



**Legislative Assembly
of Ontario**

First Session, 37th Parliament

**Assemblée législative
de l'Ontario**

Première session, 37^e législature

**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Monday 15 November 1999

Lundi 15 novembre 1999

Speaker
Honourable Gary Carr

Président
L'honorable Gary Carr

Clerk
Claude L. DesRosiers

Greffier
Claude L. DesRosiers

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY
OF ONTARIO

Monday 15 November 1999

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

Lundi 15 novembre 1999

The House met at 1848.

ORDERS OF THE DAY

TAXPAYER PROTECTION
AND BALANCED BUDGET ACT, 1999
LOI DE 1999
SUR LA PROTECTION DES
CONTRIBUABLES
ET L'ÉQUILIBRE BUDGÉTAIRE

Resuming the debate adjourned on November 4, 1999, on the motion for second reading of Bill 7, An Act to protect taxpayers against tax increases, to establish a process requiring voter approval for proposed tax increases and to ensure that the Provincial Budget is a balanced budget / *Projet de loi 7, Loi protégeant les contribuables des augmentations d'impôt, établissant un processus d'approbation des projets d'augmentation d'impôt par les électeurs et garantissant l'équilibre du budget provincial.*

Mr John Hastings (Etobicoke North): I'm very happy to continue with our presentation of the week before last dealing with this very essential taxpayer protection and balanced budget bill.

We were talking back then and the opposition members had entered the debate regarding this particular bill being—I believe the member for Beaches-Woodbine referred to it as “smoke and mirrors” and “another one of the sham bills.” We've heard that kind of expression of criticism from members opposite.

But when we look at the members of the official opposition, this is a party that is supposedly going to support this legislation, in the sense that they understand the concept at least because they see the trend that has occurred over the last 40 to 50 years in this country, and that is essentially that taxpayers are really tired of footing the bill and not getting fundamental value for what they pay for.

There is no doubt that if you look at the record of provinces in this country, the federal government itself, prior to the last few years, and particularly since Paul Martin, their finance guy in Ottawa, got the idea that we should run to balance the budget—up to that point in time, Ontario had been a leading exponent of high deficits and even higher debt. We had run it up to at least \$100 billion by 1995.

Earlier, some provinces, Saskatchewan in particular, had started to see the light of day about 1993, when they started to balance their budget. But the member for Hamilton West the other day, in this particular presentation, mentioned that Saskatchewan was a leading agent in balancing the budget. That's true, but do you know how they did it? By again raising taxes at about every level. That was the secret way in which they balanced the budget. So if you look at Saskatchewan's record of corporate income tax and personal income tax in the mid- to early 1990s, they had one of the highest tax rates.

What was the effect of that? All you have to do, since they believe Statistics Canada is a very viable agency of record, is look at their outflow of Saskatchewanites to Alberta, Manitoba or British Columbia. They were losing population back in those days. That has changed slightly, but the real fact is that the deficits of the previous PC government had contributed to their taking action. But their form of action, unlike ours, was to raise taxes.

That's the nub and core of the problem for the opposition members in both parties, particularly the NDP, because they are really believers—at least I have great respect in that regard—of higher spending, higher taxes. If you have a problem, all you have to do is increase those taxes. The record shows it, particularly when they gained government in 1990-91. What did they do? They explained their circumstances, that they were in an economic recession. There's no doubt that's true, but if you look at the record of the previous governments across the world that had looked at the economic thinking of those days, when you increase your taxes, at whatever level—and I don't care, whatever level of income tax they are paying, the marginal rate—you are going to drive those people to other, lower-tax jurisdictions.

More proof of that couldn't be found than with the member for Scarborough-Agincourt, the finance critic for the official opposition. He has argued consistently over the last number of years that the only reason for the boom in this province is because of the export phenomenon to the United States, and that's true as far as it goes. If you stop there, that is the record. Our automotive parts industry, our automotive industry, is the key driver of the Ontario economy. But you have to ask yourself another question, which members opposite fail to carry through when they think about this logically. Why were we exporting so many goods and services to our American trade partner, aside from it being our closest neighbour? Because all you have to do is look at the tax jurisdictions around the Great Lakes—Michigan, Ohio, New York,

and federally in Washington. Their taxes generally are lower. Obviously, if you have a lower tax level in any of those states and federally, what's going to happen? You're going to allow citizens of those particular jurisdictions to have more money in their pockets and to choose how they are going to spend it, save it or invest it.

The believers across the way, faint believers as they are in this whole bill, demonstrate that if they were here they'd still be doing the same thing they did in the 1985-90 regime.

Mr James J. Bradley (St Catharines): Balancing the budget.

Mr Hastings: Balancing the budget, the member for St Catharines—yes, actually that's a story in itself. They did balance the budget for about 90 nanoseconds, but when you look at how they balanced it, like Saskatchewan's NDP did when they balanced their budget, they increased taxes. In that particular Nixon budget of 1989-90, one of the major contributors, as we presented in our previous thesis on this whole bill, in causing the recession of the early 1990s was the commercial concentration tax.

What did that do to the economy of this province? It put it into a huge tailspin. Yes, they balanced the budget briefly but we paid an awful price, starting with that year, 1990. I was in local government and we pleaded with Mr. Nixon not to bring in this tax.

What was the commercial concentration tax? Aside from being a direct invasion into property taxes at the local government level, they said, "Phooey, this isn't going to have much impact on anybody; we're going to tax parking lots and all other adjacent facilities in commercial facilities." They did it, and guess what happened to our unemployment rate. It went up, not down.

I don't know how much evidence is required for members opposite, whether it's the United Kingdom in terms of its lower tax regime, not just in personal income tax but in capital gains tax. Economists today no doubt will argue and present facts that when you have a high capital gains tax, high corporate and personal income tax rates, you drive away investment. There is no doubt in my mind that if we need more investment in this province, all you have to do is look at what is happening in Las Vegas this week at the huge computer show called Comdex.

Of 2,000 exhibitors in the high technology industry—and that's only one of the sectors that would be helped by a lower tax regime; it can occur in all economic sectors—you have about 100 Canadian companies, maximum, that are down there showing their products. The rest of them are from other parts of the world. Why haven't we got more Canadian companies like Newbridge Networks, Corel and Nortel? Why haven't we got larger companies like that, employing lots of people in well-paying jobs, not ones that the opposition sneers at when you have low, entry-level jobs at seven or eight bucks an hour? There's no doubt in my mind that when you have a lower tax regime, you create future revenues for government services, particularly for vital ones like health and education.

Let me elaborate on a couple of other themes that members opposite often talk about in their mantras. We just heard from the member for St Catharines—and you'll see this in certain sectors of economic thinking—that yes, we could have a little bit of tax relief at the lower end. But in point of fact they don't even believe in that.

I want to quote something I came across from a very good publication, and I know that a lot of members opposite don't regard it as such. I'd like to quote momentarily from Linda Leatherdale, who's the business editor of the Toronto Sun.

Interjections.

Mr Hastings: See what kind of sneering attitude they have, especially the member for St Catharines? She has a little story here about a person who works for the Toronto Sun in the distribution chain who pointed out that after the reductions in tax of 30% by the Ontario government over the last four years—a mailroom clerk earns just under \$30,000. When he looked at his pay stub after we had those income tax rates reduced from 58.5% down to 40.5% what did he find? This particular individual ended up with \$800 in his pocket.

But guess what. The folks in Ottawa really don't believe at all in tax reduction because they believe that once the money has left your pocket it belongs to M. Chrétien and the folks in Ottawa, for them to spend. It has been documented in treasury bills presented that they want to spend nearly \$100 billion of our money—unemployment insurance, personal income tax rates—over the next five years, because they do not believe whatsoever that the money earned by people in this province and across the country is their money. Once it has passed through your pocket, it becomes the bureaucrats' in Ottawa.

What happened to the mail clerk in the Toronto Sun mailroom when he looked at his stub afterwards of the \$800? He hardly had anything left of it. No wonder people today wonder where the tax dollars have gone, because the Canada pension plan will have huge increases coming forth by 2003, going from about 4.9% up to nearly 8%. The EI reductions have been so slight that you'd hardly think they'd have an impact on the economy.

1900

What we need today is even more tax relief than what this province has offered. We need Ottawa to really bite the bullet and reduce unemployment insurance benefits significantly, money that belongs to the workers of this province, to the employers. We need a significant reduction in the capital gains tax to keep people from going to those things like down in Las Vegas, to the United Kingdom, to other parts of the world, because if you don't have these wealth creators here, you put even more tax on the folks who are left, particularly at the low-income level. There's no doubt—and my colleague from Wentworth-Burlington documented it very well—that one of the key things of the previous NDP regime that was a fundamental attack on the most vulnerable was this

30% surtax on \$8,000 of earnings. Think about that. That means that those people are getting taxed double, maybe triple, depending on their individual income circumstances.

Let me end by pointing out that the fundamental benefits of this bill are to bring real protection to the taxpayers of this province, to bring about a state of affairs whereby we do have balanced budgets into the future, whereby we do not have politicians who are addicted to the continual tax-increase, tax-spending methodology we've had over the last 50 years. It creates more problems rather than less.

