched the new Challenger in Brampton on Friday. It is going extraordinarily well. They're building 5,000 Challengers, and every single one is sold.

**Mr. Paul Miller:** Mr. Chair, could I get my questions in?

**The Vice-Chair (Mr. Garfield Dunlop):** Okay, Minister, next question.

**Mr. Paul Miller:** The minister keeps saying that everything is going well, but I don't get any answers on retaining jobs or job creation. It's just, "Everything's going well; they're abiding by their contract." I'm not sure if that's the case, because if there are job losses in these specific areas, then they aren't adhering to their agreement.

According to this document, which was released by her ministry, Linamar will receive \$44.5 million from your ministry for expansion at its Guelph facilities, of which just over \$13 million had flowed by February 8. This document says that they committed to creating 3,000 jobs. Are these numbers correct, and if so, is Linamar on target to creating the 3,000 jobs that they promised?

**Hon. Sandra Pupatello:** Linamar.

**Mr. Paul Miller:** Oh, I'm sorry. The pronunciation's a little wrong there.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay, Minister. Is that the question, Mr. Miller?

**Mr. Paul Miller:** Yes, it's the question.

**Hon. Sandra Pupatello:** Linamar is a great Ontario success story. The contract that we've signed with Linamar is going very well. Again, a function of the OASIS program is that the Ontario government makes its investment as the company is making its investment. The length of the contract extends over several years, which allows the company to make their investments year after year. There are job commitments that Linamar has made. Again, Linamar is a major parts supplier and participant in the OASIS program and is doing very well. They are not in breach of their contract, nor do we anticipate that they will be, and that includes Linamar meeting its job targets.

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**The Vice-Chair (Mr. Garfield Dunlop):** Thank you, Minister.

**Mr. Paul Miller:** Okay. I hope the minister will share that information with me; that's good. She wouldn't share the other stuff with me.

According to this document, International Truck/Navistar—I think I pronounced that correctly—will receive \$32 million from your ministry for skills training at Navistar's Chatham facilities, of which just over \$18 million had flowed by last February 8. This document says that they committed to retaining 525 jobs. Are these

numbers correct and, if so, is Navistar on target to retaining their 520 jobs? Or are you going to say that they're doing very well again?

**Hon. Sandra Pupatello:** The contract with Navistar is going very well. As I indicated earlier, the Ontario government makes an investment with the company as the company makes an investment. I think, if you were to contact perhaps the leadership of the CAW, who watch these numbers very carefully, with all of these company questions that you have today, they're very diligent as well. Navistar included in their contract a significant amount of research and design as part of their project, and that also included a number of high-level institutions like the University of Windsor. So there is a huge part of their contract dedicated to the R&D facilities affiliated with the University of Windsor. Again, the University of Windsor is doing very well by way of their R&D. They're the kind of facility that hosts Auto21, which is the national auto research centre for Canada, and Navistar is a huge feather in their cap—

**Mr. Paul Miller:** Thank you, Mr. Chair.

**The Vice-Chair (Mr. Garfield Dunlop):** Are you satisfied with that answer?

**Mr. Paul Miller:** No, I'm not satisfied. I didn't get an answer again. But—

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. We're down to seven minutes, by the way.

**Mr. Paul Miller:** Thank you. By the way, Minister, these aren't "company questions." There should be ministry questions and public questions. They're not my company questions. I should be able to obtain that information.

I asked the minister why she refused to give me these figures when I asked for them in the previous two sessions. Clearly, she is required under the Ontario information and privacy legislation to make this information public, or her officials wouldn't have released it in the first place. According to this document, companies that you signed contracts with have job retention and creation targets. What happens if they don't meet the targets? Is there any obligation on the part of these companies to pay back some or all of the money that you've lent them under these conditions?

**The Vice-Chair (Mr. Garfield Dunlop):** Minister, you've heard the question.

**Hon. Sandra Pupatello:** Thanks. What I recognize in this job is that I'm dealing with companies on a regular basis through any number of the programs that Ontario may have available to assist them. Companies are very reluctant to have their discussion with the government in the public domain. That's just the nature of the business. Much of the work that they're doing, especially when it is around meeting criteria of a government program, is around innovation or new technologies, and these are not things that they would talk about in a public way, mostly because they're in a very competitive environment. A lot of it is proprietary, and they know that when they speak with government officials—with me or with any member of the EDT team—they're talking about very confidential

and secretive information related to their company. So I can tell you that if companies understood that their contract would then become part of the public domain, they simply would not engage the Ontario company in those discussions. We will not have an opportunity to lure them to make those investments in Ontario. I know that, while this particular member hasn't had experience in government, his colleagues have. His colleagues also understand that those who held minister portfolios understood full well the nature of business, that they simply won't engage if they feel that they have to do it in the public domain. Unless we're in a whole different country—

**Mr. Paul Miller:** Mr. Chair, I think she's going off target here. I'd like to begin again before my time is up. I believe it's my time.

As far as ability and experience, Minister, I've been around a long time and I've dealt with unions and companies. So I take offence at that comment that I don't have any experience.

In reference to the minister, I'd like you to answer or—in fact, I don't want you to answer because I'm not getting an answer. I'll ask your deputy. Can the deputy tell me how many jobs have been created by the \$117 million to General Motors as of February 8? How many jobs have been created or lost?

**The Vice-Chair (Mr. Garfield Dunlop):** Deputy, if you could—did you give your name yet? Okay, thank you.

**Mr. Fared Amin:** I can't provide the member at this point with the exact job numbers as of today on these contracts. What I could say, though, is to add to what the minister said, in that we are ensuring that these companies meet their obligations under the investment funds they receive from the government of Ontario. So we will ensure that all these job targets are met, as well as investment targets are met.

The other important consideration is to also reflect on the fact that we co-invest with these companies, so as the companies make their investment, we provide them with our support. We also ensure that even before we meet our obligations, all of the requirements in terms of the audit trail and the money that the company has spent can be validated before we make our co-investment with them.

**Mr. Paul Miller:** So what you're telling me, if I'm not mistaken, is that, yes, the commitments will be filled, the jobs will be retained, and all these incidents that I've—by the way, I have about 40 more promises that I hope are going to be retained. The stats in Ontario aren't portraying what you're saying, so maybe you can clarify it for me with some statistics that you have at your disposal.

I'm really curious—

**The Vice-Chair (Mr. Garfield Dunlop):** You have three minutes for this round.

**Mr. Paul Miller:** In closing, I didn't get an answer other than the fact that the minister keeps telling me that it's confidential and that companies don't like to discuss these things. Well, why did I get it? The freedom of

information—why did your ministry release this information if it's so critical and secretive? Our staff got it.

I think it has nothing to do with competition, as the minister says. I think competition has nothing to do with retaining jobs. Competition is selling your product and cars. Promises to the government or deals they cut with the government are absolutely within the public domain, and they should be made aware of these situations. I am actually disgusted with the answers I've been getting today. I find them evasive, non-committal and out of line.

**The Vice-Chair (Mr. Garfield Dunlop):** You have no further comments?

**Mr. Paul Miller:** I have no further comments.

**Hon. Sandra Pupatello:** Just in response to that, I have to say that what's really important is that this member is actually asking questions and getting information. Unfortunately, it's not the answer he thought he would get. That really is the rub here.

Perhaps he's very uncomfortable understanding that the Ontario government has been very diligent in our work with the private sector. For the first time, after about a 10-year hiatus, the Ontario government chose to reignite its partnership with business in Ontario. The result of that is that while no other jurisdiction was getting investment from the automotive sector, Ontario landed \$7.5 billion worth of investment. As they make their investment, the contract that they've signed with the Ontario government then means our participation is wholly contingent on their making the investment, something that they're not doing in any other jurisdiction to the extent that they're doing in Ontario.

The reality at the end is that Ontario has seen jobs flourishing: 458,000 new jobs. That is a reality. We recognize the challenges that manufacturers face, and all I can say is, where would we be today if we didn't have these companies, these OEMs, five assemblers making \$7.5 billion of investment today? Despite the price of oil, despite the rise of the Canadian dollar, despite the slowing of the market in the US, despite the competition from emerging markets, they're making investments in Ontario at an unprecedented level compared with our competitive jurisdictions. That is a very, very important point to make today: that Ontario has the best to offer in the automotive industry.

**The Vice-Chair (Mr. Garfield Dunlop):** We'll do the government's 20-minute rotation, and we'll wind up the morning session with 12 minutes on the official opposition, okay?

Mr. Delaney, you had some questions.

**Mr. Bob Delaney:** I thought the minister's last response was pretty much where I had intended to start. So, Minister, I'm going to do a little bit of a preamble, and then I want to get into some questions that are basically going to deal with where Ontario is going in the future.

This morning, much of the discussion that we've shared here has been what I would relate to looking forward into the 21st century, while looking backward through the rear-view mirror into the 20th century. Much of the thrust of the conversation I'd like to have with you

is the degree to which we're looking forward into the 21st century at a 21st-century horizon.

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I want to focus on the notion of the name of the ministry itself: the Ministry of Economic Development and Trade. I bring this up because Sunday and yesterday, I attended the Canada-Wide Science Fair competition in Ottawa. In Peel region, I've long been the elected patron saint, I suppose, of the Peel Region Science Fair. It has always been, for me, as somebody with a science background, very exciting to see what some of our young minds are coming up with.

What I saw was the best of the best. They were focused on clean, green, leading-edge and science-based technologies that were very clearly congruent with the direction that our government has been moving Ontario in.

What struck me is that, in comparing our province to our sister province of Alberta—a place where, very much like you, I've travelled very widely. I've lived out west for a number of years. It has always struck me that what petroleum-based products are to resource-rich Alberta, brain-power-based businesses, ideas and concepts are to Ontario. As well, when our best resources in Ontario are found in the brains of our people, not only is that resource completely renewable, in and of itself it's also clean, green and, most importantly, high value.

If one is an existing company—especially around the GTA and especially with my colleagues here from the 905 belt; we have lots of examples of them—the most important natural resource, the most significant raw material needed by those companies is not only found right here in Ontario; it's found between the ears of the people who live in those communities. So part of what we need to do as a government—and I'm sure it's very much congruent with your ministerial mandate—is to ensure that the businesses of tomorrow have what they need to develop the products, create the value, do business, attract people, reach markets, get financing, protect intellectual property and, of course, remain profitable.

In the discussions I've had as I've gone through more businesses than I would care to count, primarily in the western GTA, I've asked people, "What do you need to stay in business? What do you need to keep doing what you're doing, to create value and to remain sustainable and profitable?" I just jotted down a list of some of the points that people have discussed with me over and over again.

In no particular order, people have said, "We need to ensure that our electricity grid is reliable, that it's cost-competitive. We need to know that a utility is a utility." The same is true with natural gas. They also say, "We need to be able to reach our markets." That means that we've got to make sure that our road and rail net is good and that we can get our people, our ideas and our products—if we're in the products business—from where we make it or where we assemble it to where we distribute it or sell it.

People have said, "We have to make sure that our workforce is ready with the skills that we need." Other

concerns they've raised are, "We have to know whether our capital markets are sufficient, so that when we go looking for the money that we need to do business expansion, to revamp our plant and equipment, to be able to look overseas, do we have a partner in our government? Are we able to find the money that we need here in Ontario or, at the very least, here in Canada?"

With regard to their labour force, they say, "Are our streets safe? Are our communities progressive? Is housing available?" It leads me to discussion with you on province-wide infrastructure projects.

Of the businesses that, 30 years from now, when we're looking in the rear-view mirror and we talk about the businesses that were created in the first or second decade of the 21st century and are the leading and driving businesses—every bit as much as we look at, for example, software that was in its infancy two and three decades ago and is now one of the driving forces in today's economy. Could you dwell a little bit on some of the work done within your ministry and in collaboration with other branches of government that deal with taking Ontario's infrastructure, in all of its facets, from where it was a few years ago to where we need it in the next few years?

**The Vice-Chair (Mr. Garfield Dunlop):** Are you looking for a long answer or a short answer, I should ask?

**Mr. Bob Delaney:** It's not a yes-or-no question, Chair.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay, go ahead.

**Hon. Sandra Pupatello:** How much time do I have, Chair?

**The Vice-Chair (Mr. Garfield Dunlop):** It's okay; go ahead, Minister.

**Hon. Sandra Pupatello:** How much time do I have, Chair?

**The Chair (Mr. Garfield Dunlop):** It's different in each party, as you can see. Some people don't mind a long answer.

**Hon. Sandra Pupatello:** Well, I'm always impressed when I listen to this member from Mississauga. He has a very keen interest and great insight in terms of business requirements in this century, because they're very different from the one we left. When we talk about infrastructure, infrastructure today is very different from what the expectations were even 10 years. When you look at Ontario's strengths, and around the Mississauga area at the great strengths of industry there, we're talking about pharma, biotech, ICT, great companies that are coming from abroad and landing in the Mississauga area. Their concept of infrastructure is very different from what we would have talked about even 20 years ago or 10 years ago. So we have to talk about accessibility to broadband and what kind of IT capabilities we have naturally in the supply chain that a great IT company would be working with.

When we're talking about pharma companies—and this member in particular knows this sector very well—

we've got talk about what level of R&D infrastructure exists in Ontario. This year alone, the Ontario government invested \$300 million—just the Ontario government—in R&D. Why does that matter to the people of Mississauga? Because the companies that are based there rely on the level of expertise, and our researchers and scientists, to know that they are the ones coming up with the next generation of that product coming out of a great pharma company in Mississauga.

When we talk infrastructure, we have to expand that conversation to include other than the traditional roads, ports, bridges etc., and I think that's exactly what we're doing. Our colleague over at the Ministry of Agriculture, Food and Rural Affairs has launched very successful programs to assist in rural Ontario infrastructure around broadband opportunities, because while urban centres are finding easy access to this for their citizenry, in fact we still have pockets in rural Ontario where we can't find broadband there for high-speed access to the Internet. This makes a huge difference for our small and medium-sized businesses that are located there. They are overwhelmed with the applications that are being submitted for the available funding out of OMAFRA for these communities to get broadband into their towns. I think it's very telling that we're all understanding that infrastructure, as a definition, has broadened, that every sector has its specific list of infrastructure requirements and that we have to be responsive in that way.