We need more investment, more jobs for people. All you have to do is look at Dr Mundell's advocacy of the changes in economic thinking and budgeting we need today, particularly when you look at the 30% income-tax rate that he talks about in the literature. We don't need higher, because if we did, we should never have accumulated or had any of the problems we ended up with over the last 20 to 25 years. The Keynesian model of economic thinking is finally dying, I hope, because it's not the way to the future. That's the way to a dead-end, high-tax regime with higher unemployment. Surely to goodness the folks across the way would get that through their thinking. The Keynesian model doesn't function any more. If it did, then we should have assumed an economic state of affairs back in 1995 where the unemployment rate was down to nearly 2% to 3%. What was it? It was 10% to 11%. So I think we have the best legislation—

The Deputy Speaker (Mr Bert Johnson): Comments and questions? The Chair recognizes the member for St Catharines.

Mr Bradley: I want to thank you and compliment you, first of all, on your re-election to the position of Deputy Speaker, member for Perth-Middlesex. You always do an outstanding job, in my view, in that position.

This was a predictable speech by the member from Etobicoke North, who, in his angry way, tells us that all previous governments were evil and the present government sees the light and, somehow, that this province is booming because of all the policies of this government, when in fact any objective observer would conclude that this province is booming for two reasons: first, the booming American economy. You should be sending Bill Clinton a letter of thanks for the booming American economy, because Bill Clinton, despite the Republican Congress, has kept the economy going in the US. Second, the member should also be sending a letter to the federal finance minister, thanking him for lowering interest rates. Remember, when his pal Brian Mulroney was in power—the man he used to support when he was in Ottawa—interest rates were sky high. No wonder we had a deflating effect, not in terms of deflation, but an effect which was very adverse on the economy because of those interest rates. So we have a low dollar—it makes us competitive in Ontario; it makes us attractive to investment and to purchase goods from us—we have low

interest rates both in Canada and the US, which make a huge difference, and we have a booming economy.

We can remember that when the recession was here in Ontario before and the Far East was doing well, British Columbia was booming. British Columbia isn't now, because of course they are subject to conditions in the Far East. But I'm always interested in the member's comments.

Mr Gilles Bisson (Timmins-James Bay): It's always, I would say, entertaining to listen to the member across the way trying to take credit for everything that is supposedly happening that's positive in the economy.

I just want to pick up on the comments made by the member for St Catharines. There are a few things that have happened in the Ontario economy over the past number of years; that is, we've been basically following what's been happening in the States when it comes to the growth that you've seen in that economy. If you take a look across the country, to be objective, and you look at the economy through the 1970s, 1980s and 1990s, you can almost follow on a graph that we've tended either to benefit or to fall back, depending on what's happening on the other side of the border. For the member to stand up and say, It's all our government's doing, that we are doing so well is a stretch.

The other point is that of the balanced budget legislation on which he's trying to espouse his views. The reality is that we still have a deficit in Ontario. This government, quite frankly, has a deficit after five years of being in power for a very simple reason. Yes, they made a choice. They said they were going to give a tax break at the very same time that the Ontario government was trying to balance its books and basically come in with a balanced budget.

What business puts itself in the position of doing what this government has done in spades? My argument would be that what they should have done was to carry on what we were doing, which was to try to manage down the cost of government, making sure that programs are there for people in the end, and only deal with the issue of a tax break at the end should you find yourself in the position of having a surplus.

What the government is trying to do is to have it a little bit both ways. Quite frankly, I think we're paying the cost of that. We'll see with time what happens, because time always tells in the long run who was right. On this debate, I tend to think this government is going to be found to be wrong when it comes to the longer term of what they're doing.

Mr Doug Galt (Northumberland): Compliments to the member from Etobicoke on an excellent presentation. He mentioned supporting more tax cuts to stimulate the economy even further than has happened here in Ontario. He's just dead on there. He talks about more investments in the province of Ontario, and that's exactly what's happening here with the stimulation to the economy and the tax cuts that have been carried out.

He talks about more jobs. In the month of October, 43,600 net new jobs brings us to 610,000 net new jobs

since we came into office—well, 615,000 since the throne speech in September 1995. You'll notice we were on such a downward slide taking over from the NDP that we actually lost some jobs when we first took office, so there is a discrepancy there of some 5,000 jobs that slipped as we were turning that Queen Mary around in the Toronto Harbour.

It's interesting, the comments that came from the member for St Catharines, who talks about sending a letter to Mr Clinton to thank him for the economy. I'll read to him what came out in the Toronto Star, the Liberal Star. This was last Wednesday, November 10. Big headline, front page: "Economy Booms for First Time in Decade." The sub-headline: "Growth Powered by Ontario Will Outstrip United States." Now, that has to be absolutely right if it came from the Toronto Star, and you'd have to agree with it; I don't think there's any question whatsoever.

Secondly, he had to say that the federal government is what stimulated this. I would suggest to him that the only reason the federal government have balanced their books is because of the stimulation of the economy here in the province of Ontario. If that hadn't occurred, plus the cut in transfer payments to the provinces, I can assure you they would never have balanced their budget. That's what's been leading their balanced budget, certainly not the moves of the federal government.

1910

Mr Michael Bryant (St Paul's): This government taking credit for economic prosperity is like a rooster taking credit for the sun rising. It is extraordinary, during these times of economic prosperity across North America, that this government has joined the province of British Columbia and the province of Quebec as the only governments who have still failed to balance their budgets.

I ask this government about their priorities. This government has decided that it was wiser to raise the debt by \$20 billion than to balance the budget. This government decided, notwithstanding the fact that trickle-down economics had been disproven and laughed out of every reputable economist's classroom over 10 years ago as a result of the failure of the Reagan revolution and the rise of the debt and the eventual rise in unemployment, to undertake trickle-down economics. But even worse, they decided to undertake trickle-up economics, such that they would punish those in our society who could least afford the economic punishment, and expect them to pay the bill.

I'll give you a quick example: the gutting of the child care subsidy to all those claiming that subsidy under RRSPs. The fact that these people who most need the subsidy are now being asked to collapse their RRSPs and spend that money instead of responsibly saving it means that those who can least afford it are being asked to sustain the economy, which is the reverse logic that is currently operating and running this government's irresponsible fiscal policy. We're happy to finally see in writing that we're in fact going to get the balanced

budget, and we look forward to hearing more on this from our friends on trickle-up economics in the future.

The Deputy Speaker: The member for Etobicoke North has two minutes to respond.

Mr Hastings: I listened with great intent to the remarks from the member for St Catharines, first off. He's mentioning that Mulroney did a lot of things that were bad, but I have to remind the member for St Catharines that in point of fact the high interest rates that we had back in the early 1980s, 22 per cent as I recall—20% for the so-called Canada savings bonds—who was in power federally? The Liberals. Why? Because the deficit was ballooning then, thanks to our friend M. Trudeau.

To the member for St Paul's, I'm somewhat surprised that even he, as a member of a profession, seems to profess the point of view that if you had higher taxes, everybody'd be better off. If that's true—let's think about it—why did we have any problems? We should have had prosperity galore back in those days when we inherited what the NDP were trying to do. Even the member from Timiskaming-James Bay makes a very interesting point that at least by the end of their regime they were trying to manage their programs—except they didn't have the leadership in many of the ministries to do that. The intent is admirable, but when you look again—he says, "Lower taxes have nothing to do with it." If that's true, why didn't we have a booming economy from 1990 to 1995? We didn't; we had the reverse. We had job loss. Why weren't we getting more investment than what they crowed about back in the 1995 and 1999 elections?

It's just so fundamentally a premise that when you leave more people with more dollars to spend, save or however they want to choose, the citizens will make good choices. What happens usually is they go out and buy, they get a house, they get a mortgage, whatever it happens to be. It doesn't end up in the hands of the bureaucrats, at least.

The Deputy Speaker: Further debate?

Mr Bradley: I look forward to participating in this debate and adding a few comments which I think will be very relevant, straightening out some of the misconceptions which have come from the other side of the House.

I want to say, first of all, that the people at home should know that until this session began, this House had sat only seven days—seven days of so-called democratic debate. Then the government didn't come back at the normal time in the fall but decided to come back well into the month of October. Now they sit in afternoon and evening sessions because they want to rush their legislation through, and the public should know that. I know the media don't care about that, so you don't have to worry about them writing stories about it. They yawn over things like that because it's not exciting; it's not something that's startling. But I think the public at home should know the kind of contempt that this government has for the democratic process.

It's interesting as well that at long last, now that the government thinks it might balance the budget, it's going to pass budget-balancing legislation which requires

governments to balance the budget. Isn't that convenient, as they used to say on Saturday Night Live with one of their characters.

Mr Joseph Spina (Brampton Centre): It's good strategy.

Mr Bradley: The member for Brampton North or South—

Mr Spina: Centre.

Mr Bradley:—Centre now, he says—says, "It's good strategy." It might well be clever strategy, just as I watched a strategy unfold this afternoon. The government demonstrated very early in its second term a lot of arrogance and condescending attitude this afternoon, I thought.

They will think it's clever. You see, the people back there will tell you: "We were really clever today. We had the police in the gallery and we had all these lob ball questions and made all these announcements." The Premier looked pretty smug today. I don't make personal remarks about people, but the Premier, who some days is jovial in here, today looked pretty smug. I noticed that the officers applauded some of what was said this afternoon, and I was wondering what the reaction would have been in the government benches if it were a group of poor people up there, somebody who wasn't a friend of the government, applauding at that time, whether we would have entertained that applause as quickly. I always look at the standards that we apply for all, and I like to see those same standards applied for everybody.

Mr Dan Newman (Scarborough Southwest): Are you criticizing—

Mr Bradley: What the member from Scarborough knows is that I'm more pro-law-enforcement than he is. You won't find anybody in this House who is more for security in our communities and for more police officers on the front line, on the streets. I notice, Mr Speaker, as you probably did, that there are actually fewer police officers on the streets today under a Conservative government than there were under an NDP government, and they accuse the NDP of being anti-police.

I know when I speak to officers from my area tomorrow who come to speak to me, they'll be interested to know how much I think will be allocated for more officers so they can carry out their responsibilities appropriately. I'll be sharing some insights with them on that occasion.

What happened with this government, why it didn't balance the budget a couple of years ago, is quite simple: They decided instead that they were going to give out tax cuts. Some of the new members may not know that there was a debate within the Tory caucus, people I disagree with sometimes, but pretty good heads when it comes to thinking about what's best for the province. There were four or five members of the caucus who publicly said, "You know, we should wait until we balance the budget before we implement tax decreases." That was smart, because it would have meant there would have been less of an addition to the debt.

Now, \$21 billion additional debt came onto the books when Mike Harris and the Conservatives were in power. I'm a fair-minded person. Do I say all of that was avoidable? No, I don't. But a good chunk of that was avoidable, and it's because the government went out to borrow money to give a tax cut, which to even conservative-minded people in this province—I'm talking small-c now—made no sense.

I remember Dr Joseph Kushner, economics professor at Brock University, a person known for his frugality when the public purse comes along—sometimes referred to as Professor Negative, Dr No, Frosty the No Man—just advanced a motion at city council last Monday night that they have a zero tax increase. He put forward a motion, supported by the council, which asked the provincial government not to implement its income tax cuts until it had balanced its budget, not to borrow money and add to the provincial debt.

I remember the Dominion Bond Rating Service, certainly not a bastion of Liberal or socialist theology, was critical of this government for in fact increasing the debt and said that the tax cut would cost money. Virtually every credible economist said that. Oh, you had one or two people who were trotted out and talked about tax cuts, just as now the National Post is leading the charge for tax cuts, aided and abetted a bit by at least the editorial board of the Globe and Mail—the National Post, owned by Conrad Black, who owns 58 out of I think 103 or 104 newspapers in Canada and is bleeding those newspapers, in my opinion, the local newspapers, to feed the National Post so it can become the top national newspaper somehow. They have led the charge. You've got Diane Francis and the other right-wingers, Terence Corcoran and others who will put forward this argument that really is an argument in favour of the rich.

1920

If you have no social conscience and you're very rich, there's no way you could vote in this province other than for Mike Harris and the Conservatives, if you fit those qualifications—or for the Reform Party federally. I wouldn't say the Progressive Conservative Party federally, because I think there's some conscience in the federal Conservative Party and some semblance of concern about those who are at the lower end of the scale, although it depends on who you talk to in the caucus. I think there's some of that in the leader and in others. But that's what you get. That's whom you'd vote for. You couldn't vote for anybody else under those conditions.

I've heard about the fiscal responsibility of this government. I go to the chamber of commerce meetings. They would say, "We've got to lower that deficit." I'd say, "Sure do, I agree with you." Then they'd say: "You know what we have to do? It's important that we pay down the debt." I hear nothing from the right wing today about paying down the debt. It's as though someone went "Presto" and the debt disappeared. Well, it's still there. I believe we should use some of those funds which will be available to pay down the debt in a progressive way and also to reinvest in programs that need reinvestment. Of

course, that would include health care and education and other areas.

Members will recall that the last surplus we had under a Conservative government I think was 1969 and the last one under a Liberal government was 1989. In the period in between we've had a lot of deficits—we have—but some of them are more avoidable than others. Some said you must pay as you go; if you're going to have the new programs, then you have to implement the tax regime to do it.

The government members now always mention certain tax increases under other governments. They don't mention the tax decreases, for instance a massive removal of OHIP premiums that hit individuals the toughest. That's what hit individuals. The rich people could afford them and the people who were lucky enough to work for employers who paid the premiums were OK. But there were a lot of people at the lower echelon who were hit hard by that regressive tax called the OHIP premium, and they eliminated the OHIP premiums in this province.

Interjection.

Mr Bradley: The member mentions, "They did it for the rich." He doesn't want to say—you know this, Mr Speaker, very well. The Tories don't go around telling their rich friends, "What about"—what do you call it—"the fair health tax" or something. It's got a name like that. They don't mention that at the Tory fundraisers. I'm told that fair health tax has not been mentioned at one Tory fundraiser.

Interjection.

Mr Bradley: I have reports from people who go there. I do. They go there and they report back to me what happens. Actually, if you give them the \$500 to go, they report back to you. That's what happens to those.

I want to say as well that under our Liberal government there was a AAA rating on finances. This government has never had a AAA rating. They keep hinting they hope there's going to be someday, but the Liberal government had a AAA rating, the one the member for Etobicoke North made disparaging remarks about.

I've counted up 673 tax increases that this government has implemented.

Interjections.

Mr Bradley: I know these members are going to say, "Where on earth did you get those figures?"

Hon Frank Klees (Minister without Portfolio): On a point of order, Mr Speaker: I wonder if we could ask the member to table those 673 tax increases that he says he has counted up. We would be very interested in seeing those.

The Deputy Speaker: That is not a point of order.

Mr Bradley: I will be happy to do that in due course. But I want to say now that I counted them on my fingers, my toes and everything else, and there were in fact 673 tax increases. You'll say, "How is that?" They are the user fees that we've seen implemented in Ontario since Mike Harris took over. Even the hunters and the fishermen and fisherwomen in this province were people who

got hit with these increases. The Ontario Federation of Anglers and Hunters probably put out a press release condemning that. I didn't see it. I just missed it, probably, because I know they would have put one out criticizing that and I'll be asking about that. So you're taking money away from them, for instance.

People who want to have their kids play hockey now, you should see the fees they have to pay locally. Why is that? Because this government downloaded on to municipalities all kinds of new responsibilities. The member for Scarborough-whatever will want to tell me—because they all changed after the election. I'll know them a couple of years from now.

They dumped \$18 million in additional financial responsibility on the regional government in our area, so the local business people got together, because you people also fiddled around with the taxes, the tax assessments, and they were angry. You would have been happy because they blamed the local government. I had to inform them, "Look, it was the provincial government that dumped \$18 million in additional responsibility on the local governments." There was some uploading and downloading, but the net difference was \$18 million negatively. The regional government will tell you—I'm totally independent in this—that is the case. So they had to raise taxes, cut services once again or implement fee increases, user fees, which as we all know affect the poorest people the most. Rich people can afford it. The people who tinkle the glasses together at the Albany Club, where all the rich Tories go, they can afford these user fees, but the people of Simcoe county, who don't get to go to the Albany Club, are people who are concerned about those kinds of increases.

We talked about the economy, and I'm going to go back to that for a moment. Look, do you want to know why we're doing well in Ontario? There's the National Post; the member for Niagara Falls has it. He must be an ideal hug of the right wing because he is holding up what they consider to be the Tory bible, political bible, that is, and that is the National Post, owned by his friend Conrad Black.

The US economy was booming. Ontario did well because we do a lot of trade with the US. The interest rates were low in Canada. Prime Minister Chrétien said that we needed low interest rates to help our economy, so we got low interest rates—those low interest rates help this government in paying back their debt too—low interest rates in the US, a low dollar here, a competitive dollar here, and the result is a booming economy in Canada, particularly eastern Canada, and Ontario, which does most of its trade with the United States.

Some of the right wingers will say: "What about British Columbia? That must be those socialists out there." What you have to remember is that back about 1993 BC was doing quite well. People said, "Hey, they're immune to the recession." Why? Because they do a lot of trading with the Far East, and the Far East was doing well. Today, because of a downturn in the Far East, BC is not doing well. I'm not here to defend the NDP

government. I'm just telling you that you have to understand that to be the case.

What we're seeing under this government is a diminishing of services provided to the public. Again, the very rich don't care about that but average citizens do; for instance, ophthalmologists in the Niagara region. You're now placing a cap on ophthalmologists. What does that mean? That means you're going to force elderly people to travel down that Queen Elizabeth highway, which is never a treat to drive on, to get services for their eyes, to get their eyes treated by ophthalmologists who are several miles away, sometimes an hour's trip away.

What we need in Niagara is for you to lift that cap which is on ophthalmologists. First of all, we have only 13 ophthalmologists when even the ministry says we need 14 full-time people. We have 13, some of them part-time. You're punishing the people, and why are you doing that? Because of your obsession with yet another tax cut, so you've got to find all of these additional savings.