I think what's different today as well is that it comes from different parts of government. Some is federal, some is municipal and some is from the government of Ontario, so it compels us to spend as much time working with our other levels of government to make that infrastructure available. That's where we have to take a moment to talk about the federal role in Ontario. The federal government has abdicated its responsibility in the area of infrastructure. I think they need to come back to the table and realize that the country is only great because the communities that make up this country are doing very well. That means cities like Mississauga have access to the kind of support that Hazel McCallion talks about on a regular basis. She has called on the government, in particular Minister Flaherty, to do his job and be supportive of cities in Ontario.

**Mr. Bob Delaney:** Thank you. I'd like to ask you to put a little bit of perspective on something. In the years in which those of us who are baby boomers grew up, the generation of our parents, the World War II generation, went through a transition in which the economy had to shift from producing products that were intended to sustain a war effort and retooling itself to essentially reinvent North America, in much the same fashion that eastern Asia is looking at right now, in which everybody needed everything right away. In that day, we did so, but not without a certain degree of dislocation.

Now, in this generation, some businesses that had been mainstays in the 20th century find themselves, with the advent of IT-based or computer-based manufacturing, shifting the way in which they do things, such as the

problem in your own city of Windsor in which a transmission plant, through no fault of the workers and none of technology—they were simply making a product that is no longer made. Those workers, as is the case in many other similar plants, face the need for retraining and the need to shift their careers. Many of those people are our generation, our age, and not only are not without education but in many cases have specialties in the trades or advanced university degrees. We have the brain power; we have the natural resource.

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Could you talk a little bit about what the ministry and other ministries are doing to enhance skills training and job services, for example, for laid-off workers and apprentices? And talk to me a little bit about bridge training and other services that help equally skilled new Canadians.

**Hon. Sandra Pupatello:** I think our history on files such as these really has been well regarded by stakeholders that are involved; in particular, stakeholders to the Ministry of Citizenship and Immigration. I think it was really apparent that the former government virtually ignored the needs of immigrants coming to Ontario, especially as they related to their integration in the workforce.

In our first term, the Ministry of Citizenship and Immigration, with Marie Bountrogianni as the minister, launched a number of new programs that enhanced funding for programs like the bridge program that you referenced. What this meant is that we could outreach right away to thousands of people who couldn't get connected with the business sector, who couldn't get the kinds of services they needed, the kind of training they needed, the kind of English training, in some cases, or just workplace training that they needed to be attached to the job market, and that certainly has changed these days. I think we have more to do, because our immigration numbers continue to rise and we're very proud of that fact. It's one of the best selling features that we have as a province, in fact, to boast to people that you can come from anywhere in the world and feel comfortable right here in Ontario. In the GTA, there are some really astounding facts about the numbers of immigrants that come to this region and do extraordinarily well for themselves and for their families.

I think the last budget was very indicative of the kind of impact we intend to have on the workforce, and support for the future workforces of Ontario; that is, with the programs just introduced, like the second career choice coming out of the \$1.5-billion skills-to-jobs action plan that was announced in this last budget. That \$1.5 billion is really meant especially to get to areas where there are struggling sectors right now, where we have someone who may have been on a job in a particular sector for 20 years and, realizing that that job isn't going to be available, thinking, "What else can I do?"

Take the EI rules, which are antiquated and set back in about the 1970s, which don't mirror what life is like today because of the restrictions placed on the training dollars that can be spent on any one individual. Essen-

tially, they use the motto, “The fastest way to a job,” as opposed to, “The best way to the best job.” Taking that skill set and that individual, perhaps it means an entire year at college to finish that degree. Perhaps it means an additional year and a half to finish a university degree or certificate, or to finish up the hours at an apprenticeship. What this second career program is going to mean is enhanced funding to do just that, that a 45-year-old has a very different need in terms of supporting children, having a mortgage, having to travel potentially to finish that education, and actually allowing support in the form of money to get these people back, to have a good choice; not to take the fastest way to a job but to take a little bit of extra time, if required, to gain that balance of a certification or a degree required to move into a really good area of skill that is required in the workplace today. I think that was one of the most innovative items that was part of the last budget.

I have to say that the Premier was very intent to be able to address this. The Premier of Ontario actually walked into one of these job mart areas in his own hometown. He walked through and sat down at the desk and said, “Pretend I’m a 40-year-old. I’ve been working for 20 years. This is what I do. I’m an electrician, but I’ve just lost my job. Tell me how you’re going to help me.” In a very real way, he understood immediately what happened when it meant that we were subjected to EI rules that were based in the 1970s, that just don’t reflect the marketplace today. Because the Premier personally took on that responsibility, he made sure that this budget reflected his own experience, having walked into that employment centre in the Ottawa area.

What we see today is the development of programming that is 21st century, just as this MPP from Mississauga is acknowledging. That’s what we need to be. We need to be looking ahead, or, as the Premier likes to put it, “We’ve got to skate like Wayne Gretzky, to where the puck is going to be doing, not where the puck is this minute.” And that really means very innovative programming coming out of the government of Ontario.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay, Mr. Delaney. You’re down to four minutes, and then we’ll go to the last 12 minutes today.

**Mr. Bob Delaney:** All right. In my last four minutes, I’d like to discuss a little bit about the Next Generation of Jobs Fund. To pick up on a point that the minister made, I can remember some of my uncles talking about some of their frustrations as they took off the uniform in 1945 and faced a situation in which the work rules were basically written in the 1920s and 1930s. The provincial and federal governments of the day had to collaborate to make sure that they accurately reflected what was then the current situation—the late 1940s and the early 1950s—and went forward.

The question to either the minister or to the staff: Could you explain in a little bit of detail how the Next Generation of Jobs Fund works and some of the things that it’s intended to accomplish?

**Hon. Sandra Pupatello:** The Next Generation of Jobs Fund was announced at the GM Oshawa plant. It was part of the Liberal platform going into the last election. At that time, it was announced as a \$650-million fund that would be geared to not just auto manufacturing but even beyond that—addressing other sectors. When we went into the campaign, we went in with our platform document identifying it as a \$1.15-billion fund.

There are some significant things about this fund that are noteworthy:

(1) It’s \$1.15 billion. There is no incentive program that we can find anywhere of this size and stature of \$1.15 billion.

(2) It is the first time, in any jurisdiction that we can find, where our investment fund is tied to a service guarantee by the Ontario government. That means that by the time the application is received in full and it’s a completed application, the Ontario government has 45 days to give the company an answer: yes or no. We’ve specifically done this to address the speed with which some of our companies are forced to make decisions about significant investments. They can’t wait around to hear, “Next year; maybe next year.” Unfortunately, that’s the experience that we’re having right now, that when we hear that the federal government is launching a program, like they did last year, 12 months later we still don’t even have criteria for the program, let alone the opportunity for our Ontario companies to perhaps partake of the program, because they just aren’t moving it out the door.

**The Vice-Chair (Mr. Garfield Dunlop):** You’ve got a minute, Minister.

**Hon. Sandra Pupatello:** Ontario has to be different. Ontario has to be in a position to respond to the challenges businesses face in the speed with which they have to make decisions. It’s a 45-day service guarantee, a \$1.15-billion fund, and it’s also addressing areas other than auto and manufacturing, but also moving into great areas of growth in Ontario like pharma, biotech, ICT and financial services, where we are seeing tremendous job growth today in the Ontario sectors.

**The Vice-Chair (Mr. Garfield Dunlop):** Thank you, Minister. We’ll spend the last 12 minutes with the official opposition and then we’ll adjourn until this afternoon.

**Mr. Ted Chudleigh:** I have a number of questions which I’d like to submit to the ministry for their answers. We’d like those replied to within two weeks, as is required under the rules of this committee.

**The Vice-Chair (Mr. Garfield Dunlop):** Will you be submitting this in a written form as well?

**Mr. Ted Chudleigh:** I can get those to you in a written form this afternoon, if that’s acceptable.

**The Vice-Chair (Mr. Garfield Dunlop):** It might be handy.

**Mr. Ted Chudleigh:** This is under the MEDT program spending under small programs. In 2007-08, you spent \$17.8 million on sales financing support, even though you estimated nothing. What is sales financing support, and could you provide a list of the recipients of



that funding and the purposes for which each of those people received that money?

**Hon. Sandra Pupatello:** I'm going to turn that over to my financial officer.

**Mr. Ted Chudleigh:** These are written questions—

**Hon. Sandra Pupatello:** Pardon me?

**The Vice-Chair (Mr. Garfield Dunlop):** These are just going to be written questions to the ministry. You don't have to answer them right now.

**Mr. Ted Chudleigh:** My second question is—

**The Vice-Chair (Mr. Garfield Dunlop):** You're not looking for an answer right this moment, are you?

**Mr. Ted Chudleigh:** That's correct.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay, thank you.

**Mr. Ted Chudleigh:** My second question is about grants in support of industry development. In 2007-08, you estimated spending of \$100,000 for these grants but then went on to spend \$1.3 million—a 1,300% increase. What happened here, and could you provide a list of who the recipients are of this funding and the purpose for each?

Finally, under your regional and local economic transformation strategy, in 2007-08, you estimated spending of \$2 million on this program—

**Hon. Sandra Pupatello:** Chair, was that the communities in transition program?

**The Vice-Chair (Mr. Garfield Dunlop):** Pardon me?  
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**Mr. Ted Chudleigh:** It was the regional and local economy transformation strategy 2007-08. You estimated spending of \$2 million in this program but went on to spend nearly \$9 million. Why the large discrepancy, and can you provide a list of all recipients of funding and the purpose for each?

**The Vice-Chair (Mr. Garfield Dunlop):** That's the only question. So you're not looking for an answer right now?

**Mr. Ted Chudleigh:** Those would be written questions that I would like answers to.

**The Vice-Chair (Mr. Garfield Dunlop):** Mr. O'Toole, have you got a question?

**Mr. John O'Toole:** Yes. I have a number of specific questions. I just want to continue on the automotive strategy part. With all due respect, it's following up on the meetings that we had. You're probably aware of most of this, but I just want a quick response. I'll try not to get too much babble on my part, provided you don't on your part.

One of the key things we heard was access across the border. The barrier to trade is the border. The Windsor border has been a huge issue. It's your riding; you and Dwight have been up in it to your elbows.

**Hon. Sandra Pupatello:** Sorry, I don't think that first-name basis is appropriate for committee. Chair, could you make a ruling on that?

**The Vice-Chair (Mr. Garfield Dunlop):** Just refer to the two ministers, Mr. O'Toole.

**Mr. John O'Toole:** Pardon me, yes, the two Ministers of Finance and Economic Development, for that area. It has a very high unemployment rate at the border. Can you give me an update at the level of an MPP or a minister on how important that border is, not just to the automotive sector but generally to all sectors, in our trade with the United States? What are the expectations there?

**Hon. Sandra Pupatello:** How much time do I have, Chair?

**The Vice-Chair (Hon. Sandra Pupatello):** We have a total of—are you looking for a long answer, Mr. O'Toole?

**Mr. John O'Toole:** No, just—

**The Vice-Chair (Mr. Garfield Dunlop):** Just give a brief answer, but we have nine minutes left.

**Hon. Sandra Pupatello:** I think it's really important to note that the goods and services that flow out of Ontario as an export jurisdiction total some \$800 million a day. The lion's share, in fact the greatest percentage, comes out of the Windsor-Detroit corridor, and that's a very significant lifeline for the Ontario economy, so much so—and I say this politely—that even the federal government has come to the table to pick up the cost of building the actual bridge infrastructure, in moving towards a third crossing, as well as 50% of the border route that will lead to that next crossing. In Windsor, we realize on a daily basis the importance of the Windsor-Detroit corridor.

But it certainly has been noteworthy that the Canadian Chamber of Commerce, the Ontario Chamber of Commerce, the Canadian Manufacturers and Exporters, all of those who have a hand in the clusters that I referenced earlier—the automotive parts suppliers, for example. It was federal Minister Jim Prentice who actually, as he put it, made like a car part and crossed the border so that he could personally experience the route from the Linamar facility in Guelph all the way across the Windsor corridor to the Detroit side of the border, so he could see everything that was entailed when it came to crossing borders with our products. What it enhanced for him was that it's vitally important that we maintain infrastructure at our borders.

**Mr. John O'Toole:** Okay, that's good. I appreciate that. I just want to get on the record that it's an important link, and you're clearly aware of it, it being in your riding.

**The Vice-Chair (Mr. Garfield Dunlop):** I think you've satisfied that part, Mr. O'Toole.

**Mr. John O'Toole:** Yes, I'm very satisfied in terms—it's taken long enough.

The other question here, raised by the industry, was how to ensure that trade reporting rules don't impede border flow. There's a continuous thickening of the Canada-US border and it may undermine Ontario's efforts. These are the regulatory environment reporting issues. Can you comment briefly on that or are you familiar with that? It was one of the issues raised by the industry itself.

**Hon. Sandra Pupatello:** Yes, and I think it's appropriate that for those kinds of questions, they actually join the government of Ontario in our discussions with the federal government, which is specifically responsible for the crossing of products across borders. We have been imploring the federal government to make sure that we have ease of crossing, both by people and by product. Moreover, the Ontario government has participated, through the embassy work that's being done in Washington—we have our own members of the Ontario government who participate regularly, like Minister Bradley, who have gone to Washington on a regular basis to talk about our border situation, in particular asking that the Americans better enhance the personnel available at the border sites.

In fact, hard infrastructure alone is not going to make our border easier. We are going to have to have that coupled with enhanced personnel and actually have better staffing available at the custom booths, at the very desks where the paperwork is being done. There are a number of IT projects that the federal government has funded over the years that have resulted in some very successful programs like the FAST program and the Nexus program, where people and products are able to cross with relative ease. The only time that that doesn't happen is when (a) you might have a computer glitch, or (b) you've got an overwhelming number at the border at any given time and you don't see that the personnel are sufficient to accommodate that level of traffic on that day.

**Mr. John O'Toole:** Thank you very much, Minister. That gives me a flavour for that.

**The Vice-Chair (Mr. Garfield Dunlop):** We're down to five minutes, folks.

**Mr. John O'Toole:** You spoke of the harmonization, and I probably would support it, both on the regulatory side as well as the harmonization PST/GST argument which was mentioned.

I just want to go back to specific programs here. You keep referring to the whole economy shifting from a manufacturing-based/resource-based economy, as Mr. Delaney says, to the smart side of the economy. That is Ontario's record. When you look at some of these investments—I'm getting here to the AMIS program you've talked about and the IT specifically. Here's some of the background: There was a \$500-million, multi-year repayable loan for companies with large projects—\$25 million minimum—that created at least 100 jobs. The government could cover up to 10% of the project cost, to a maximum of \$10 million. Now that has changed so that the funding goes to projects that must be smaller in size—\$10 million minimum—that create less than 50 jobs instead of 100, and the government will now pick up 30% of the tab. So more money for less jobs. That's kind of troubling.

As I said earlier, you're desperate. It's clear from the AMIS program, changing the rules, and the questions that Mr. Miller asked earlier. When I look at some of the examples—I haven't got a complete list, although the work done through the freedom-of-information request

by the NDP is considerable, and I appreciate that openness by the ministry to answer it. I'm sure some of them will receive some instructions after lunch. How that got out, I have no idea. I've not seen it in some years. Anyway, paying more and getting less on the AMIS fund.

A good example is Diamond Aircraft, \$10 million, in London; FAG Aerospace, \$2 million, in Stratford; Roxul—you mentioned that in one of your remarks—\$10 million, in Milton. You keep referring to the IT sector, and I'd like to hear a little more or get a paper on the strategy, because the IT sector is a phenomenon used worldwide. In fact, I mentioned the work done in *The World is Flat*, which is a huge book. It's all going to Bangalore.

**Hon. Sandra Pupatello:** Bangalore. Sorry, I—

**Mr. John O'Toole:** It's going to India. Pardon my mispronunciation. It's going to India, Russia and China. They're the three emerging economies.

*Interjection.*

**Mr. John O'Toole:** Bob, if you want to get the minister, talk to Sandra, talk to Dwight or somebody.

**The Vice-Chair (Mr. Garfield Dunlop):** Try to use the ministers' names.

**Mr. John O'Toole:** The minister or the Premier; speak to them.

Have you loaned Dell computers any money in any of these programs, AMIS or any other program?

**The Vice-Chair (Mr. Garfield Dunlop):** You just have two minutes.

**Mr. John O'Toole:** Dell just shed 1,000 jobs.

**Hon. Sandra Pupatello:** There are a couple of things that I'd like to clarify for the record. Chair, how much time do I have for the response?

**The Vice-chair (Mr. Garfield Dunlop):** We're just down to two minutes here.

**Hon. Sandra Pupatello:** Just to clarify the record, this member opposite suggested that we're somehow moving away from manufacturing. He made a statement like that. That is not the case at all.

**Mr. John O'Toole:** Okay, that's good.

**Hon. Sandra Pupatello:** In fact, advanced manufacturing is where it's at for Ontario. It's what we excel at and what we should continue to do. I believe it's the crown jewel of our economy.

**Mr. John O'Toole:** What does advanced manufacturing mean? Robotics?

**Hon. Sandra Pupatello:** Advanced manufacturing is essentially low-cost manufacturing that is being moved offshore and has been for the last 20 years. That's not where our skill set is going to be in the future in the area of manufacturing.

**Mr. John O'Toole:** Nanotechnology stuff?

**Hon. Sandra Pupatello:** In fact, manufacturing of an advanced nature—robotics, automation, new technologies, new materials—that's where Ontario excels. That's why our programs—AMIS, which you referenced earlier. In fact, our changes to the thresholds for AMIS were a specific response to the small business requests that were made of us.

**Mr. John O'Toole:** How can you reduce the threshold?

**The Vice-Chair (Mr. Garfield Dunlop):** Let her answer the question.

**Hon. Sandra Pupatello:** They asked us to lower these thresholds because small and medium-sized companies weren't in a position to sign a contract of a value of \$50 million. That wasn't their reality. What we wanted to do was respond to small and medium-sized businesses, something frankly that the Conservative Party purports to support, but it clearly doesn't support initiatives that are actually meant to help small and medium enterprises in Ontario.

**Mr. John O'Toole:** Jim Flaherty's fault? It's somebody else's fault.

**Hon. Sandra Pupatello:** I think it's really important to note that we have a number of flourishing sectors in this province. ICT is absolutely one of them. We are seeing tremendous growth. In meeting with companies about their expansion efforts in Ontario, they tell us very clearly that the number one reason they're expanding in Ontario is because of our workforce. That workforce, whether it's from Dell or others, which has been enhanced by training dollars that the Ontario government has supplied, means that those people are available with a higher skill set than before they had that training. That's important, because we believe that all the people at Dell will be absorbed by a growing ICT sector—a better workforce because the Ontario government comes in to support with great training dollars. Thank you, Chair.

**The Vice-Chair (Mr. Garfield Dunlop):** Thank you very much, Minister, and all the staff this morning. We'll adjourn at this point. When we come back, the official opposition will have eight minutes, and we'll be back here around 4 o'clock this afternoon.

*The committee recessed from 1040 to 1611.*

**The Vice-Chair (Mr. Garfield Dunlop):** Good afternoon, Madam Minister. We'll call the meeting back to order. We're here to resume consideration of the estimates of the Ministry of Economic Development and Trade. There's a total of two hours and five minutes remaining. When the committee was adjourned, the official opposition had eight minutes left in its 20-minute rotation.

I'd like to welcome the minister and everyone back this afternoon and all the ministry staff. Are you ready, Minister, to start taking questions?

**Mr. Ted Chudleigh:** You can start with me, Minister.

**The Vice-Chair (Mr. Garfield Dunlop):** We have eight minutes left with the official opposition—

**Hon. Sandra Pupatello:** Not only am I ready, I'm excited.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. That's good. Mr. Chudleigh, you can ask the first question then.

**Mr. Ted Chudleigh:** Prior to the break, I read out five questions that I'd like the answers to, and if we could add some questions to that, I have five or six more.

My sixth question is: Can you list the programs and institutions that have received funding since 2004 through strategic skills investment and indicate the respective amounts that have flowed to date? How many students have completed programs funded by the SSI, and how do you track graduates to ensure the efficiency of the program?

Question 7: Can you provide a list of all recipients of funding through strategic manufacturing investment and describe the purpose and amounts of each?

Question 8: Can you provide a list of all recipients of funding through the large-scale strategic investment fund and describe the purpose and amounts of each?

Question 9: Can you provide a list of all recipients of funding through the advanced manufacturing investment strategy and describe the purpose and amounts of each?

Question 10: Can you provide a list of projects undertaken through the GO North program since 2004 and indicate the costs of each project?

Question 11: Can you provide a list of advertising or marketing consultants contracted by the ministry for the years 2006-07 and 2007-08 and the projects for which they were hired and the costs of their respective services?

I would submit that list of questions to the—

**Hon. Sandra Pupatello:** I think all of that information we will collect for you because I think all of it is available on our website. All of it has been a function of a press release at some time or another.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay.

**Hon. Sandra Pupatello:** Either he can get it himself from the website or from press releases, or we can collect it for him and turn it over to him.

**The Vice-Chair (Mr. Garfield Dunlop):** If you could collect it for him, I think that's what his request is.

**Mr. Ted Chudleigh:** We've scoured your website. I think we've done a fairly efficient job in looking for those answers, and we've been unable to come up with answers for those questions. If you could supply those to us, we'd be eternally grateful, as the taxpayers of Ontario would be, I'm sure.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay.

Mr. Chudleigh still has the floor.

**Mr. Ted Chudleigh:** Did you have something that's going to bring down the government tomorrow?

**Mr. John O'Toole:** No. My goal here is to bring transparency and openness to the people of Ontario. But the key here is—

**The Vice-Chair (Mr. Garfield Dunlop):** Are you asking a question of the minister?

**Mr. John O'Toole:** Yes, I have a question. It's just a general follow-up to Mr. Chudleigh's line. There was a series of programs in the FOI that Mr. Miller had tabled this morning—and I thank the staff for providing the work. It's very useful and timely. I'm sure you don't think it's timely; it could have been provided tomorrow or the next day when you were done. Maybe you could mention that to staff; maybe you have. But if you could tell us where in those two programs there were commitments to jobs retained or jobs created and where we are

in the programs. I'm finding out today because Ted Arnott mentioned in his statement today that Linamar and Skyjack, one of the companies that was on two of those programs for funding, just laid people off too. The strategy seems to be in serious trouble. So if you could respond in a general sense to the programs, the commitments and an update. That's what Mr. Miller was trying to get to. You'll have to live with your own reports, but I think it would be very forthcoming, given the time, so that we're not left with nothing to go forward and find some—do you follow me on that? We're not trying to trap you here in a meeting. We're just saying that you've committed this amount of money and they're in process. Where are we short in the commitments?

**Hon. Sandra Pupatello:** It's really important to note that the information that was released through the freedom of information, which became a function of the questions that Mr. Miller was asking, all of that information that you received, is available in the public domain. All of that information was a function of a press release that went out etc. So while I recognize that there's a sense that there's some contractual secret information, the truth is that every time an announcement was made, it would say, "This is a number for the creation or retention of this number of jobs." What was supplied today in response to questions that we've had is exactly that information.

**Mr. John O'Toole:** In fairness, though, Minister, I think the point was that when you were first asked, which was last week, you said you couldn't divulge it. That's really the nub of the whole issue here.

**Hon. Sandra Pupatello:** You'll call it that. I will tell you.

**Mr. John O'Toole:** Now you're more than forthright. You're almost making it so plentiful that it's confusing.

**Hon. Sandra Pupatello:** Let me answer that. In fairness, what we've been prepared to say is that everything that is on record today is what was put in there. Information that is not going to be in the public domain—

**Mr. John O'Toole:** So there's something more, then.

**Hon. Sandra Pupatello:** Absolutely, there is.

**Mr. John O'Toole:** You're suggesting now that there's more to it.

**Hon. Sandra Pupatello:** Let me finish my answer.

**Mr. John O'Toole:** This is very important. The margin of difference here—

**Hon. Sandra Pupatello:** Sorry, Chair, if I could: Am I going to finish my response here?

**The Vice-Chair (Mr. Garfield Dunlop):** Mr. O'Toole, if I could have the minister finish her statement, then you can continue. I'm sorry; we're just getting an overlap of conversation here.

**Hon. Sandra Pupatello:** I think I've said a number of times, and I know there are some members who have been a part of a government before where there is a requirement in dealing with the private sector, that we say to them there will be information that will be confidential around the productivity levels, around innovation, around the technologies, the inference that a certain level of

productivity gained by virtue of a technology is going to result in however many person hours at the site etc. We would not release that information in an FOI request, nor has it been. What is out there and what you received is a collection of information that has been a function of our press releases all along, so there's nothing secretive about that. Clearly, the automotive investment strategy is a function of jobs. Given what's happening in the automotive industry around the world, the reality is that Ontario is getting an investment the likes of which no other jurisdiction is receiving.

**Mr. John O'Toole:** No—and I think the dialogue that we're having right now is quite beneficial, because from our perspective—and you've sat here on this side and probably should still be sitting on this side. But you said that you couldn't provide it. What we've got now is almost a plethora, too much, and you're saying it's available in the public domain. The best way to hide something is to put a whole bunch of stuff out there. I'm not saying you are hiding it or putting a lot out there. But to sort it out: The sorting out becomes a new job. There was nothing at once. Now there's too much.

I'm reporting now on a couple of articles in the paper just to bring clarity to this. A good article in the Toronto Star, which is usually quite friendly to the Liberals—we call it the Liberal briefing notes. The auto industry since 2002-03 has shed 36,000 jobs. That's more cars than Fiat will build if they come here. I think it's important, when you look through there, and they break it down here, from when you were elected, and the numbers are kind of positively sloped; in other words, going up. So, hopefully some of the questions that Mr. Chudleigh asked, and some of the suggestions that Mr. Miller will ask about, will show you the way to improving the Ontario economy. What's the best hope in the future, in the near term?  
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**The Vice-Chair (Mr. Garfield Dunlop):** You've got to clean this up in a minute.

**Mr. John O'Toole:** Yes—in the near term. The auto—you've kind of thrown that overboard a bit. What's the near-term hope? What are you hoping for next? What's the next good news announcement?

**Hon. Sandra Pupatello:** Ontario is the best place in the world to make cars. That will always be the case. We are going to continue to fight for every opportunity to bring production of the automobile, its parts, its tool, die and mould sector, to Ontario. That has not changed.

Moreover, we are more aggressive than we've ever been to make sure we are on a full-court press, as you've seen in the various articles that you do read, I see. They've also suggested that that's in fact the case. We are extremely hopeful.

We know this year is going to be a very tough year. It is largely based on US sales faltering. We know that. We also know that all of the analysts on the American side are suggesting that, after 2008, those sales numbers will increase. Ontario needs to be prepared for that.

We need to be prepared with great flex lines, which are now available at both the Oshawa and the Brampton

sites. The flex lines at Chrysler in Windsor, the new paint shop in Windsor—highly efficient, low on emissions. There's virtually zero emissions out of that paint shop. This is the kind of innovation that we are busy having companies invest in.

When those sales start picking up, and they will, Ontario will be ready for that. We will be back in the game again when it comes to our automotive-related manufacturing.

We believe that this would simply not have happened had the Ontario government not come to the table as a partner. Back in 2003, when we became a government, we said, "We will help this product come to Ontario." We know there are tough times, but frankly, when times are tough, that's when you need a partner in the Ontario government.

That's why we are asking for a partner in the federal government. We got it back in 2003, 2004, 2005 and we've lost it since then. We want our federal partner back. We are in the business of making great cars. We will continue to be in that premier position in North America.

**The Vice-Chair (Mr. Garfield Dunlop):** Thank you very much, Minister. On that cycle, we're over to the third party.

**Mr. Lou Rinaldi:** On a point of order, Chair: In light of the time constraints that you've mentioned, and I know we want to finish this up—at least I hope we finish the ministry today—we're prepared to forgo one round of our rotation to make that happen.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. If that's the case, we'll finish up at 6 o'clock, then. Thank you very much for that. Is that okay with the minister and everyone? You're ready to give up that rotation next time around? That will let us finish at—

**Hon. Sandra Pupatello:** Does that give me 20 minutes less to talk about the benefits of investing in Ontario?

**The Vice-Chair (Mr. Garfield Dunlop):** We can bring you back tomorrow, if you want.

**Hon. Sandra Pupatello:** I'm not sure if I'm in favour of that.

**The Vice-Chair (Mr. Garfield Dunlop):** Would you like to come back tomorrow? We'd like to have you and Michael Bryant on the same day.

**Hon. Sandra Pupatello:** Oh, you're going to have a good day on a day like that.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay, thanks very much for that. Now we'll go to the third party.

**Mr. Paul Miller:** Good afternoon. The response that the former speaker got about the availability of information—I would have to question. I firmly believe that the tune has changed since yesterday.