1930

Dr Kushner, whom I made reference to, said—and he's a conservative economist—"The combination of a tax cut and significant cuts in expenditures is in fact contractionary." Any economist who isn't going to a Tory fundraiser will tell you that. He may even have gone to a Tory fundraiser. I don't know that.

We have the situation with our ophthalmologists. Our hospitals are running deficits. Why? Because this government is not providing sufficient funding for those hospitals to provide the kind of services that are needed. Meanwhile, you're off wanting to give away another tax cut. Look, most people I talk to say: "We don't want another tax cut. We want you to reinvest in a strong health care system." And I'll applaud you if you do so, but you're not doing so.

I want to say as well that the environment has suffered by this government cutting what percentage?

Mr Dominic Agostino (Hamilton East): It's 45%.

Mr Bradley: The member for Hamilton East says 45% of the budget is cut, 40% of the staff, somewhere in that ballpark anyway, and therefore that ministry's not able to do its job as well.

There's also the issue of clogged highways all around. I would hope the government would decide to extend its GO train services down in St Catharines and Niagara Falls, for instance, well past Scarborough out into eastern Ontario, into western Ontario, up into the Georgetown area. I think it would be very good for us to have those services, yet the government is cutting back, doesn't even provide money for public transit in areas of the province as it used to for the local authorities.

So we get into another issue. You want to force restructuring, as you call it, on the Niagara region. I want to tell you flat out, I'm opposed to your scheme for one big region. You want one big everything. You know, in a world where people feel alienated and helpless by globalism, where huge corporations have more power than

individual governments that represent people, the last thing they have is their own community.

The member for Wentworth-Burlington no doubt agrees with me. I'm on his side in this issue. Some of my own colleagues don't, but the member for Wentworth-Burlington agrees with me and others who understand that individual community is important and that these huge units really don't save money. I know the Tories like them because the rich people get elected to them more easily. You have to run a big-time campaign, lots of money—not the wards, not the small units, and the Tories tend to do better there. The boys in the backroom, the whiz kids, say: "This is smart stuff. We should force this restructuring, force one big region across the province."

Some areas may want it. If they do, so be it, but the areas that don't, don't force it down our throats, because what you have now is—you must smile at this—you have the people anticipating it and so they're saying, "We better amputate ourselves at the knee because if we don't, Mike Harris is going to amputate us at the hip." I'm saying: "You don't need an amputation. You're fine as you are. Be efficient. Do a good job. Provide value for money—that's what people want—and keep that local community that we need." The member for Wentworth-Burlington and I are going to carry on this crusade in favour of maintaining those local units.

The last thing I want to talk about is one place you people are taxing very heavily, and that is gambling. You've snuck your new Mike Harris gambling halls, which were going to be the charity casinos, into the racetracks now. You put all these slot machines in the racetracks so that people, instead of watching the races, are out playing those mindless slot machines, throwing their money away on that, money that could be spent more productively in our economy. In another speech I'll get into a full rant on that.

The Deputy Speaker: Comments and questions?

Ms Marilyn Churley (Broadview-Greenwood): I enjoyed that speech, to the member for St Catharines, as always.

I don't know if the member for St Catharines has heard, but Preston Manning, the leader of the Reform Party who, as you know, is a good friend to many in the Conservative Party here, is holding a contest to find the Canadian who is being most ripped off by the tax system. Does the member for St Catharines know that? I would suggest that we hold another contest to find the big corporation that's getting the most benefit from tax breaks and tax benefits. That would be a good contrast to that.

I'm glad that the member for St Catharines gave a reasoned analysis of what is really going on in a global economy. No wonder people are so cynical about politicians and partisanship and political parties when we hear members from the Tory caucus get up, time and time again, and crow—to continue with the barnyard analogy that the member for St Paul's came up with earlier—and take credit for everything good that's hap-

pened in the economy and then blame every other party in every other province, other than their own, for all the ills that happen over generations, it seems.

That ain't the way it works, and people are wise enough to know that out there. It ain't that simple, and believe me, I am not hoping for or wishing for a recession. God spare us from that, because we know the havoc it wreaks on people. But I tell you—talk about the chickens coming home to roost—when and if it happens while you're in power, you're going to be in trouble. God help the people of this province if it happens while you're in government.

Mr Toni Skarica (Wentworth-Burlington): I really enjoyed the member from St Catharines speaking. Last time he was very consistent, last term. He basically said, "You guys are borrowing money for the tax cut and cutting programs to pay for the tax cut." He said it was about \$10 billion that we're borrowing, referred to cutting of the programs and ignored the reality in the budget that in fact our revenues were going up each and every year to the point where now we're getting \$6 billion more after the tax cuts than before. At least in the last term he was consistent. He was wrong, but he said, "You're borrowing \$10 billion and you're cutting government programs to pay for the tax cut."

This time he's taking a different tack, and I don't mean any disrespect, but at least last time you were consistent. Today you spoke of 673 tax increases of the Tory government. The member for St Catharines spoke the last time, the last day we were here, on November 4, and what did he tell us then? Did he say 673 tax increases? He said he has counted them all up. No, he didn't. He said 567 tax increases. That's 106. He said has found more. Was he right back then? Was he right today? He was off by \$6 billion last term. Where's the truth? Perhaps he should look at his colleagues. What do his colleagues say about these debts and deficits?

Let's look at Mr Crozier, the member from Essex. At page 313 of the Hansard, on November 2, he told us that the NDP increased the debt by \$12 billion and the Liberals increased it by \$5 billion. Was that right? No it's not. In fact, Mr Gerretsen, who spoke a day later—in Hansard at pages 413 and 414—told us the actual fact is that NDP increased the debt by \$47 billion and the Liberals by \$10 billion. The member from Essex was off by \$35 billion; the member from St Catharines is only off by \$6 billion, so I congratulate him.

Mr Agostino: I'm pleased to add to the comments made by my colleague from St Catharines. As usual, I think he has outlined very clearly the case with this government's agenda and particularly as it relates to the backdoor tax increases that this government has imposed.

It's amazing. The members across stand up and talk about this economic boom. As my colleague Mr Bradley did say, a great deal of it has to do with the American economy, and a great deal of it has to do with the great work done at the federal level by Jean Chrétien and Paul Martin.

The reality is you sit here and you take the credit when the jobs are growing, but look at my own community in Hamilton in the last couple of years: Procter and Gamble, in the city for over 95 years, shut down and moved that plant to the States; Case shut down and moved their operations to the States; Camco announced the other day that over the next two to three years there will be 200 jobs lost. Again, not once did I hear the Premier or any of the Tory members stand up and take responsibility for that and say: "You know what? Yes, it's our fault. We have something to do with that."

You can't have it both ways. You can't stand up and take all the credit for all the jobs that get created in Ontario but then duck the responsibility and the blame when there are job losses as outlined here. It would take some courage to stand up and do that.

1940

Look at what you've done with downloading. In our own community again, over \$30 million a year that you have shafted us out of in regard to your downloading exercises. You've forced user fees on municipalities. You've forced the hospitals into deficit situations.

The reality is that the biggest myth in this province is the fact that somehow people think you're good money managers. At the end of the day, what you have done to the deficit in this province since you've taken office is a disgrace. You have failed to address that while at the same time you've given tax cuts to your wealthy friends and the deficit continues to balloon year after year.

You're good at spinning, you're very good at spinning, and your spin is out there, but frankly people are not going to be fooled much longer by your continual spin.

Mr Bisson: I just want to pick up on a point by the member for St Catharines, and that's the one of user fees. I think that's where he was trying to go when he was being heckled by the government side in regard to all of the tax increases. I know he's going to come back to the House shortly and point out all 637.

I look across my municipalities, across the riding of Timmins-James Bay, and I see exactly what the member is talking about. Yes, the Conservative Mike Harris government delivered on a 30% tax cut to taxpayers across Ontario. That's the record, that's the truth, that's what happened. But there's been an offset and a cost to that. The cost is that this government is still running a deficit, unlike most governments across Canada. Most provincial governments have managed to balance their budgets and put themselves into a surplus situation, along with the federal government, by saying: "We're not going to give tax breaks while we're trying to balance our budget. We will deal with trying to manage the costs of our programs to be able to balance our budgets, and only after that are we going to take a look at giving people a tax credit."

That's one cost of the tax cut. But what we're seeing on the other side is all the darn user fees. I went to the arena last weekend, actually, and watched one of my neighbour's kids who was out playing hockey for the first time this year; he asked me to go out. He was bemoaning

the user fees at this club the kids are having to pay because of the reductions that the government has given in municipal transfers.

Have you gone out and taken a look? You go down the street, you talk to another of your neighbours, you talk to somebody who has been in contact with the health care system having to pay for things in health care that you've never had to pay for before. Schools and universities: I was talking to one individual in North Bay this weekend, in Mike Harris's own riding, who bemoaned how much he has had to pay to help his son get through college in the last couple of years.

So yes, you may have given them tax cuts but it's cost us both by not being able to balance the budget and by way of user fees.