I'd like to return to the five larger contracts that your ministry signed with various auto and truck manufacturers and follow up on a few details we didn't have time to pursue this morning. According to the FOI document, General Motors' share of the Beacon project is

approximately \$175 million, of which just over \$117 million had flowed by last February 8. The FOI documents say they committed to creating 900 jobs.

Here are my questions with respect to this contract. Are there any interim job targets in the Beacon contract for dates before the end of the contract?

**Hon. Sandra Pupatello:** I'm sorry—are there any dates?

**Mr. Paul Miller:** Are there any interim job targets in the Beacon contract for dates before the end of the contract? You told me earlier that this was based on the whole contract and they had to make a commitment by the end of the contract. I'm asking you, if you've given out \$117 million as of February 8—and I don't know how much has been given out since—are there any interim job targets in the Beacon contract? In other words, in the first year or two years, were there supposed to be so many jobs retained?

**Hon. Sandra Pupatello:** The initial discussion with General Motors, I think the number—it actually begins in 2004. There is always a floor that's been identified. All of that has been met by General Motors. It continues to be met by General Motors. As I said earlier, General Motors is not in breach of its contract.

What is important is that, while there's a job number, a global number, as the floor, there are other criteria involved in the formula when we negotiate with General Motors. What's important is that the significant part of the contract is that we chase a product that goes to a specific plant. In addition to that floor, there are other criteria that formulate the whole contract. General Motors is not in breach of any contract.

**Mr. Paul Miller:** So that would be a yes to that question? That's a yes, or a maybe, depending on the other criteria?

**Hon. Sandra Pupatello:** There is a floor of total job numbers that General Motors has not breached.

**Mr. Paul Miller:** So that is a yes or no? Yes or no?

**Hon. Sandra Pupatello:** There's a floor that General Motors has not breached.

**Mr. Paul Miller:** So I'm not getting an answer. Okay.

If they only have to meet their job commitments by the end of the contract, what is the exact start date of the Beacon contract and the exact end date?

**Hon. Sandra Pupatello:** The contract start is in the year 2004, and I believe it ends in 2010 or 2012.

**Mr. Paul Miller:** Thank you. Do you believe that with the 2,000 layoffs announced at Oshawa in the past few months alone, they will meet their job targets?

**Hon. Sandra Pupatello:** Yes. I have every confidence that General Motors will meet—I also have to correct the record.

When General Motors made an announcement of 1,200 layoffs several months ago—they're obligated by their CAW contract to release it months in advance of that actually happening. When it actually transpired, that number was whittled down to 400. That's why I say that the numbers that you continue to accumulate are, in fact, all inaccurate because you go by the number initially

announced, which is not the number that actually transpired. The layoff went from 1,200 down to 400. Likewise, the 900 that was released as information last week for that truck line was 900, as a requirement by their CAW contract for notification early, but doesn't take effect until this coming September, at which time I am hopeful that that number will not be 900 but will be less.

**Mr. Paul Miller:** If they don't hit those targets, is there any mechanism in the contract to claw back part or all the money that has flowed to them?

**Hon. Sandra Pupatello:** Our contract has clawback provisions for all of the assemblers that we've been talking to. They're well aware of clawback provisions; they're well aware of targets that have to be met in the contract.

**Mr. Paul Miller:** Are they being enforced?

**Hon. Sandra Pupatello:** All of our contracts are being enforced. We have a very rigorous audit system that is in place as we continue to pay out our portion of their investment.

**Mr. Paul Miller:** Thank you. According to the FOI document, Ford will receive \$100 million for its Centennial project, of which just over \$90 million had flowed by February 8. The FOI document says that they committed to retaining 4,000 jobs. Once again, are there any interim job targets in the Ford contract for dates before the end of the contract? If yes, what are those dates?

**Hon. Sandra Pupatello:** Ford Motor Co. is meeting all of the qualifiers of the contract that they signed with the Ontario government. Ford is well aware of clawback provisions. They have not required that; they are meeting them. In fact, I know that you are probably very supportive of the announcement that they made recently, which was stepping away from their way-forward plan and reinvesting in Essex engine plant in Windsor—in fact, reopening that plant. It would be a much larger reopening if we had the federal government on board, and we're very hopeful that—

**Mr. Paul Miller:** So Minister, that would be the 300 jobs that you had been talking about earlier in the month. It's my understanding that that plant formerly employed 900, so it would be—

**Hon. Sandra Pupatello:** And was scheduled to close and is now reopened.

**Mr. Paul Miller:** Right, okay.

If they only have to meet their job commitments by the end of the contract, what is the exact start date of the Ford contract and what is the exact end date of their contract?

**Hon. Sandra Pupatello:** I'll get you that information. I'm just going by memory, but it's about 2004 or 2005 and it's going to head out to about 2012.

**Mr. Paul Miller:** Thank you. Do you believe that, once again, the 2,000 layoffs announced by Ford in the past year—that they will meet their job targets?

**Hon. Sandra Pupatello:** I'm very confident that Ford will do very well in their contract with the Ontario government.

**Mr. Paul Miller:** So that's a yes, they will meet their targets?

**Hon. Sandra Pupatello:** I'm confident that they'll meet their targets. In fact, Ford is well aware of any clawback provisions that exist in our contract.

**Mr. Paul Miller:** And once again, if they don't hit those targets, is there any mechanism in the contract to claw back the money that you've given them?

**Hon. Sandra Pupatello:** Just let me be clear. All of our contracts have a clawback provision, and Ford is well aware. As we are doling out the money as they're making investments, there's a very rigorous audit process that confirms all of their investments, which is the only way that they can access our portion of each of their investments. In fact, they're well within their contract, and we anticipate that Ford will do very well in Ontario.

**Mr. Paul Miller:** I wish I could share your optimism. According to the FOI document, DaimlerChrysler will receive \$76.8 million for expansion at their Bramalea and Windsor projects, of which just over \$35 million had flowed by last February. The document says that they committed to retain 5,200 jobs. Are there any interim job targets in the Chrysler contract for dates before the end of the contract?

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**Hon. Sandra Pupatello:** The contracts with all of our assemblers are very similar in nature, in that there would be a general floor that we want them to meet. They select an average over the course of about 10 years. Chrysler is doing very well with their contract with the Ontario government. In fact, they have done some tremendous work to the extent that, as I mentioned, I know you would be very happy to see such a successful launch of the Challenger on Thursday, right here in the Brampton plant, the very one you refer to.

**Mr. Paul Miller:** Do you believe, Minister, that with the 1,000 layoffs announced by Chrysler in the past couple of years, that they will meet their job targets?

**Hon. Sandra Pupatello:** I am very confident that Chrysler is going to do very well in Ontario. I appreciate that it's the opposition's role to continue to hammer on the negativity, but people can do that all by themselves, quite frankly. We need people who represent the government who are prepared to talk about the good things that are going on in the automotive sector. Chrysler Canada is a success story. It has been through trials and tribulations over its decades of existence. Chrysler Canada makes a great car, and we are happy to have partnered with them to do that.

**Mr. Paul Miller:** Through the Chair to the minister, thank you for that lesson, Minister, on my negativity and how I should be more positive and think like you do.

**Hon. Sandra Pupatello:** Thank you.

**Mr. Paul Miller:** Unfortunately, the numbers don't speak for that.

Anyway, according to the document, Linamar—and I hope I said that correctly today—will receive \$44.5 million from your ministry for expansion at its Guelph facilities, of which just over \$13 million has flowed by

February 8. This document says they committed to create 3,000 jobs. Are there any interim job targets in the Linamar contract for dates before the end of the contract?

I hate to reiterate, but it is our job as the opposition to ask these questions, because hundreds of thousands of our constituents rely on these jobs. So we're looking for some commitment from the ministry. We're also looking for commitment from the minister to assure us that the phone calls we've been getting in our constituency offices about job losses and fears out there—Minister, I will not apologize for asking these questions. They're important to the people of Ontario. You may not like to hear it over and over again, but as I pointed out earlier, this information, which I couldn't get before, is very important.

So, could you answer about the Linamar situation?

**Hon. Sandra Pupatello:** Just to be clear, all of this information has been in the public domain.

**Mr. Paul Miller:** Why couldn't I get it?

**Hon. Sandra Pupatello:** I think you're actually my critic. Are you not the economic development critic?

**Mr. Paul Miller:** You don't know that, Minister?

**Hon. Sandra Pupatello:** I'm not sure, actually.

**Mr. Paul Miller:** Yes, I'm your critic.

**Hon. Sandra Pupatello:** In which case, when I was the critic, for far too many years, I have to tell you that it was a role of my office to collect every single thing that came out of the ministry that I was the critic for. There should be a dossier in every AMIS application that has been public, every single OASIS program, because as critic, it would all be there—

**Mr. Paul Miller:** Once again, Mr. Chair, the minister is lecturing me on what I should do in my office.

Why did we have to go through freedom of information to get this information? If it's so readily available, as the minister says—she's indicating that my office and my people aren't doing their job. Thank God they did a good job, Minister, because they got me information that you wouldn't tell me. Thank you very much.

**Hon. Sandra Pupatello:** Actually, the information that you received is from public documents.

**Mr. Paul Miller:** Moving on to the next question, according to the FOI document, International Truck and Navistar will receive \$32 million from your ministry for skills training at Navistar's Chatham facilities, of which just over \$18 million had flowed by February 8. This document says they committed to retaining 525 jobs. Are there any interim job targets in the Navistar contract, once again, for dates before the end of the contract?

**Hon. Sandra Pupatello:** I can tell you, once again, that the information, which is very public in terms of how well that program is going, is readily available to the public. Importantly, the constituents who are worried about these programs want to see their success. So I will be sure to remind people that members of the opposition parties did not support these programs. In fact, they voted against every initiative that we've moved forward that actually landed these jobs in these areas—

**Mr. Paul Miller:** I don't believe that was the question, how our parties voted. The reason our parties voted that way was because it wasn't enough, it was insufficient. That's why they voted against it.

My next question: Minister, as you know, legislative research managed to obtain Statistics Canada labour force survey estimates from October 2003 to March 2008. I want to thank the research staff for their hard work. The data shows the degree to which Ontario has lost manufacturing jobs during the McGuinty Liberal government's time in office. Minister, all but one community listed in that table recorded manufacturing job losses at double-digit per cent levels. You have spoken at this committee for the last couple of days about your successes, but Minister, the numbers speak for themselves.

**Hon. Sandra Pupatello:** I think it's important that the number that this particular member should keep in mind is 458,000, and that is the total net new jobs in the province of Ontario. That's a number we're very proud of. We also recognize the challenges that we face in the manufacturing sector. That's exactly why this government has come out in a very aggressive fashion with programming to specifically address the manufacturing sector, to help it enhance and diversify its customer base, to look how it can be more creative, more flexible, more productive. All of those initiatives were voted against by the opposition parties. So just when—

**Mr. Paul Miller:** Mr. Chairman, once again we're getting off the level of questioning. I appreciate the minister telling me about the 417,000 jobs—

**Hon. Sandra Pupatello:** Fifty-eight thousand.

**Mr. Paul Miller:** Sorry, I stand corrected—458,000 jobs created. Of course, we're not talking about the 230,000 manufacturing jobs lost. The minister isn't saying what types of jobs have been created. A lot of them may be low-paying jobs. I know for a fact that in my city, Minister, there are thousands and thousands of trained people—and you're spending a lot of money training people—thousands of trained craftsmen and tradesmen who can't get work in our steel industry. There has been absolutely nothing created in Hamilton in the way of new manufacturing. We've lost hundreds—hundreds—of plants: small secondary industries and major plants in the Hamilton-Niagara region. So I don't know where these 417,000 jobs come from and the success stories, because it sure isn't west of Burlington.

**The Vice-Chair (Mr. Garfield Dunlop):** You have five more minutes.

**Mr. Paul Miller:** Okay, thank you. My community of Hamilton shed almost one third of its manufacturing workforce, a decrease of 25,000 manufacturing jobs. Oshawa lost 28%, or 10,000 jobs; London, 19%. Minister, what do these numbers say about your record as Minister of Economic Development and Trade?

**Hon. Sandra Pupatello:** I think I have to say again that a very key number that this particular member should know is 3,000: 3,000 is the number of people who are still employed at US Steel, formerly known as Stelco in Hamilton, only because the Ontario government came

forward to save their pension package, and thus the company was allowed to flourish. I have to say that people in Hamilton appreciated the fact that this government would come forward to help. That initiative was voted against by both the Conservative Party and the NDP, something we'll be sure to remind the people in Hamilton when it comes time to do so.

**Mr. Paul Miller:** Mr. Chairman, I'm absolutely delighted that the minister brought up Stelco—right down my alley. Thank you very much. In 1975, we had 13,200 hourly employees at Hilton Works in Hamilton. We have less than 2,000 now. So I don't know what jobs you're talking about.

Saving Stelco? The only thing that saved Stelco was the fact that the government helped out with the pension plan, but it also made it more attractive for the buyers. The buyer was US Steel, which bought it for \$1.2 billion. But Mr. Rodney Mott, CEO, personally walked away with \$68 million in his pocket. So if that's a success story, I'm not quite sure.

In our pension plan in Hilton Works, \$150 million or \$200 million went into our fund only because we were in court for over two years under the CCAA. We had to fight every inch of the way; otherwise our pension would have been in big trouble.

**Hon. Sandra Pupatello:** Mr. Chair, can I give a response to this? I have to say that I think it's important that we always look at what would have been. The reality is, we have Stelco in the form of US Steel in Hamilton, and it simply wouldn't be here today if our government hadn't stepped forward. Opposition parties opposed our manoeuvres, but in fact it's there—

**Mr. Paul Miller:** Actually, Mr. Chair—

**The Vice-Chair (Mr. Garfield Dunlop):** Let her finish, then I'll go right back to you.

**Mr. Paul Miller:** But it's incorrect information.

**Hon. Sandra Pupatello:** —and I think it's important that Hamilton folks know the level of support that the Ontario government has come forward with for the Hamilton region.

**Mr. Paul Miller:** Mr. Chairman, I'd like to—

**The Vice-Chair (Mr. Garfield Dunlop):** Okay.

**Hon. Sandra Pupatello:** Think, in this globalization, of the number of sectors affected in Hamilton, what it would be like if they didn't have a proactive government prepared to invest in Hamilton and that will continue to do so.

**Mr. Paul Miller:** Mr. Chairman—

**The Vice-Chair (Mr. Garfield Dunlop):** Okay, Mr. Miller. Let's bring some order here.

**Mr. Paul Miller:** With all due respect, Mr. Chairman—

**Hon. Sandra Pupatello:** I'm finished.

**Mr. Paul Miller:** —it's incorrect information she's telling.

I'd like to say that there were four companies circling Stelco: Severstal, Mittal, US Steel; all big, huge conglomerates that were circling. So it wasn't just the government that saved Stelco. That company would have

been salvaged and saved; it's just a matter of when and where. It's almost comical that the minister could—an advanced plant like that: We have some of the best Z-line and galvanized lines in the world, and they were not going to let those go under. So let's not talk about steel, because that's the area I know.

Minister, what is so striking about these new job losses is that manufacturing in all parts of Ontario, not just our hometowns, is getting hit. Thunder Bay lost 41% of its manufacturing jobs, Kingston dropped 12%, and Toronto, the city many think of as permanently golden, lost 17%. Minister, in Toronto, that corresponds to 80,000 manufacturing jobs. Do you agree that manufacturing job losses as big as these represent a strategic failure by your ministry?

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**Hon. Sandra Pupatello:** How much time do I have?

**The Vice-Chair (Mr. Garfield Dunlop):** You have about two and a half minutes now to respond to this.

**Hon. Sandra Pupatello:** Thank you. I think it's really important to note the number of initiatives this government has come forward with, especially in these challenging times. Remember that Ontario has not seen a significant lineup of—the price of a barrel of oil hitting \$124; that we have the strongest dollar against the US dollar that we have had in generations, in fact since the 1970s; that we have this faltering US economy, where the lion's share of our exports goes.

Yet, in the face of all this, we have dramatic programs coming from this government in the form of tax policies to help companies and their pocketbook today, through the form of business tax policies, which both opposition parties voted against even though it was cash in hand for companies that so desperately need it. In addition, we have come forward with an advanced manufacturing strategy, a fund that helps our companies move to an advanced level of manufacturing, something the emerging countries aren't in a position to compete against.

We know that's what we have to do—keep ratcheting up the level of manufacturing that we can deliver on in this province, and that's what we're doing—another initiative that both opposition parties voted against. In fact, every mechanism that we've come forward with—

**Mr. Paul Miller:** My last question, Mr. Chairman—can I ask the last question?

**Hon. Sandra Pupatello:** —the Next Generation of Jobs Fund as well, a 15% partnership with these massive investments that line up with manufacturing—

**Mr. Paul Miller:** There goes my time again.

**Hon. Sandra Pupatello:** —as well as our climate change agenda, another initiative that every opposition member voted against.

**The Vice-Chair (Mr. Garfield Dunlop):** The minister will get one last quick question in here.

**Hon. Sandra Pupatello:** Thank you, and I think it's important that we get an opportunity to respond. It's simple inaccuracies—

**The Vice-Chair (Mr. Garfield Dunlop):** I think you said this before.



**Hon. Sandra Pupatello:** —by opposition members.

**Mr. Paul Miller:** Can we get back to the last question now?

**The Vice-Chair (Mr. Garfield Dunlop):** Let's have one quick question and one quick response.

**Mr. Paul Miller:** Maybe the deputy could answer my FOI questions that I asked earlier. I'm sure he kept track of them. Maybe you could help me with some numbers.

**Mr. Fareed Amin:** Can you repeat the question, Mr. Miller?

**Hon. Sandra Pupatello:** How much time is there remaining, Chair?

**The Vice-Chair (Mr. Garfield Dunlop):** We're just down to this response here.

**Mr. Paul Miller:** On General Motors, the questions were the interim job targets and the Beacon contract: How many jobs have been retained during that period, and are there any targets for saving jobs during that period?

**The Vice-Chair (Mr. Garfield Dunlop):** If you can wrap this up in about a minute.

**Mr. Fareed Amin:** As the minister indicated, all our contracts have job targets and investment levels, and we do monitor these on an ongoing basis to make sure the company is meeting all its obligations under the terms and conditions of the contract.

**Mr. Paul Miller:** Are they readily available on the site, like everything else was?

**Mr. Fareed Amin:** The information on—

**Mr. Paul Miller:** On job targets and whether or not they're retaining the jobs.

**Mr. Fareed Amin:** We continue to provide information regarding some of the—we can't, of course, provide all the information that we have in the terms and conditions of the agreement because some of this information is proprietary and some of this information also is commercially sensitive.

**Mr. Paul Miller:** —information on retaining jobs.

**The Vice-Chair (Mr. Garfield Dunlop):** You can on your next rotation, then, Mr. Miller.

**Mr. Paul Miller:** Thank you.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. We'll go to Mr. Chudleigh now. The government has waived their time on this particular round.

**Mr. Ted Chudleigh:** Thank you, Mr. Chair. Minister, in July 2007, workers at Koolatron were laid off despite a \$2.43-million AMIS loan that went through. I think you were at that plant when that money was handed over for the—

**Mr. John O'Toole:** Sure. It was a photo op.

**Mr. Ted Chudleigh:** Excuse me, Mr. O'Toole. Yes, there was a photo op involved. I wonder if you could tell me how much money flowed at the time of that announcement. Did the entire \$2.34 million flow or did some other part of that money flow?

**Hon. Sandra Pupatello:** I'm not aware of that information today, but we'll endeavour to get that for you.

**Mr. Ted Chudleigh:** You were at the photo op, Minister. Do you not remember that?

**Hon. Sandra Pupatello:** Even if we had made the announcement, that meant the clock started and investments started happening. So in fact there likely would have been, by this point, some level flowing, but likewise, it's a five-year program. There's an obligation by the company over the course of five years. So at this moment I can't tell you the status of that particular \$2.5 million, how much went out the door in exchange for what activity on the company's part, but if that information can be made available to you, it will be.

**Mr. Ted Chudleigh:** Did the government recover any of that money? I don't imagine you know that: Any of the money that did flow, did you recover any? The company went bankrupt about two months after you gave them the money. Would there be an opportunity to recover any of those taxpayers' dollars?

**Hon. Sandra Pupatello:** I'm not going to comment on the status of the company today.

**Mr. Ted Chudleigh:** Would you endeavour to get me the information as to whether any of that money was recovered?

**Hon. Sandra Pupatello:** I'm not going to indicate that there is any veracity to what you're saying today regarding the company, and it would be really imprudent of me to make a comment.

**Mr. Ted Chudleigh:** Okay. What other companies or projects that have received AMIS loans have gone bankrupt?

**Hon. Sandra Pupatello:** I'm not aware of any that have.

**Mr. Ted Chudleigh:** Is your deputy aware?

**Mr. Fareed Amin:** I'm not aware of any company that received an AMIS loan and is now bankrupt.

**Mr. Ted Chudleigh:** Can you tell me how much money in the AMIS program has been lost to date?

**Hon. Sandra Pupatello:** There has been no money that's been lost out of the AMIS program.

**Mr. Ted Chudleigh:** I think some was lost to Koolatron, with very poor results. You would disagree with that?

**Hon. Sandra Pupatello:** No, I think that's inaccurate, but again, I don't want to comment because there are some statements that you made today that I don't believe are accurate, so I'm not going to respond to them. Again, I'll try to see what information we can make available to you.

**Mr. Ted Chudleigh:** Thank you. I'd appreciate that.

Let's go to the GO North program. Can you tell me how much funding the GO North program has from your ministry?

**Hon. Sandra Pupatello:** I think it's available on the estimates page that you should have there. Yes, I've got it now. Sorry, what are you asking me regarding GO North?

**Mr. Ted Chudleigh:** How much money is available for funding in this program.

**Hon. Sandra Pupatello:** Just give us a moment to flip to the right tab, and I'll ask my CFO to answer that—David Clifford.

**Mr. David Clifford:** Four point seven million.

**The Vice-Chair (Mr. Garfield Dunlop):** Would you indicate your name, please?

**Mr. David Clifford:** David Clifford.

**Mr. Ted Chudleigh:** I'm sorry, that number was?

**Mr. David Clifford:** The budget for the new year is \$4.7 million.

**Mr. Ted Chudleigh:** Four point seven million?

**Mr. David Clifford:** Correct.

**Mr. Ted Chudleigh:** Thank you. Can you tell me exactly what GO North does or intends to do?

**Hon. Sandra Pupatello:** It builds awareness of investment opportunities and capabilities in northern Ontario, obviously with a mind to attracting investment, via an integrated marketing campaign, lead generation, international representation and sales prospecting. This is an initiative that MEDT, our ministry, works very closely with MNDM on. For example, a number of initiatives would be launched by the Ministry of Northern Development and Mines, and their budget would reflect this. They work very closely with MEDT. They would do joint missions, for example. They would take mining missions to different parts of the world like South America, where 60% of all the mining done in South America is done by Canadian companies, the lion's share of which are from Ontario—a very successful mission led by MEDT staff and MNDM staff. This kind of program, like GO North, is very much a part of building awareness of what is available for companies around the world to come and invest in the north.

**Mr. Ted Chudleigh:** In 2006-07, how much of that budget was spent?

**Hon. Sandra Pupatello:** We can try to get that information. I don't know if that's available, the 2006-07.

**Mr. David Clifford:** We don't have it here with us.

**Hon. Sandra Pupatello:** It wouldn't be part of the estimates tabled today. We can certainly try to get that for you.

**Mr. Ted Chudleigh:** I'd like to know how much of that budget was spent—I believe it was very little—and what happened to the rest of the money that was in that budget. That's the purpose of my question.

**Hon. Sandra Pupatello:** The estimates would reflect the 2007-08 year. We can try to get that data for you. It wouldn't be a function of this year's estimates.

**Mr. Ted Chudleigh:** It's the 2006-07 budget year, when a very low percentage of the budget was spent, and I'd like to know what happened to the rest of the money.

**The Vice-Chair (Mr. Garfield Dunlop):** The 2006-07?

**Mr. Ted Chudleigh:** The 2006-07 budget year, yes.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay.

**Mr. Ted Chudleigh:** What is the process by which ad marketing contracts are tendered in this program?

**Hon. Sandra Pupatello:** In the GO North program?

**Mr. Ted Chudleigh:** Yes.

**Hon. Sandra Pupatello:** I wouldn't know that level of detail, but let me see if I've got somebody here. Bill,

would that be you, or David? David, are you comfortable with that?

**Mr. David Clifford:** We undertake competitive procurement processes at all times unless there are some extenuating circumstances. I can tell you that that's the approach we take to all procurement within the ministry.

**Mr. Ted Chudleigh:** Is there a minimal level of funding that that would attract? If you have a \$1,000 project, it's perhaps not tendered, but is there some level at which tendering begins?

**Mr. David Clifford:** The ministry does have a delegation of authority that sets out approval levels that are required for different levels if a single-source procurement is undertaken. The answer to your question is, yes, there are different approval levels, depending on the size of the procurement.

**Mr. Ted Chudleigh:** Do you know what that level is?

**Mr. David Clifford:** The lowest level is \$25,000.

**Mr. Ted Chudleigh:** Do you monitor this program to see how many jobs have been created in the north since GO North was initiated or as a direct result of this program?

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**Hon. Sandra Pupatello:** We can see what kind of data is available, but that kind of data collection would likely be a function of MNDM more so than MEDT. Just because we work so closely on all these initiatives, it's usually an integrated approach with MNDM, and they have a significant amount of data that will probably get you the info that you want.

**Mr. Ted Chudleigh:** It's a line item in your budget. I would expect that you would have some ability to monitor this program to see if it was being successful or not and as to whether or not there were actual jobs created in the north, which we know for a number of reasons has been decimated, particularly in the forest industry.

As a publicity program which you say includes Web and interactive components—and let me say that we've been on the Web trying to ascertain the activities that go on in this program. GO North is incredibly hard to find on the Internet. Why is this program so invisible? Is it directly marketed to one phase of the industry and not to the public in general? It's very difficult to get any information regarding this program.

**Hon. Sandra Pupatello:** There has been a very much focused approach to some of the marketing campaigns across MEDT, and I think that's really in respect to the way that the marketing world has changed so much over the years. This program in particular has a direct marketing campaign, for example, targeted to site selectors, which is a whole industry out there around the world but a very high-end industry that looks for very specific information on behalf of their clientele on where to invest.

So, in this regard, there's a targeted campaign to 5,300 US site selectors. So that may not be something that you would actually receive as part of the marketing campaign, but it certainly would be something that the site selector organization would get and all of them would get.

In addition, the portal that has been created through Ontario's north web portal is [www.2ontario.com](http://www.2ontario.com). There's a whole bunch of means by which we put out that address, again targeted markets for the express purpose of attracting investors. So whether that's investor-type magazines, site selector organizations or people who are in the business of investing, they would get that information to know where to go via the portal to find information regarding the north.

**Mr. Ted Chudleigh:** Is there a link to the ministry website for that outlet?

**Hon. Sandra Pupatello:** Yes, absolutely.

**Mr. Ted Chudleigh:** Yes, there is? Thank you.

The strategic manufacturing investment program: Can you explain briefly what the strategic manufacturing investment program is?

**Hon. Sandra Pupatello:** Are you asking questions related to GO North?

**Mr. Ted Chudleigh:** No. This is a new program.

**Hon. Sandra Pupatello:** Okay. Just give us a second to find our tabs. Sorry. What are you asking about now?

**Mr. Ted Chudleigh:** The strategic manufacturing investment program. Information on this seems to be fairly scarce as well.

**Hon. Sandra Pupatello:** What would you like to know? If there's information available, we'd be happy to get it to you.

**Mr. Ted Chudleigh:** I understand that this program supports almost exclusively, if not exclusively, Toyota and Honda investments. It's a \$41-million program. I was wondering what the program does and why it's so difficult to find. If the money simply goes to Toyota and Honda, why don't you call it the Toyota-Honda fund?

**Hon. Sandra Pupatello:** Likely if there were other companies involved, we'd extend the title as well, but I will endeavour to get you information about that program.

**Mr. Ted Chudleigh:** Again, on your website it's very difficult to determine as to what this program is, what it does and who it supports.

Again, I would ask you about a program that fits under this same ballpark, the large-scale strategic investment fund. It's a \$5-million fund, and again it's very difficult to determine what it is and who could apply for this money. I'd be very interested as to why these answers aren't public information and why it's not information available on your website. Is there a connector to the website that we don't know about?

**Hon. Sandra Pupatello:** This specific that you're referring to, the large-scale strategic investment fund, is a function of the last government. The Conservative government actually created that fund. When we took office, it was the precursor to the automotive investment strategy, as the line in the budget. So perhaps you could ask one of the former ministers in your government what that large strategic fund was for at that time.