The Deputy Speaker: The member for St Catharines has two minutes to respond.

Mr Bradley: Thank you very much for the comments of all my colleagues. I think we have discovered through their comments that this government is first in line to take the credit, last in line to take the responsibility. When there's something to take responsibility for, their hand goes in a 180-degree direction and heads towards Ottawa or it might go over to this side of the House, to one of the previous governments. I wouldn't mind if the government accepted the responsibility.

I thought when the member for Wentworth-Burlington got up he was going to agree to join my crusade to protect smaller communities. I know he just didn't have enough time. I remember before he was a parliamentary assistant, when he was an independent-minded individual who spoke what his heart really said. He would have said that at the time; he would have been agreeing with me at that time. However, I know there's some remuneration. That doesn't make any difference, but it's the responsibility that goes with it that has tempered his comments just a bit.

I want to say as well that my friend Peter Partington, who is a regional councillor, a former Conservative member for St Catharines-Brock, introduced a resolution at regional council which in effect was pretty critical of this government over its taxation policies as they relate to local government. I agree with Peter Partington and I'll stand four-square with him in his criticism of this government. He's certainly an independent voice. In fact, you would expect he might agree with this government, but he's fair-minded enough to call it as it is.

You wondered why the figure's gone up. Every day I count a new user fee and the figure keeps going up. I'll give you an update.

The last thing I want to say is, you would realize that the Olympic rowing should be in St Catharines and not in Toronto. So I know all of you on the government benches will be prevailing upon the government to have the Olympic rowing in St Catharines.

The Deputy Speaker: Further debate?

Mr Bisson: I always get a kick out of the member for St Catharines. He always manages to get a little dig in there at the end advocating for his community. It's some-

thing we all do here and, I would argue, fairly successfully. That's how we get back.

Ms Churley: Rowing in Toronto.

Mr Bisson: My good friend Marilyn Churley thinks it should be in Toronto, but of course she's advocating for her parish.

This is one of the opportunities that we have in the House, when we have a bill come in that deals with finance, to deal with the broader issues of where we find ourselves when it comes to the financial situation in Ontario. I want to talk about this balanced budget legislation, but I want to take it first of all from a little bit of a historical perspective.

Let me start off by first of all saying this: What the Tories are doing by way of the balanced budget legislation is desperately trying to find a way to enshrine their policies of the last five or six years. They desperately want to be in a position, should the economy go to heck in a handbasket—because we all know the economy is cyclical, and at one point, if not next year, in two years or five years, the economy will go, by way of natural cycles, into another recession. The danger this government has is that once that recession does happen, this government is going to look awfully bad because of what they've done over the last five years.

When you look at the cuts of important programs that are out there to help and sustain people and economies, when you take a look at what they've done by way of the tax cut, the government is not going to have a capacity to respond when the next recession happens as they have had over the past 50 and 100 years in the province of Ontario. This government understands well, because they are a very political government, that they need to find a way to enshrine their legislation, enshrine their way of doing things so that when they are kicked out of government it's difficult for a government coming behind them to repair the damage they've done. One of the ways—I wouldn't argue the only one—that the government can do that is by way of balanced budget legislation.

I would argue this way: If you pass balanced budget legislation, I think it would be fairly difficult for any government to stand up and try to counter that after another election. I don't think the Liberals would try to reverse balanced budget legislation, for political reasons, and I don't quite know what our party would do either if we ended up in that situation, because on the one hand, this whole balanced budget legislation, as far as the politics of the issue, is quite appealing to many voters across party lines. What I would argue is that the government is trying to enshrine their legislation.

Let me take this from a little bit of a historical perspective. I'm going to make a statement and people are going to wonder what this has to do with balanced budget legislation. But if you give me about five minutes, you'll see where I'm going.

The middle class is something that just didn't happen. The middle class is something that was created by way of government policies and laws. Most of us are too young,

certainly I am, but there are some members in this House who may remember some of this from their younger days or may have heard it by way of their parents the way I did, that prior to 1945, the ending of the Second World War, there was in this country, as there was in most modern economies, a very large gap between those who were poor and those who were rich. Back in the early 1900s all the way up until the 1930s and early 1940s, if you had money in North America, specifically here in Ontario, you did really well. You were able to basically do what you wanted. You were able to have the ear of politicians, the ear of judges. You were able to almost control community councils because by and large you controlled those. You were able to get labour for cheap. You were able to do what you wanted and you lived a very good lifestyle. The laws prior to 1945 very much favoured those people with money. On the other hand, if you tended to be working class—there was a very small middle class. Most of them were either working poor or you were rich. There was a very small middle class.

What happened after the war is that many of the men when they came back from overseas and many of the women who came back from industry said, “Hang on, there’s something wrong in a democratic society when we have laws that do not reflect the needs of the many but quite frankly are favouring the few.” So what we had after the Second World War is that many of the veterans who came back and the women who worked in industry started to demand political action on behalf of governments, both provincial and federal. From 1945 on, governments, both at the federal and provincial levels, started reacting to what the citizenry wanted, which were laws that gave the working people of this country an opportunity to get a bit of a leg up. Governments had to react to many of the struggles that were going on through the 1940s and 1950s.

I would give you a couple of examples. After the Second World War, many of the programs we take for granted today in social services and health care were born. Why? Because people back then said: “Listen, if I’m sick, it’s not right that how I get treated is based on how much money I have in my pocket or in my bank account. How I’m treated should be dealt with by way of a state-run program of some form.” Along came OHIP. Tommy Douglas and others in Saskatchewan and the premier before him, another CCF premier—his name escapes me now but it will come back to me—basically created health care as we know it today. Why? Because they recognized that what you need is a system of insured health care so that if you got sick you would not go bankrupt, and you’d have the ability to be treated and not have to worry about pulling money out of your pocket in order to get better treatment. That allowed working people to use their capital to build a house or to do whatever, rather than paying for health care. It was a kind of tax break. Rather than giving people a tax break you took away from them a burden they would otherwise have to pay.

1950

Government came in and did programs, as we know, in post-secondary education and also at the primary and secondary levels, where we made education free for individuals. We said, “If you are a child living in Ontario, you don’t have to pay to go to school up to grade 12 or grade 13.” It gave every child in Ontario—it didn’t matter if you were a working-class kid or the kid of some lawyer or doctor or some rich industrialist—everybody an equal crack at getting half-decent education so that when they came out of high school they were at least able to compete on a level playing field.

Eventually, governments responded to the people again by putting in place an affordable community college system and an affordable university system that said again, “Getting into university shouldn’t have to be as it was, prior to the war, on the basis of how much money daddy and mommy have, but of my having the ability to learn and move forward in a system of education and not have to worry about how much money my parents have.”

So we put in place a good system of public education at both the primary level and the post-secondary level. Governments also, because of pressure on the part of the working class, the people out there working for a living, said after the war, “We need to put in place good labour laws and good health and safety legislation to make sure that men and women who work in Ontario”—and I would argue across Canada—“get some sort of fair treatment,” so that the laws were not just skewed for the employer, so that the workers were able to go out and freely negotiate good collective agreements so they were able to get higher disposable incomes and had money to do the things they wanted to do with their families.

My argument is that since 1945, *grosso modo*, governments at the provincial and federal levels moved by way of putting legislation in place that basically created the middle class. This brings me back to my first point, that the middle class is not something that happened on its own; it happened by government policy. From 1945, governments at the provincial and federal levels created policies and enacted laws that strengthened the middle class and gave it not only some political clout but, quite frankly, the economic clout it needed to prosper. And all of us within this Legislature, I would argue—almost all of us; a few people here were wealthy before they came to the Legislature. But most of us in this Legislature—90%, I would argue—are children of the middle class, where the children were born and grew up within a system where our parents didn’t have to mortgage their futures to send us off to university or college to get a good education, our parents did not have to mortgage their futures and our futures to give us affordable health care when they or their kids were ill, and didn’t have to mortgage their futures and our futures to deal with what was going on in their very lives when it came to good infrastructure, good programs within communities that built healthy and strong communities.

I would argue that those were the progressive days of Canada and those were the progressive days of Ontario. Those were the times when we as Canadians stood up and said: "I'm proud to be Canadian, because Canada is a country that understands you cannot make laws just for the rich. You have to have laws that balance the need to make money for the rich but not at the expense of the poor and of the working class." Consequently, by way of those laws, we created what we call the middle class.

Along comes the Conservative government in 1995. This government, law after law, policy after policy, has been attacking the middle class of this province. We see that in a number of ways. I talked earlier about education. I said that back when we created our system of public education up to the grade 12 and 13 levels, we made it so that children didn't have to buy their textbooks and to pay to get an education. Every child, no matter what class they came from, was able to benefit from a good system of education up to grade 13.

This government has worn as a badge of honour the attack it has made on our system of public education. I predict that if these guys get the opportunity, within the next five or 10 years we will move to a system of education that says: "Public education fulfills some basic needs, but if you want a better education you can pay for it. We will create a private system of education that gives opportunities to those who want to pay to get a little bit of extra care." Who would benefit from that? It wouldn't be you, Mr Speaker, the member for Perth; it wouldn't be me, the member for Timmins-James Bay; it wouldn't be our children or our grandchildren. It would be the children of those parents who have a lot of money. What this government is doing by its educational policies is creating, over the longer term, a system of education that says, "If you are like the rest of us"—that is, if you don't have a lot of money—"you will get a mediocre system of education," because they've been attacking it by way of policy and by way of funding.