**Mr. Ted Chudleigh:** Minister, with all due respect, this is 2008-09. It's some years past the time when you took office as the government. It's still there. It has a \$5-

million price tag attached to it. It has been there in the intervening years. How has that money been spent, and who does it support?

**Hon. Sandra Pupatello:** I'll try to get you that information, but again, that program was actually created by your government. It was not a program that we created. The program that we created was the next generation of that, which was the automotive investment strategy.

**Mr. Ted Chudleigh:** It's one that you continue to fund, Minister. If you continue to fund it, where does the money go, who can apply for it, and more specifically, why is it not more public in nature?

**Hon. Sandra Pupatello:** We'll get you the information on that fund.

**The Vice-Chair (Mr. Garfield Dunlop):** She'll endeavour to get that information for you, Mr. Chudleigh. Continue.

**Mr. Ted Chudleigh:** A new fund for 2008-09 is the eastern Ontario development fund, of up to \$80 million. I was wondering why the eastern Ontario development fund is not listed as a line vote. Is there something specific about this program that is different than the others?

**Hon. Sandra Pupatello:** We're just turning to the appropriate tab here.

As you know, the eastern Ontario development fund is a brand new fund that is just being launched today. It was a function of our platform in the last election, and now we'll be rolling it out, with all of the criteria being made available to the public so that they can apply.

**Mr. Ted Chudleigh:** There's a budget attached to it of up to \$80 million, and I was wondering why it is not listed as a line vote.

**Hon. Sandra Pupatello:** I think that's a logistics question for the budget. Let me see if David can get you that information.

**Mr. David Clifford:** That money has been placed in our other direct operating expenditures budget as a placeholder until we go to treasury board and get the program formally approved. At that point in time, the money will be placed in the budget where it will be required, and a large part of it will be in a transfer payment line item.

**Mr. Ted Chudleigh:** So it'll come through treasury board?

**Mr. David Clifford:** Correct. The \$5 million that is in our budget currently is not appearing in a transfer payment line yet. When we go to treasury board, the money will be moved, most of it into a transfer payment line item in our estimates.

**Mr. Ted Chudleigh:** Do you have any idea when those applications will begin?

**Hon. Sandra Pupatello:** We're in the process of identifying and preparing the criteria to be made available to the public in eastern Ontario now, so it's winding its way through all of the work for it to be launched. At that point, it will be hitting treasury board so that it'll be moved to the appropriate line.

**Mr. Ted Chudleigh:** I understand that this program is under development and therefore the specifics may not

be available, but do you have some idea of what the priorities of this fund might be?

**Hon. Sandra Pupatello:** For sure, it's going to involve eastern Ontario. It's going to be jobs-related as well. We are trying to make it as open as we can, to be as unrestrictive as we can, yet we know that there are going to be ties to, at least, the generally accepted principles around economic development for communities in those areas. We have had some pretty significant consultation with the wardens of eastern Ontario, with the local reeves and mayors' groups. One of our committee members, Lou Rinaldi, was a significant player. Jean-Marc Lalonde, my PA, who's also here, did broad consultation on the exact criteria.

The city of Ottawa proper would not be included in access to the fund; the rural areas around Ottawa would be. We would be looking for specific partnerships with industry in the applications. There might be an opportunity for consortia to come forward, but every one of them would have to have an industry partner so that we'll be able to identify the specific jobs outcome, based on that application and its implementation.

**The Vice-Chair (Mr. Garfield Dunlop):** You're down to three minutes, Mr. Chudleigh.

**Hon. Sandra Pupatello:** I could have told you a little bit more about the eastern development fund.

**Mr. Ted Chudleigh:** It's all right. I think I've got the gist of where you're going. I can't find any fault with the direction you're going in; let's see how the application is. I may be back next year to find fault.

1700

The procurement process: Obviously, this fund will have some outreach involved in it. Procuring that outreach process may very well involve private sector individuals. Will the same terms and conditions that the ministry generally applies apply to that program as well—there won't be any special circumstances in eastern Ontario? In other words, if a firm applies for the business to promote this and they happen to be located in London or Barrie, would they be considered for promoting this project in eastern Ontario, or would the people who are hired in order to promote this program—subcontractors, if you will—have to come from eastern Ontario as well?

**Hon. Sandra Pupatello:** We won't be hiring people to promote the program; we'll be using the offices of the small-business ministry that are scattered throughout eastern Ontario. In addition, we'll be using staff on the ground in the Ministry of Agriculture, Food and Rural Affairs. In addition, we have ongoing contact with the economic development commissions that are scattered throughout the municipal level in eastern Ontario. They've been involved in the program development. They too will be involved in making sure that their local businesses will have access. We will be having a restriction, for example: A company in southern or western or whatever other part of Ontario that would be considering applying in order to move into eastern Ontario—those types of applications would not be approved.

**Mr. Ted Chudleigh:** So there won't be any independent consultants that will be hired under the auspices of the eastern Ontario development fund; is that correct?

**Hon. Sandra Pupatello:** There will be no promoter or funds used for people specifically to promote the program.

**Mr. Ted Chudleigh:** Thank you, Minister.

**The Vice-Chair (Mr. Garfield Dunlop):** Do you have a quick question?

**Mr. Ted Chudleigh:** I have a quick question. Investment Ontario Inc. is another program that's being launched this year for 2008. I wondered if you have an idea of how many people this new agency is going to employ.

**Hon. Sandra Pupatello:** It's very early stages in the development of this agency, and it would be difficult to say a number at this point.

**Mr. Ted Chudleigh:** Do you have criteria as to how it will be held accountable for its activities to judge as to whether it has been successful or wanting?

**The Vice-Chair (Mr. Garfield Dunlop):** Just clean this question up quickly.

**Hon. Sandra Pupatello:** I beg your pardon?

**Mr. Ted Chudleigh:** Is there a process under which it will be judged as to how its activities take place, as to whether they're successful or not?

**Hon. Sandra Pupatello:** If we use a standard that exists now in EDT, for example, our international offices, with 10 around the world: Our senior economic officers make reports on a regular basis; so do the consultants that we have. It's going to be similar to that process, where there are a number of contacts that need to be made in any given month; they have to report on the number of calls, cold calls, warm calls, calls that result in further activity. They have to meet targets. Those targets are set out by the deputy, and they are compelled to meet those. I anticipate that, as we develop—it's very early days to talk about that level of specificity with the agency—we would be compelling the agency to have that same level of accountability in terms of how they're getting out around the world and selling Ontario and attracting investors.

**Mr. Ted Chudleigh:** Thank you, Minister.

**The Vice-Chair (Mr. Garfield Dunlop):** That concludes the time for the official opposition. We'll be going over next to the NDP, the third party.

**Mr. John O'Toole:** They're not here.

**The Vice-Chair (Mr. Garfield Dunlop):** They'll be right there. He's coming; he's right here.

You're up, Mr. Miller. We're down to one hour, everyone.

**Mr. Paul Miller:** As I stated earlier in my submission, my community of Hamilton shed almost one third of its manufacturing workforce—a decrease of 25,000 manufacturing jobs. Could the minister or the deputy minister tell me how much money they're investing in the steel industry in Hamilton and what partnerships they've struck up with the steel industry? We've talked a lot about the automotive industry, but steel is one of our

major industries in Ontario, and I want to know what kind of partnerships you've struck up. I wasn't able to find anything on the website, so I'm wondering: Is there anything you're doing in the Hamilton-Niagara region to help the steel industry, which is struggling?

**Hon. Sandra Pupatello:** We've got some very exciting projects across Ontario related to the advanced manufacturing investment strategy, for example. The Premier was in Hamilton, I believe it was in September, for the launch of their AMIS application, which involves an enhancement of the pulverization of coal that results in the decreased use of electricity to run their systems. It's better for the environment; it makes the plant more productive and efficient. I believe that that AMIS application was to the tune of some \$10 million on the part of the Ontario government. That leveraged an additional \$90 million being invested by the company.

The good news on that front is that this is a project that went ahead after Dofasco was taken over by a multinational, Arcelor-Mittal. That's really good news. Arcelor-Mittal considers Dofasco as a crown jewel in their fleet of steel production around the world. That bodes very well for the future of Dofasco in Hamilton.

I had an opportunity to meet with the new ownership of Dofasco. They are very, very heartened by the people they have met in Hamilton and the local leadership. They know that the door is open to have conversations with us about further investment. That's what we hope we can do with Dofasco.

With Stelco, as you know, there was a significant partnership between the Ontario government and Stelco in the securing of their pension, which was a \$150-million loan guarantee by the Ontario government back in about 2004-05, I believe. We were very, very happy to see the good relationship that we've managed to garner with US Steel, the new owner of Stelco.

We've had an opportunity to meet with the new ownership of US Steel. We are going to US Steel with an eye to putting in front of them the kinds of opportunities that they'll have to make investments at Stelco. We have talked to them specifically about AMIS, specifically about the Next Generation of Jobs Fund. We're hopeful, because US Steel is looking very keenly and very well on their Hamilton operations—so as a function of where they're going to be in the future, we're very hopeful that we are establishing a very good relationship between the Ontario government and two of our major steel companies in the province.

**Mr. Paul Miller:** My information is not quite as positive as yours about US Steel. There have been rumours that US Steel is thinking of pulling out. So I'm not quite sure who you were talking to, but I must compliment the minister for saying what great leadership we have in Hamilton. Thank you very much; I appreciate that.

I'd like to return to the contract discussion. I'd like to direct these questions to the deputy minister or assistant deputy ministers. The document shows that General Motors' share of the Beacon project is \$175 million, of

which just over \$117 million had flowed by last February. When was the start date of the Beacon contract? When is the end date? I'd like a date, please.

**Mr. Fareed Amin:** I'll have to get back to you, Mr. Miller. The start date of the contract usually begins when we make our first payment, in some cases. So I'll have to get back to you on the exact date. I can't recall exactly the day and the month.

**Mr. Paul Miller:** Okay. Could you tell me whether you expect GM to use the entire remaining \$60 million in this fiscal year?

**Mr. Fareed Amin:** We make our investments with GM and many other companies on a co-investor basis. GM, or the company, makes its investments, we do our due diligence and then we make our investment. Incrementally, our investment is contingent upon GM, and any other companies, making their investments.

**Mr. Paul Miller:** Thank you. Are there any interim job targets in the Beacon contract for dates before the end of the contract? If yes, what are those dates? Do you have those in front of you?

**Mr. Fareed Amin:** I don't have those specific dates in front of me. But just to reiterate what the minister said earlier, all our contracts contain job numbers. Our contracts also contain information on an investment level. We ensure, on an ongoing basis, that the companies comply with the investment target and the job numbers.

**Mr. Paul Miller:** Does the recent announcement of 2,000 layoffs affect in any way the job commitments in the Beacon project?

**Hon. Sandra Pupatello:** That number is inaccurate.

**Mr. Paul Miller:** It's the only number I have in front of me. Whether it's inaccurate or not—

**Hon. Sandra Pupatello:** I have to correct the record. The 1,200 that were announced last year by General Motors became 400. The 900 that were announced last week don't take effect until September, at which time we anticipate it being lower. So we're looking at a maximum of well below 1,500, potentially. They haven't taken effect yet.

**Mr. Paul Miller:** Mr. Chairman, my question was to the deputy. The minister's using up my time again.

**The Vice-Chair (Mr. Garfield Dunlop):** All right, I'll let the deputy—

*Interjection.*

**Mr. Paul Miller:** Let the deputy answer, Minister.

**The Vice-Chair (Mr. Garfield Dunlop):** Deputy, if you have anything more to respond to—

**Hon. Sandra Pupatello:** Maybe you could reiterate that for the record, Deputy.

**1710**

**Mr. Paul Miller:** How often does GM have to report back to the province on its progress in meeting its contractual commitments?

**Mr. Fareed Amin:** We do due diligence on an ongoing basis, but more specifically, every time there is an investment made by GM as part of a contract, we would review that investment so that we could contribute our

share of that investment. There's an ongoing process for monitoring and looking at the contracts.

**Mr. Paul Miller:** If they don't hit those targets, is there any mechanism to claw back the money that you give them?

**Mr. Fareed Amin:** There are provisions in the contract to ensure that the public interest is protected.

**Mr. Paul Miller:** The document shows that Ford will receive \$100 million for its Centennial project, as I stated earlier. Ninety million had flowed out by February 8. When was the start date of the Centennial contract? When is the end date? The same thing—you don't have that information?

**Mr. Fareed Amin:** I don't have the exact month and day, Mr. Miller, but I will endeavour to get that information to you.

**Mr. Paul Miller:** Thank you. Are they going to use the \$10 million in this fiscal year that's left?

**Mr. Fareed Amin:** Again, just to reinforce a point I made earlier, our investment is contingent in many cases on investments made by the company, so they make their investments, we do our due diligence and then we co-invest with them based on the terms and conditions in the contract. From time to time, we may not exactly meet the year-over-year investment level. That's adjusted from time to time based on a company's investment.

**Mr. Paul Miller:** Once again, the same would apply to DaimlerChrysler, which received \$76.8 million for expansion at their Bramalea and Windsor projects. When was the start date of their contract?

**Mr. Fareed Amin:** I'll get you the exact day and month. Some of this information, I should also mention, is subject to any confidentiality that might be in the agreement. I mentioned earlier that some of this information is commercially sensitive, so that's a caveat that I'd like to place before the committee. I will endeavour to get the information, subject to the agreements that we have with the company regarding our contractual obligations to them.

**Mr. Paul Miller:** Okay, thanks. When was the last investment GM made under the contract?

**Hon. Sandra Pupatello:** We can try to get that information for you.

**Mr. Paul Miller:** When does the ministry expect the next investment to be made?

**Mr. Fareed Amin:** On the GM—

**Mr. Paul Miller:** The GM contract.

**Hon. Sandra Pupatello:** What the company does is they make their submissions, where they provide us with invoices that go through our audit process. As the company makes their investments, they're looking for our percentage of that. It's hard to say the time frame, other than the that extent of the contract is about 10 years long. We anticipate that it will be coming in on an ongoing basis.

**Mr. Paul Miller:** Getting back to the steel sector, I guess I could run this question by the minister. A couple of years ago, there was some interest generated in the Hamilton area at Stelco for what they call cogeneration,

which is the use of the coke ovens to create electricity which goes into the grid. The Liberal government of the day, under Mr. Valeri, who was the representative, promised \$35 million to Stelco. When they lost the election, they didn't follow through on their commitment.