Eventually, when they do allow private, charter schools, which we know this government is going to do, we'll end up with a system that says: "Don't worry, little Johnny or little Susan, mommy and daddy have lots of money. You can go off to a good system of private education where you can get some advantages because of the wealth and power of your parents." How the clock is turning, how we are going back in time, how we are attacking the middle class and how we are increasing the gap between the rich and the poor by way of this government's policy.

I would argue that it's the same in health care. We went from a system of pure private health care prior to the Second World War to a system of almost pure public health care, the most efficient health care system in the world. Cost-wise, compared to anybody, including the USA, our system of health care is cheaper per dollar for equal treatment than anyplace in the world. It's a system that said if you have a heart attack, if you suffer from some disease, if you're involved in a tragic accident, they don't stop you on the way to the emergency ward and

say: "Do you have Chargex? Do you have money in your bank account?" They say: "Come in. We will treat you." They gave you good treatment to deal with what was affecting you.

We are now moving to a system where the government, by way of policies and laws, is attacking the universality of our system of health care, to where we are now seeing that the government will allow private health care to coexist with public health care. Who will benefit from that system? Will it be us, the middle class? Will it be the working poor? No, it won't. It will be the people who have money and wealth who will do better no matter what the system is, because they will have the dollars to pay. Yet again we will find ourselves in a position with the growing gap where the rich get a good system of health care and good treatment, and those who don't have the money and the means to afford it will make do with a mediocre system of public health care. We see it happening. This government, by way of policy, is attacking the middle class and is increasing the gap between the rich and the poor in this province to an extent we've never seen before.

The biggest joke is what this government does by way of economic development policy. It's not even a joke. Quite frankly, it's sad. This government, by way of its policy, will not put in place any kind of economic development program that competes with something in the private sector. Let me explain what that means. In the past, under Tory governments, under Liberal governments and certainly under New Democratic governments, government was involved in the business of local economic development. For communities like Perth, Timmins, Sault Ste Marie, North Bay, Ottawa and Cornwall, governments had programs that said, "We need to find ways to increase the activity of local economic development so that as many as possible of the dollars being invested in our communities stay within our communities." This government got rid of all those programs. All the programs that were in place to help stimulate local economic development have been cancelled by this government since 1995, and we don't see anything coming back to replace them.

The biggest joke we have here is a Minister of Economic Development and Trade who doesn't have any programs but gets to travel all over the world. I saw him come back to the House this week all tanned. Where did he go this time? Aruba? You have to wonder what this government's economic development policy is when all it does is send the Minister of Economic Development and Trade travelling about—which I imagine has some benefit—but doesn't have any programs for our people here in Canada.

2000

Let me give you a good example. I want to tell you what's happening in my community. Royal Oak Mines, a mine that has been in existence in our community for almost 70 years, went bankrupt last June. Why? Because somebody by the name of Peggy Witte, one of these big, rich industrialists who had all the answers and told

government how to run its affairs, ran up a deficit of over \$700 million on that company and consequently threw it into receivership along with a number of other companies she controlled.

We ended up in a situation last June, when it went bankrupt, that a receiver was appointed who went out to try to find a buyer. At the end of the process in August, when they didn't find a buyer, on a Friday afternoon the receiver called the workers in to a meeting by way of the union and said: "By Monday, the mine is closed. Everybody pick up your tools, empty your hook and get the heck out of here because we're closing the mine after some 70 years of production." Might be 60.

What say did anybody in our community have in any of this? This decision was made by way of bad policies on the part of the former owner. But on the part of the system we find ourselves in today, there was not a response on the part of the provincial government. I was surprised that the Conservative government, which supposedly is a government of business, didn't find a way to respond. It was left to the workers, through the United Steelworkers of America, Local 440, people like Rick Chopp, Madd Dawg, Jimmy Kmit, Harry Hynd, the director of the District Steelworkers, Rob Healey and a whole bunch of other people I dealt with to try to find a way to get this mine up and running again. We've been working at it for the better part of two months, and we found somebody who is prepared to buy the mine.

But here's the problem. The federal and provincial government policies we have, when it comes to how we deal with bankruptcies, don't favour workers in communities coming forward with local solutions to get their plants up and running again. The bankruptcy court has said to the receiver, "We want you to go out and conclude a deal that you started negotiating with another company," even though there's an offer on the table that is equal to that of the first buyer. You say, "What's the point?" The point is that the people who want to buy the mine, who are dealing with the receiver, want to keep the mine closed and are going to your government for environmental concessions.

On the other hand you have workers who have come together by way of another company to put together an offer that says, "We're going to reopen the mine, we're going to deal with the environmental issues and we're going to put ourselves in a situation that is best for the community." But the policies of both federal and provincial governments—and, I would argue, especially provincial in this case—put us in a situation that favours the large multinationals. I make the point: Those policies are increasing the gap between the rich and the poor.

I want to pick up on a point that my good friend the member for Broadview-Greenwood made, in the minute and 45 seconds I have left. If we find ourselves in a position during this term where we go into a recession, this government and this province are going to be in a lot of trouble, because the government has taken away their ability to respond by attacking the programs that have been built up over the past 50 to 60 years that deal with

trying to cushion a local economy and trying to cushion the effects on local economies and individuals when you have large recessions.

Second, those attacks are directly on the middle class. We now find ourselves in a position where we're sort of going back, where there's an increasing gap between the rich and the poor, because of the policies of this government.

In the 20 minutes that I had, I've got 54 seconds left. I wish I had longer, because I'd like to take the next 20 minutes to deal with some of the policies we want to put forward that deal with how you diminish that growing gap and give the middle class some actual power to do something. But that will be another debate.

Interjection.

Mr Bisson: Give me another 20 minutes and I'll lay it out for you.

This government, by way of balanced budget legislation, is moving to enshrine changes in government. They're trying to handcuff future governments in dealing with the policies they have created that in the end are adding to the growing gap between the rich and the poor in this province.

With that, Mr Speaker, I thank you for this time in the debate.

The Acting Speaker (Mr Michael A. Brown): Questions and comments?

Mr John O'Toole (Durham): It's a pleasure to respond to the member from Timmins-James Bay. If perhaps he's reading the recent press, I think the article on Sunday, November 14, in the Sun by Linda Leatherdale is important, a very good caption of the current state of taxation in Ontario.

The article is entitled, "What Harris Cuts, Ottawa Hikes." It really goes on in some detail. With the permission of members, I'll read it into the record.

"Only last spring, when Ontario NDP leader Howard Hampton was bellyaching that only the top 6% of Ontario earners got a tax break from Premier Harris, Stevenson began to crunch the numbers.

"Socialist Hampton was wrong, wrong, wrong. Stevenson, a mailroom clerk, earns just under \$30,000 and found that when Harris cut Ontario's income tax rate to 40.5%, his provincial income taxes fell by \$800 a year."

This is 30%. In fact, all taxpayers in Ontario experienced a relief in the burden of debt.

Linda Leatherdale goes on to say, "Both David Peterson's Liberals and Bob Rae's NDP hiked income taxes 11 times."

This article is worth reading, and I refer to it again—it's in the weekend edition—"pushing our combined top income rate to 53.19%—the highest in the country." Clearly, our Premier's against tax increases.

But the real culprit here is that this month Paul Martin announced EI premiums would fall to 2.5% for every \$100 in earnings. In fact, at the same time they hiked the CPP burden on the taxpayer starting January 2000.

A typical earner here, who's quoted in this article, is overtaxed—

The Acting Speaker: Thank you. Questions and comments?

Mr Bradley: I enjoyed the remarks of the member for Timmins-James Bay because I think he put in context what this debate is all about, what this bill is all about. It's a symbolic bill. There are a lot of loopholes in it that we see.

A concern would be if it were to apply, for instance, to a local level of government. Then the local level of government would have to assume certain financial responsibilities or penalties. That would be a matter of concern because then we have the provincial government simply downloading on those local entities.

I know the member didn't have enough time to talk about gambling and how the gambling revenues apparently are not affected by this particular bill. I can remember when they were known as—because they didn't have special titles—Mike Harris and Ernie Eaves and they were members to the Conservative caucus. They said they didn't want to get their hands on any of this gambling money because it was always filthy money that they didn't want to touch.

Under the Conservative government we've had huge expansions of gambling opportunities in this province. I know the family values group within the caucus, which is a fair group within the caucus, has probably expressed its view that this gambling is detrimental to the social fabric of this province.

Of course, what they wanted initially were the video lottery terminals, the electronic slot machines, the crack cocaine of gambling, in every bar and every restaurant of every village, town and city in the province. That's what they really wanted. We in the Opposition stopped them from that.

Then they had the Mike Harris gambling halls. There were to be 44 of them all around the province, seven days a week, 24 hours a day—the Mike Harris gambling halls. So this government has an addiction to gambling revenues.