Would this government be willing to talk to US Steel about reinstating the financing for the cogeneration project in Hamilton? US Steel is struggling. I don't know what information the minister has had, but I'm getting information back from my hometown that they are struggling and there has been some talk, through good sources, that they may even think of pulling out, which would be devastating for Hamilton, because they just took over, as you know. Would the ministry be interested in talking to them about that kind of thing?

**Hon. Sandra Pupatello:** We wouldn't be in a position to talk about the kinds of conversations we've had with both US Steel and Dofasco. I think historically, when Mr. Valeri would have been in office, there was also a different kind of production going on at both facilities at the time, and some of that has changed. That production is important because of the access to hot steam that would have been previously available and perhaps is less so. That means there's less available for the kind of generation that could be done in a cogeneration facility.

Obviously, we've had conversations with the sector about what we can do that would help them. What I was really pleased to see in the initial conversations we had with the federal government is that they could potentially—while they've talked about some large funds being made available in sort of a global commentary about the climate change agenda, we were hoping that we would get a little more detail so that we could see that. As you mentioned, Mr. Valeri—I don't know if he made a commitment to \$35 million, but if that was the case, that was probably some time ago.

We have followed up with the feds, under Minister Baird, when he arrived at environment, as to whether there would be the opportunity for the federal government to become involved in these kinds of projects, because it does seem to me that they would line up nicely with what the feds have said publicly around their interest in a climate change agenda or a plan.

I just am not in a position to speak about the conversations I've had with the companies.

**Mr. Paul Miller:** Maybe I could help you out, Minister, being from that area.

Actually, there's been no change in the production, as you call it, of steam. That's not the process. The coke ovens create coke. In the process, the stuff that comes off the coke ovens goes to the CBS, central boiler shop. The central boiler shop creates steam in the central boiler shop, which creates—it's still there, still operating. In fact, they're down two boilers from their normal production, because there are coke ovens—they have another permit to build another new coke oven battery in Hamilton, which would facilitate the system to allow cogeneration. They'd probably be able to keep a good portion of the city of Hamilton running and sell extra

electricity to the grid, which would help Ontario with its power problems. In fact, Dofasco has three or four batteries or coke oven production facilities that would probably also be able to go into the grid to sell electricity.

We're always saying we don't have enough electricity. Well, for a good investment, you're going to get years of electricity going to the grid. So you might want to look on that side of economic development for the province.

My next question would be in reference to, as a former speaker mentioned, the forestry sector. I'd like to talk about the town of Kenora. Kenora had two paper mills that were shut down. The biggest employer in Kenora now is the hospital. It's practically a ghost town. The lumber that was formerly sent through the paper mills is now rolling by their houses on trucks to Manitoba and Quebec. For over 100 years, it was one of the best forest baskets in North America. It has some of the best wood in North America. These people are sitting on their porches watching these trucks roll by their front yards on their way to the two provinces on either side of them. Manitoba has not lost one forestry-related job because of their hydro policy, and that ties into economic development as well.

What is your government going to do for Kenora and 11 other communities in northern Ontario that are ghost towns and that were productive for almost 80 to 100 years in the forestry industry? What are you going to do to generate those jobs back and also get our lumber industry back to the level it was pre-McGuinty?

**Hon. Sandra Pupatello:** Chair, I think that's a question that you probably will be referring to the MNDM, or, if it's being called to estimates, they would be submitting the information—because Kenora is a function of the north, out of the Ministry of Northern Development and Mines—via their estimates, as well as the forestry sector, through MNR.

So there are a number of ministries that will be in a very good position to give you a response. I just don't know if that, procedurally, would go through—

**The Vice-Chair (Mr. Garfield Dunlop):** You're saying that's not part of your mandate at all?

**Hon. Sandra Pupatello:** Right.

**Mr. Paul Miller:** So it's not part of economic development. Jobs are not part of that.

**Hon. Sandra Pupatello:** Yes. You should be aware that those are a function of the Ministry of Natural Resources—

**The Vice-Chair (Mr. Garfield Dunlop):** It may not be part of your ministry, but would you like to add anything at this point?

**Hon. Sandra Pupatello:** I think you would make an official request of both the Ministry of Natural Resources, with its oversight of the forestry sector, as well as the Ministry of Northern Development and Mines, which has a huge responsibility over, specifically, the region of Kenora and surrounding area. I'll leave that to you, Chair.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. We'll look into that.

**Mr. Paul Miller:** I have another question for the minister. I guess I've ragged on the car industry quite a bit, and I've touched on the steel industry and a little bit on the forest industry. Let's talk about the production of soaps and detergents.

Procter & Gamble, one of the oldest companies in North America, probably one of the greatest employers of people in North America—steady work, steady employment—after 80 years in Hamilton, pulled out its last function about two years ago from the Hamilton area and moved some of its works to the greater Toronto area. It put hundreds of people out of work in Hamilton.

We were also one of the top factory areas for cans and pop cans—American Can and Continental Can. They're gone. Our latest victim was Canam, which had 600 jobs in the auto parts industry. They've gone back to Germany and pulled out their resources and are selling the land.

**1720**

Minister, I can only say that from my area of the province in the last five to 10 years, we've lost 17,000 middle-income jobs in the Hamilton area. What are you doing in economic development, other than some of the things you've mentioned, which are just band-aid solutions for some of the steel sector—what are you doing in all the other types of industries we've had in Hamilton for the last 20 years? I could go through a list a mile long of companies that have left, but not one major company I know of has come into the Hamilton-Niagara region and employed more than 500 to 1,000 people in the last 15 years. Maybe you could help me.

If I recall, you did mention in one of your exchanges in the House with someone else that there was going to be good news for Hamilton. I sit here today asking the Minister of Economic Development and Trade if she could share some of that good news with the people I represent, because they're devastated. We've lost thousands of jobs.

**Hon. Sandra Pupatello:** How much time do I have, Chair?

**The Vice-Chair (Mr. Garfield Dunlop):** You're only going to have enough time to finish this answer.

**Hon. Sandra Pupatello:** How much time is that, Chair?

**The Vice-Chair (Mr. Garfield Dunlop):** About a minute and a half.

**Hon. Sandra Pupatello:** Thank you. I think it's important that we recognize that Procter & Gamble has a footprint right across Ontario. In fact, they have manufacturing facilities in both Brockville and Belleville.

We are always talking to companies that have an investment in Ontario today about what opportunities there are for expansion. We have the luxury of being able to go to them with some very significant programming to encourage them to invest and do more business in Ontario, and of course we're busy doing that. We speak to the leadership at Procter & Gamble on a regular basis.

I will tell you, when we look at Hamilton, that I think it's important to talk about the success of Hamilton. It's important to note that McMaster is one of the best uni-

versities in North America, and stands head and shoulders above many of its colleague universities across North America. The growth in that sector alone, between the teaching facilities for new doctors that exist in Hamilton, the kinds of research and development that is going on in the Hamilton area—we look at the BioCar or BioAuto, a lot of green—

**Mr. Paul Miller:** Mr. Chair, my last question for the minister—

**Hon. Sandra Pupatello:** Sorry, I thought I had—

**Mr. Paul Miller:** With all due respect, the minister is focusing on education and medicine; she's not focusing on manufacturing and job losses.

**Hon. Sandra Pupatello:** Mr. Chair, I understand that I have a minute and a half. I did ask in advance.

**Mr. Paul Miller:** The people who work in those factories aren't doctors and scientists.

**The Vice-Chair (Mr. Garfield Dunlop):** Mr. Miller, I did give her a minute and a half to respond. We are cleaning this up.

**Hon. Sandra Pupatello:** Thank you. I think it's important—

**Mr. Paul Miller:** With all due respect, she's not answering the question. She's focusing on education and medical.

**Hon. Sandra Pupatello:** This is a significant sector in Hamilton that this local member should be proud of. Research, scientists—this makes up the fabric of the very look of where we want Ontario to go. Hamilton can lead the way, and is, in so many areas. We have teaching centres that are renowned around the globe by virtue of the work they're doing.

Just as it relates to automotive research, for example, there is tremendous work going on at the McMaster site. This is what we need the world to know about. This is a great success, because the Ontario government has invested so heavily in the area of R&D as it relates to Hamilton. When we speak to the leadership out of Hamilton, they're proud of the investments we're making in their city.

**Mr. Paul Miller:** No, they're not.

**The Vice-Chair (Mr. Garfield Dunlop):** Thank you very much, Minister. That concludes the time for the NDP. Now we'll go to Mr. Rinaldi, from the Liberal caucus.

**Mr. John O'Toole:** I thought they gave up their time.

**The Vice-Chair (Mr. Garfield Dunlop):** No, they did the last time.

**Mr. Lou Rinaldi:** Minister, I guess one of the things, as we wrap up the day here—I think we touched a little bit on this before, but I can't stress enough that some communities in particular have been hard hit by some economic slowdowns, as you know; I guess I'm wearing my rural hat.

In rural Ontario, specifically, when there is an economic slowdown in one community, it's certainly widespread among other communities. Can you shed some light on how we're trying to address this through our last budgetary process? We talked about communities in

transition and those types of things. I wonder if you could just shed some more light on that.

**Hon. Sandra Pupatello:** I think that the communities in transition program is a very good place to start, in terms of what we are doing when we recognize the kinds of challenges that exist. If we were to listen just to the opposition benches, they would have us believe that just the implementation of some new corporate tax level is going to solve all the ills of the world. If we were going forward with just tax policy initiatives, we would have had significant challenges across a significant number of sectors in many, many communities across Ontario.

The reality is that we have the investments we've made, and that companies have made, in Ontario because we're able to show them the high-end nature of our education and our workforce, that we have R&D capabilities here, that we are about advanced levels of manufacturing, and that we have an expertise and skill set in Ontario that doesn't exist anywhere else in the world.

When we know we have communities that are more hard hit than others, and that face real challenges because they have, say, less diversity in their manufacturing base, we've reached out to those communities. We've gone to them and said, "We're prepared to help you. Let's develop an economic development plan." Where in the past those communities have had no access to the kind of funding, expertise or consultancy that can lay out the right way to go, we've come forward with our communities in transition program to say, "Here's how we're going to help."

Chatham-Kent may be a great case in point. We work very closely with the economic development commission of Chatham-Kent. It reaches right to the outskirts of Chatham and all the way south to Tilbury, and we've had some great developments as a result.

When we initiated our work in the west, specifically in Alberta, to take our manufacturers to yet a new potential customer, which was the oil and gas sector, while we were there on our mission, we actually found a company in Alberta that could not manufacture what they were looking to do anywhere in Alberta. They simply could not find the space anywhere. There was just no room at the inn.

What we did through that mission was introduce individuals who took the entire production—the entire plant—and moved it from Alberta to Ontario. Where did they land? No better place than Tilbury, Ontario. Today, as you drive up and down the 401, you can see the building—utility poles made out of resin. This company now has contracts around the world, sending utility poles manufactured in Tilbury, Ontario, all over the world.

I think I mentioned at one point that with one of the contracts they landed with a Hawaiian utility company, they were adding the colour brown to the resin to create these great-looking brown utility poles, so that when they arrive in Hawaii and are put along the jungle, they mix in with the coconut trees, which we thought was very clever. It just goes to show you the kind of innovation that exists, even in the making of utility poles. This com-



pany is doing very well. That company, Global Composites, was a successful applicant to the advanced manufacturing investment strategy.

Once again, we stepped up to the plate with a collection of people prepared to make an investment in Chatham-Kent, which we know has faced serious challenges because of the downturn in the US economy and the downturn in US sales in the automotive sector, and we said, “Here’s how we can help,” by way of some creativity in the kinds of trade missions we’re prepared to go on—not just internationally, but here in our own country—and open our manufacturers to other sectors they’ve never addressed before.

I was in Anchor Danly in Windsor not too long ago. If you look at their floor space, you will see that here is the section that deals with all their automotive sector. Then, in that section of their floor space, is a great big bucket for a Swedish company. They produce massive buckets being used in the mining industry. Before they go out the door, they paint them all bright orange, which is the signature colour of this particular company.

It’s a great story, because here’s a company that, years ago, only produced parts for the automotive sector. But they’re so good at what they do that they know they can do more. Anchor Danly has been a proud participant in the activity of the economic development and trade ministry, when we start looking for them and connecting them with new markets—another great success story in Ontario.

Yesterday, I was at Valiant Machine and Tool in Windsor, which has been an established company since 1959. Here is a company that started in a gentleman’s garage—his name is Michael G. Solcz—but over the years has developed into an international company, with plants and facilities in many countries.

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I was very proud to be the one to present him with an award that Boeing had bestowed on this company because now this company is a global supplier, award winner, out of 250 companies around the world—Windsor’s own Valiant, a Boeing award-winning supplier. No one would have thought: Think Windsor, think Valiant, think aerospace. That, in fact, is what’s happening. Why? Because we’re being so aggressive in being able to open the doors for a new customer base using the skill sets that we have in our community and make them applicable to other markets.

We’ve got to play to our strengths, and our strength is in manufacturing. It is in advanced manufacturing. It’s in dreaming about: What kind of products do they want in 10 years and in 20 years? We want them made right here in Ontario.

That leads to the Next Generation of Jobs Fund, which in fact is the mother of all incentive programs. There is not one like it anywhere in the world. It is available to companies that are going to help line up our climate change agenda with our economy. We know that it’s going to be made available to more than just auto, more than just manufacturing—to biotech, to pharma, to ICT;

companies that can bring more investment to Ontario, land more manufacturing, land more jobs, the next generation of jobs. In fact, we are giving them a service guarantee of 45 days. That has never happened in governments before, and that has been very well received by the business community, which is saying, “Finally a government that gets it.” We understand that we have to respond at their business timetable, not take months on end to give them a yes or no. We guarantee that when we receive an application in full, and it’s a completed application, we will have a turnaround time to a decision, yes or no, in 45 working days. People are responding very well to that.

You can see that we have a five-point economic plan across the government; our skills and development fund announced in the last budget of \$1.5 billion; that we have partnerships with business directly through better thresholds for small business to be able to access the advanced manufacturing investment strategy and the Next Generation of Jobs Fund; that we have an education system where we’re prepared to bolster funding for training. That \$1.5 billion in skills development, for example, will allow us to work with communities where there are challenges, where there are people with a tremendous history in the workplace but just don’t have that job available. The old EI rules, whereby they would have been able to access training dollars in the past, aren’t available to them because the rules don’t work in this generation. Those were rules built, say, in the 1970s that just don’t work anymore. We have 45- or 50-year-olds with children at home not in a position to move necessarily or be mobile. They perhaps have to go back to school for an additional year or year and a half to bolster that apprenticeship when they almost have all the hours available to get their full accreditation.

This is that second-career program that will be built out of that \$1.5 billion announced in the last budget, specifically because the Premier understands where the gap is in our workforce and their skills set today, what kinds of jobs will be available in the future, and where is that gap in training. This is a significant investment that our government is prepared to make to help people transition, in many cases in their communities, to the jobs of the future. We’re working very diligently in collaboration with our Minister of Training, Colleges and Universities to make that program available so that it will work.

**Mr. Lou Rinaldi:** Thank you, Minister. I guess, as we wind down here, we’ve been hearing, and I want to just talk about, the greater strategy that our government and you under your ministry certainly have taken a lead role in. If you tend to listen to the opposition that we have no plan in place to move forward, it seems that if we cut taxes, in one sense it fixes all the problems of the world, and just next to them we need to spend more. I’m not sure where, but they keep on saying we need to spend more.

Can you summarize—I know we talk about our five-point plan—and maybe explain a little bit more, really, what our five-point plan is going to get us to tomorrow?

**Hon. Sandra Pupatello:** I mentioned a couple specifically of the five-point plan, but I can go further, certainly. There are lots of opportunities to lower business costs, for example. I mentioned that in our fall economic statement, our finance minister, Dwight Duncan, was very successful in taking direct measures to assist companies, which would affect them today, not corporate tax cuts. These same challenged companies are not facing an environment where they're making profits. They would never have benefited from a corporate tax cut because you need to be making the profit to pay the tax. That clearly made no sense; but rather, looking at how we can be effective today, in the actual cash flow issues they're dealing with.

That's why the announcement by the finance minister and the elimination of the capital tax—then seeing it appear in this year's budget retroactive to the beginning of January of 2007—just meant that not only were they going to get the break this year, we were going all the way back to the year before; so that these companies would be in position for a refund from the Ontario government, which was very well received by the sector.

I have to say that organizations like the Automotive Parts Manufacturers' Association, the Canadian Vehicle Manufacturers' Association and the tool/die/mould industry were actively watching our budget process to see how we were going to step forward to help. We had a tremendously positive response from the initiatives that came forward.

In addition, we're looking at areas like investing in infrastructure for a stronger Ontario. This brings us to the point of infrastructure that needs to be available at a provincial level and a municipal level. We saw this past budget add \$1 billion to municipal infrastructure. Then, several days out, an additional \$450 million was added to the MIII program, the municipal infrastructure investment fund. That added an additional \$450 million. It was extraordinarily well received by our municipalities, which finally, after years and years of hiatus by governments of the past, understood that they had a real partner in this government.

I had an opportunity last evening to speak to the urban symposium of the large cities. That convention was being held in Windsor. I had a very warm reception by these city representatives, who said, "Finally, a government that gets it." They could feel the difference. They understood that we had begun the uploading from the devastating downloading that was perpetrated by the former government which just continues to eat away at the very sustainability of our municipal level. Finally, not only could they see where the uploading was going to go in the future and actually plan for that; they could see us coming forward with cold, hard cash related to transportation and upgrading of their roads. Again, we had a decade of hiatus of support from the provincial level of government that left bridges crumbling, roads crumbling. In fact, we've realized, as a government, we need to partner with our municipal partners. We believe that we've had just a great relationship. The Minister of Municipal

Affairs and Housing, Minister Watson, is in Windsor today, again reemphasizing that relationship with our municipalities.

**Mr. Lou Rinaldi:** Thank you. How much time do we have left?

**The Vice-Chair (Mr. Garfield Dunlop):** You've got—just a second here, Lou—about five minutes.

**Mr. Lou Rinaldi:** Thank you. Minister, I know that we're making some huge strides as we try to help our economy, which is facing some challenges right now; I know that you and the Premier have, a number of times, reiterated that if the federal government will only help us out a little bit. I know that you had some discussion with the Minister of Finance, directly or indirectly, maybe. I just wanted to get your thoughts. If the federal government were to come to the table in this province, how much further could we go? I know it's probably a tough question, but I'm sure you can give it a good stab.

**The Vice-Chair (Mr. Garfield Dunlop):** Do you think she has an answer to that?

**Mr. Lou Rinaldi:** I'm sure she has.

**The Vice-Chair (Mr. Garfield Dunlop):** Go ahead.

**Hon. Sandra Pupatello:** I think it's noteworthy that the best predictor of future behaviour is, in fact, past behaviour. So when we look at the days when the federal government came on board—and I have to say that even in those days it wasn't easy to do. We had to make a significant case for why the federal government should be as interested in Ontario and its major sectors, like automotive, as they are with Quebec's major industry, like aerospace. It seemed always to be a far easier statement for them to make, to be supportive of Quebec.

For whatever reason, this current government feels almost embarrassed to say that they should be supportive of their own economic engine and powerhouse of the nation, in saying that they would be supportive of Ontario. But we know that historically, when we were able to have significant programs that meant massive investment by our automotive assemblers, we could do that because we were able to bring the federal government to the table.

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These days, the federal finance minister has made statements that, frankly, his own party, his own constituents, his own business community, find absolutely appalling. I know this because they've told me this. We were aghast to understand that a finance minister who actually hails from an automotive jurisdiction—from Oshawa, right in GM's backyard—would dare say things like, "Tell people about not investing in Ontario." It's behaviour that simply doesn't become a minister of the crown, let alone one who hails from Ontario. So everybody was pretty horrified to see that. The business community reacted very strongly as well. I think it was just a matter of time before that response started to filter up to Ottawa and somebody finally got the duct tape out and he stopped behaving in this manner.

Having said that, all the while we have established a very good working relationship with the Minister of

Industry. The Minister of Industry, who comes from Alberta, I have found to be just tremendous to work with. He has taken the time to get to know our manufacturing sector. Think about it: He comes from a community where the two largest sectors in Alberta are the oil and gas sector and financial services. Those two sectors combined in Alberta are the same size by GDP of Ontario's manufacturing sector.

**The Vice-Chair (Mr. Garfield Dunlop):** One minute left, Minister.

**Hon. Sandra Pupatello:** Let me say that again.

**The Vice-Chair (Mr. Garfield Dunlop):** One minute.

**Hon. Sandra Pupatello:** Thank you. All of the oil and gas in Alberta and all of the financial services—which is very large in Alberta as well—combined are the size of by GDP output of Ontario's manufacturing sector, and yet this federal Minister Prentice has come to Ontario repeatedly, has become engaged in the sector, sits with us at the Canadian automotive partnership table, and he gets it. Despite Jim Flaherty's view that Ontario isn't important to the nation, he—Prentice—has stepped forward. I believe he will be able to deliver—albeit a much smaller plan for the automotive sector; it deserves at least four times the size of what he's offering—for Ontario, a minister who hails from Alberta, where the minister who hailed from Ontario has failed us so badly.

**The Vice-Chair (Mr. Garfield Dunlop):** That concludes your time for the Liberals.

To finish up this afternoon, we have about three minutes for each caucus, beginning with Mr. O'Toole, then to Mr. Miller and then to the government caucus and then we have a couple of votes after. So you've got about three minutes, Mr. O'Toole.

**Mr. John O'Toole:** Thank you, Chair. I think the NDP have volunteered to give me their time.

The first thing I want to do is thank you, Minister. You have been evasive, but you've been here and I commend you for that. I want to commend your staff. Your deputy, Mr. Amin, thank you very much; and Mr. Clifford and Mr. Seguin. Mr. Seguin has been here for a number of years, longer than most of us, and can shepherd this thing along. I'm sure he has been helpful with the minister to the extent possible. None of these, from any side, are directed at the staff because often you're working under faulty leadership, whatever party happens to be there.

**Hon. Sandra Pupatello:** Did you say "quality"? Did he say "quality"?

**Mr. John O'Toole:** But that last comment from the minister was uncalled for, that slam against Minister Flaherty, the Minister of Finance for Canada. He got it right. The competitiveness report said exactly the same thing as Minister Flaherty. We've cited that several times. We've talked about that, the Roger Martin report, the million-dollar-man report. We've talked about public affairs and your trips to China, France, the fancy places you like to go and shop and things. But the increased spending in the ministry under programs—

**Hon. Sandra Pupatello:** Chair, that's really inappropriate. It's also inaccurate, but I think it's inappropriate.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. Continue on and don't refer to her shopping.

**Mr. John O'Toole:** No, but your trips are important as long as you're taking the right staff—

**Hon. Sandra Pupatello:** It's silly to suggest that a minister spends time shopping on a trip. That's not fair, John. I'm being very fair with you, and I think that's inappropriate discussion for this table.

**Mr. John O'Toole:** In all fairness, Minister, it was meant as a light-hearted comment in my summation.

**Hon. Sandra Pupatello:** But it's also on record here, so joking aside—

**Mr. John O'Toole:** I'm suspicious now that you're offended by it.

**Hon. Sandra Pupatello:** I am.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. Try to clean up in the next couple of minutes here, Mr. O'Toole.

**Mr. John O'Toole:** The other programs—the OAIS program, the Ontario auto investment strategy. We've talked about the Next Generation of Jobs Fund, which is part of the vote on 902 today. We've talked very little about the biopharm investment program, BIP, a very important strategy program—I'm not sure, there—and the strategic opportunities program, SOP. We've talked about a number of programs, but I think the most revealing part of the inquiry here, if you will, is the freedom of information disclosure. That really has been a barn-burner. The story today by Murray Campbell and the Star on some of the strategies: I think that the—

**The Vice-Chair (Mr. Garfield Dunlop):** Can you sum it up now, please, Mr. O'Toole?

**Mr. John O'Toole:** Yes. As I said, I'm trying to sum up in a positive vein here, and I'm looking for words. "Thank you" would be two, and others would be that I look forward to further questions in the Legislature.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay. That's great, then. Thank you very much, Mr. O'Toole. Mr. Miller, you've got three minutes.

**Mr. Paul Miller:** I can say that this was quite an eventful time for me in my first estimates committee meeting. I'd like to think it was very enlightening. If I had gotten some answers, it might have been more enlightening. But to put that aside, I'd like to thank the staff of the ministry for being patient and putting up with the little arguments that went on. To the other members, thank you for your tolerance. Mr. Chairman, you did a fine job; Mr. Hudak did a fine job.

Putting that all aside, I would just like to finish by saying that we're very proud of McMaster University and we're very proud of our medical facilities in the Hamilton area. The research is world-renowned; our scientists are world-renowned. We're extremely proud. More money that the government can put into those facilities will make me a very happy person.

However, thousands and thousands of John Does who live in Hamilton, who aren't scientists, aren't doctors and

aren't teachers don't have a very bright future, and I would be more than happy to take this minister through some of the areas. Eighteen per cent of the people in my community are living below the poverty level. We have parents with college degrees working in Tim Hortons and McDonald's, working at three jobs, and mothers having to work at two jobs while grandmother watches the kids, because they can't get a decent, middle-class-paying job in the Hamilton area.

I'd like to reiterate that we've lost thousands and thousands of jobs. I'm hoping that this minister and this ministry are going to take a harder look at the Hamilton area, are going to do something constructive in Hamilton besides the university facilities—the university facilities don't employ people on the street. We've got tons and tons of job requirements in that city, and we have very experienced tradespeople.

Minister, you said earlier in our little committee that you felt I might have been a little inexperienced. I personally have two trades and I'm probably older than you, Minister, so I've been around. I was really offended by the minister getting personal. She blames Mr. O'Toole for getting personal, and she did it several times. I hope in the future that these committee meetings can be a little more civilized.

**The Vice-Chair (Mr. Garfield Dunlop):** Well, good luck on that. I thought it had been fairly good today.

The government has three minutes to wrap up.

**Mr. Lou Rinaldi:** Thank you, Chair.

**Hon. Sandra Pupatello:** Just leave one.

**Mr. Lou Rinaldi:** Sure. I'm only going to take one minute.

Vice-Chair and Chair, Mr. Hudak: Thank you for doing a great job. Thank you to the minister and staff. For me, this was my first experience as well, and I really want to congratulate the ministry, both from the minister's standpoint and the ministry staff's, for the great job they do for the people of Ontario.

I relinquish my minute to you.

**Hon. Sandra Pupatello:** I think it is important to note that this is a good opportunity for the people of Ontario to see the tremendous amount of work that goes on, often unnoticed, by the Ministry of Economic Development of Trade.

In reference to some of the comments made, I specifically referred to the member's experience as part of the government. That's important because I believe that Ontario had a great Minister of Economic Development in Frances Lankin. She has gone on to do great things now outside of the Legislature. But it's true: There is just a different perspective that's brought to bear when

members in opposition have been in government, because they understand the inner workings of government.

It's especially important to get an opportunity to say that we are so much more active than what the opposition parties would have people believe, that we have been out there like a web across a multitude of sectors. Yes, we know where the challenges are, and that's why we respond to them, and when we identify challenges in various sectors, we expect the opposition parties to support us. The initiatives that come forward through these estimates tabled today that show clear support for sectors that are facing world challenges—we want those MPPs to put their money where their mouths are and support them when they come to a vote in the Legislature as well.

We do want to say that the number of net new jobs in Ontario—458,000 new jobs. And it's not fair to characterize these jobs as not good jobs. When these guys start working at Silicon Knights in St. Catharines, they're walking into an \$80,000-a-year job. That's the digital gaming sector as a sub-sector of ICT. That is happening in Ontario today, and it is a great story that needs to be told.

In addition, our financial services are booming in Ontario. It's the third largest in Ontario. ICT—the third largest in Ontario, with one of the best stock exchanges anywhere in the globe. Our banking systems here in the city of Toronto are the top 10 of world banking systems.

These are things that we have to be proud of. I expect that the opposition will set partisanship aside when it comes to selling Ontario. That's the job of the Ontario government, and we want the opposition parties on board. We have the best story to tell about why people need to invest in Ontario to bring great jobs and a great future to this province.

**The Vice-Chair (Mr. Garfield Dunlop):** Thank you very much, Minister. Thank you to all the members today. We do have four votes here, if I could ask you to just carry on for a couple of moments.

Shall vote 901 carry? All in favour? Opposed? That carries.

Shall vote 902 carry? That carries.

Shall the estimates of the Ministry of Economic Development and Trade carry? That's carried.

Shall I report the estimates of the Ministry of Economic Development and Trade to the House? Carried.

Thank you very much, everyone. Thank you to the minister and to ministry staff. We're adjourned until tomorrow at 4 o'clock with the Ministry of Aboriginal Affairs.

*The committee adjourned at 1751.*







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