Ms Churley: I'm not going to talk about gambling at the moment. I want to congratulate the member for Timmins-James Bay for his speech. He gave a very interesting historical prospective on where the middle class originated and what's happening now. Of course, it's not just the NDP saying this, but it's well documented in all kinds of journals and publications that whatever the causes—and I'm not going to stand here and say it's all the fault of the Tory government and government right now. I am, I suppose, large enough to admit that there is a whole bunch of reasons why that is happening. Because of the global economy there have been a lot of changes.

2010

The reality is, as we should acknowledge on all sides of the House, that the gap between the rich and the poor is widening in a frightening and alarming way, and in fact the middle class is disappearing. That is essentially

what the member for Timmins-James Bay was pointing out here tonight. It is incumbent upon all of us as legislators, no matter which party, to start addressing that issue and stop pretending that it isn't a problem and turn our heads away from it and merrily go on our way cutting taxes and talking about balanced budgets.

The other thing that the member was talking about, and we have raised it and will continue to raise it, is the underinvestment in strategic investments in education, our public health system, the protection of the environment, the needs of disabled people. That kind of underinvestment has been going on for some time and it's starting to show. So it is important that the government listen to the reality of what their tax cuts mean to our society in Ontario.

Mr Hastings: It's good to hear the more balanced views, I must concede to the member for Broadview-Greenwood. She's very good at bringing out the concern for the destruction or the decline of the middle class. Also, the member for Timmins-James Bay brought that out as well. Unfortunately, I think they somehow confuse root cause and reason for the decline of the middle class. All you have to do is look at the unusually high tax rates in this country, even in this province before we came to power. It has nothing to do with the partisan stuff, it simply has to do with the reality.

I'm interested in some comments made in one of our national papers recently regarding Saskatchewan, which has always been the leader for the NDP across Canada. A businessman from Saskatoon was pointing out recently that in the province of Saskatchewan, unfortunately: "We have more University of Saskatchewan graduates working in Calgary than in Saskatchewan. That's what happens when you have stupid policies." What he was referring to is the high cost of maintaining crown corporations like Saskatchewan Power, Saskatchewan Energy, potash and so on. You end up, when you contrast the two western provinces, that Saskatchewan dependants pay \$5,938 whereas in Alberta they only pay \$4,188.90. That's a significant difference. Wouldn't you think common sense would show where people are going to go? To that lower tax jurisdiction, because they have greater opportunities there than in high-priced Saskatchewan. That's where the middle class is declining, unfortunately.

The Acting Speaker: In response, the member for Timmins-James Bay.

Mr Bisson: I'm not going to comment too much on the last point—I think it's a bit of a broken record—but I want to come back to the original point I was making, that all of us in this Legislature have to start taking seriously what's happening to the middle class across this province. We find—it doesn't matter where it is, in what part of the province—that the middle class is more and more starting to feel under attack when it comes to their economic situation. They see themselves, by way of user fees when it comes to education, when it comes to health care or whatever it might be, having to put more and more out of their pockets because of the government

trying to deal with how to pay for their silly tax cut that they put in place.

I just want to come back to the point that I made before, which is that what we see now in this province, in comparison to most other provinces, is a larger gap between the rich and the poor. If you've got money in Ontario you do quite well. If you happen to be not doing so well as far as your economic situation, you don't do as well as you would in other provinces across the country. I would say to the government, it's not all of your doing but I think a lot of your policies have a lot to do with it.

Yes, as the member for Broadview-Greenwood said, it is partly because of what's happening with large multinationals having policies that are squeezing the middle class—I would argue also some of the policies that we see in the United States of America—but your policies are certainly contributing, I believe, to an extension of the gap between the rich and the poor.

I would say to this government—I'm just going to make the point that was made a little while ago—it's going to happen. The economy runs in a cycle. We will end up going into a recession once again. It's unfortunate; that's the way the economy goes.

What you people have done by way of your fiscal policies in this province and the laws that you've put in place is not going to bode well for the working people of this province, and especially the middle class, come the next recession.

Mr Galt: I certainly appreciate the opportunity to address Bill 7, the taxpayers' protection legislation. Certainly this is one that I've been looking forward to for the last four to five years, because really what we're talking about here is whose money. We talk about "the taxpayers' money"—we use that rather loosely around here at Queen's Park—and we talk about "the public funds." But these monies don't belong to the politicians at Queen's Park or municipally or federally, for that matter. I personally think the term "public funds" is very misleading when in fact it is the taxpayers' money. Certainly it is the taxpayers' money until it gets into the hands of bureaucrats and politicians.

If taxpayers had their way, I know that it wouldn't be spent the way it has been in the past. Certainly they wouldn't be spending it on a whole lot of interest on debt, close to \$10 billion that we're now up to. It's time we started to remember that this money is literally being taken away from them, like it's at gunpoint. Just try not paying your taxes if you don't believe that's the way it's being taken away.

I know it's a huge step for the opposition to recognize this, that it's the taxpayers' money. They seem to think that it's their God-given right, that it's their money and that they should have the right to say how it's spent, when in fact it should be the public that have the right to say how it's spent and indeed how much is raised.

It's very timely to be bringing in this legislation, especially as we approach having the budget balanced, and there's been some criticism here this evening about a deficit rolling along. But we've created 610,000 net new

jobs since we were elected in June 1995. Yes, we could have balanced the budget much faster, but not with the criticism and suggestions from the official opposition, the Liberals, on how we should be spending, spending, spending. I think it's very timely now, as we approach this balanced budget legislation, as we've reduced the provincial income taxes by some 30%, and we're going to continue to reduce the provincial income tax by another 20%. We're in the process of reducing the corporate taxation by a total of 50%. We've eliminated the employer health tax for those employers with a payroll under \$400,000, and we've also managed to get the rates of the WCB—now the WSIB—down, all of which are stimulating jobs.

We now have one of the lowest income tax rates—it is the lowest income tax rate in Canada—and it's certainly time to protect the taxpayers as we move into the future from any unwanted tax increases.

What this government has really been doing is stopping a vicious tax spiral that's been going on—from 1985 through to 1995, some 65 tax increases. I'll highlight a few of them just to show you how destructive these taxes have been.

Back in 1985, as soon as the Liberals came into government, they upped the provincial income tax to 50% of the basic federal rate. That wasn't quite enough. They had to go on and put a surtax of 3% on all the Ontario tax over \$5,000.

Then along in 1988 in their budget, they added a cent to the litre of gasoline. Then that wasn't quite enough. They added another cent to the retail sales tax here in the province of Ontario, taking it up to 8%. But Peterson then realized it was wrong and when he was campaigning in 1990 tried to take that 1% off—he announced it down in Brockville—but, lo and behold, it was a little too late.

In 1989 they kept right on going. They added two cents per litre on to gasoline and they upped the provincial income tax rate to 53% of the basic federal rate. That was the time they also brought in the employer health tax on all Ontario employers, just such a job-killing tax, and drove jobs out of this province.

2020

They also brought in a tire tax that a lot of people thought was an environmental tax; it was just another tax grab. Then, of course, in 1989 they brought in the commercial concentration levy, another job-killing tax.

As we moved to the next government in 1991, they really jumped on to the gasoline. They thought this was a great place to add on a tax, 3.4 cents per litre on gasoline and on diesel fuel. They also thought the surtax was just a great place to go, so they upped it to 14% on all tax over \$10,000 here in Ontario.

In 1992 they upped the provincial income tax to 54.5% of the basic rate and jumped the surtax to 20% but dropped it down to anything over \$8,000 of tax provincially.

In 1993 the provincial income tax went up to 58% of the basic federal tax, at least that's where it stopped and held until we came into government. At that time they

pped the surtax to 25% on anything over \$8,000, and in 1994 they upped the surtax to 30%.

The Liberals and the NDP raise taxes just as surely as winter follows autumn, and it took the Harris government to do something to reverse this whole vicious cycle that we were going through on taxes spiralling upwards. We look to the federal government and we hear so much talk about cutting taxes, but it seems to be about all we're getting is lip service. It's rather ironic that the first tax cuts that we brought in were totally eaten up by tax increases by the federal government. I found it rather appalling that the Liberals across the House would demand, "Where were those tax cuts?"—they weren't seeing it—when in fact it was their federal cousins that were gobbling up that tax cut that we had made. All they had to do was ask their federal cousins, and they would have found out where that money was going.

It's great that the Harris government has come in and cut taxes, because at the time that we did, we had the highest tax burden in this country. That certainly isn't something to be very proud of, but I'm sure that the previous two parties when in government certainly thought it was great.

You'd almost think, from the opposition and their suggestions and the way they talk in here about spending, that people want to have high taxes, that taxes for some reason are good for you—maybe like medicine, it's got to be bad to be good for you—but it really doesn't make too much sense.

I want to bring to your attention that during this last election the leader of the official opposition said to Robert Fisher, when he was on Focus Ontario: "If you want tax cuts, don't look at me. I'm not the tax cut guy." Of course, as time went on, he changed his mind, but that's typical of being a Liberal, you're allowed to change your mind—some people call it flip-flopping.

We've heard a lot from the NDP tonight and some of the Liberals about poverty, but I can tell you one of the ways to fight poverty in this country is through tax cuts.

They talk out of one side of their mouth about the plight of the working poor and wanting to help them, but I can assure you this evening there was absolutely no question that high taxes hurt the poor and create large numbers of poor in this province. If you want to turn the tide on poverty, one of the ways to go about it is to cut taxes, reduce the tax on the poor. In Canada, annually, \$6 billion is collected from people who live below the poverty line. That's \$6 billion that's really blood from the proverbial stone.

In 1997 Stats Canada indicated that the low-income cut-off point for singles was \$16,320, and for a family of three it was \$28,119. People under those income lines are really working poor. There are single moms, there are older workers, with little prospect into the future. These are the very people that the Liberals and the NDP keep going on and on about, and you'd almost think they were genuinely concerned with their comments. You would think that they would truly want to give a tax break to these people and you'd truly think that they would want

to get permission from them before they would raise taxes.

I don't think there's any question that Ontario has been leading in tax cuts across this nation.

If you look at where different governments start their taxation and you look to the federal Liberals, they start taxing at an income of \$6,500. Go to the US; their taxing starts at \$9,500. Go to some of the other industrialized countries; they don't start an income tax until you get to \$15,000 per year. They recognize that those at the low-end income scale are the people who can least afford to pay the taxes. By recognizing them, the end result is that you're not taxing the poor, and that's the way it should be—but not with the federal Liberals here in Canada.

You can certainly thank the federal Liberals for being tax-happy, the ones who are creating all the taxes to create the harm on the poor, and also the tax-happy provincial governments that we've had in the past. The result has been that Revenue Canada has gotten richer and our poor have been getting poorer and poorer.

From 1995 to 1999, with the changes in the provincial income taxes, we have eliminated income tax from some 600,000 of the working poor. I would suggest that's what the federal government should be doing as well, and that indeed would help the working poor in this province. I can tell you that that's what a compassionate government is all about. It's not the hand-wringing that we see on the other side of the House or all these displays and song and dance that they go through, but this is real, concrete, decisive action to help the poor in this province. It's really called putting your money where your mouth is.

I want to make reference to 10 reasons for cutting taxes. It was written by Walter Robinson, and I'd just like to highlight some of these reasons that this individual uses. The number 1 that he has, "We've had heavy tax increases." There's no question. If you look from a Canadian basis, from 1965 to 1995 revenues went up some 1,569%. Direct taxes on persons went up 2,501%. That's here in Canada over a 30-year period.

The second reason that we should be cutting taxes: "High taxes foster an underground economy." I don't think there's any question on that. You can go to the problem we were having a few years ago with the taxes on cigarettes and the smuggling of cigarettes into this country, taking chances on being shot at coming across the river, coming across the lakes. The taxes were so high that it was worth that kind of risk. It's estimated that in Canada 15% of our economy is underground.

I think it's interesting to point out that Puerto Rico cut their taxes at the high-end marginal tax rate from 67.6% to 41%. The end result: Total tax revenue increased by 28%. A lot of the people who hadn't been paying tax came out of the woodwork and started paying tax and contributing to society, but with very, very high taxes it just drove them underground and it just wasn't working.

Another reason to cut taxes: "Canadians are indeed fed up with the taxes in this country." That came from an Angus Reid poll in December 1988; 82% of Canadians believe that taxes are too high, and that really shouldn't

be a big surprise to any of us. Most Canadians think government believes that someone who is rich is anyone who happens to have a job.

Item 4: "Politicians promised a tax cut." In 1993, the Prime Minister of this country stated: "Canadians have reached the saturation level with respect to taxation. No government really can expect to generate new revenues through new taxes." That was our Prime Minister in 1993, and we all know how many taxes they've increased since 1993 till now.

Also a reason for cutting is high taxes discourage productivity. In Saskatchewan there's just an excellent example of that with the potash mine, and that was mentioned earlier this evening. Once they got to the point where a dollar investment meant that 86% of the profit was going in taxes, they essentially shut down the mine. Once those taxes were reduced to 35% of profit, they invested a half billion dollars into that mine.

2030

The sixth point that Walter Robinson made was, "Lower taxes equal higher revenues. As has already been pointed out here this evening, the revenues went up significantly here in the province with a cut in taxes. Dr Gerald Scully of the University of Texas suggests that the maximum rate of all the taxes put together should never go above 21% to 23% of the gross domestic product of the country. In Canada our total taxes right now work out to 37.2%. That's almost double what's recommended by Dr Scully.

Also, the seventh point he makes is that, "people flee high-tax jurisdictions." Dr Richard Vedder of Ohio University pointed out that in the US 1,000 people per day from 1980 to 1988 moved from the high-tax jurisdictions to the low-tax jurisdictions. Certainly that's been happening here in Canada as people have moved from BC to Alberta because of the horrendous tax load that was being levied in BC.

Walter Robinson also points out that, "it's time for payback to taxpayers." Over the past five years the federal government cut spending by only \$13 billion but their tax revenues have gone up \$39 billion. They have balanced the budget on the backs of taxpayers. They haven't stimulated the economy. It's been the province of Ontario that has stimulated the economy.

Item 9 is: "Prioritize spending." There's no question there's adequate money coming in. The problem isn't revenue, the problem has been spending; and that's been true both provincially and federally.

His last point relates to tax cuts creating jobs. Since 1995, as has been mentioned here earlier, we've created 610,000 net new jobs; 43,600 created last month. How many were created from 1990 to 1995? Minus 20,000 jobs. Very shameful. It was pointed out back in 1995 by the Bank of Canada that the taxes that had increased over the four years prior to 1995 cost the economy of this country 130,000 net jobs.

If the previous government in 1990-95 had just left taxes alone, just let them sit still, 130,000 jobs would have been created. But they kept increasing taxes, and as

they increased taxes they lost revenue. I believe it worked out to about \$4 billion a year that they lost in revenue as they kept increasing their taxes.

There is no question that we should remember where the money comes from. I started out my presentation this evening talking about it's being the taxpayers' money. I think too often politicians think it's their money and they have the right to be spending it however they think it should be spent. We have to be more accountable and that's what this bill is really all about, accountability to the taxpayers. If we're not accountable to them, then who else should we be accountable to? Yes, it is the taxpayers' money, and this legislation is going to remind us and remind future governments of whose money it is. It is not their money, it is in fact the taxpayers' money.

Collecting taxes should be similar to almost any other transaction that goes on in our economy. If it's justified and good services are provided, then most people are reasonably comfortable about paying those taxes. But if there's no consumer choice and it's just, "We know what's best for you," as we've heard from the other side of the House, then taking those taxes is much like expropriation.

This taxpayer protection legislation reminds us just how drastic a measure is necessary to get it across to the opposition. As we look into the future, we're going to be scrutinizing these expenditures much more closely. It should be about looking after the public good, not just what politicians necessarily think is right, although if we look at it and expenditures require increased taxes, then the public will be consulted. I think that that's only fair. Again, it's the taxpayers' money and it's a very compelling reason to go out and consult with them through a referendum.

This is certainly the case, and when they give up that money maybe, once they have gone through a referendum, they can agree it's the money formerly known as the taxpayers' money. Then there will certainly be just cause, if they vote in favour, that that money can be taken and spent as it would be put on that legislation. For this reason I am very supportive of this legislation and enthusiastically look forward to seeing it being passed.

The Acting Speaker: Questions and comments?

Mr Ernie Parsons (Prince Edward-Hastings): I can't speak for everyone on this side of the House, but I can tell you that I certainly appreciate the tax cuts and am using them. I don't know if we're typical or not. We have five children at home and we have another child at Queen's University. I am using my tax savings to pay the tuition at Queen's, which has doubled over the last five years. I'm using it to pay for the tuition at Loyalist College, which has gone up 10% every year. I'm using it to put \$2 tags on garbage bags, which I didn't have to four years ago, and then they're only getting picked up every second week. I'm using it for when the kids want to go swimming, to pay increased entrance fees into the provincial parks. I'm using it to go and pick up the children after school because the school board no longer

has the funding for the late bus, for all of us who live in rural communities.

At that stage I've run out of my tax savings, but I'm still buying school supplies that used to be provided for the children. I'm paying money to drive on 407, which was a concept that was alien to us a few years ago. We paid money to the province to build highways and then we drove on them when we paid. I'm using money for that. I'm using money to help a 92-year-old friend pay for drugs that used to be covered under the drug plan. I don't know what I'd have done without those savings, because my user fees have gone up more than I would have been able to handle.

This government I believe has led in tax transfers over the last four years. I am acutely conscious that if a budget can't be balanced, one easy mechanism is to transfer more responsibilities to schools, hospitals and municipalities and let them be burdened with the cost. I think we're deceiving the public when we purport to them that this is in fact going to guarantee a balanced budget. What it guarantees is only that they're still ripe for most costs somewhere else in the system.

Ms Churley: I appreciated the comments from the member for Northumberland, although he didn't say anything new. I've heard this speech before, and once again I was somewhat offended by his assertion that those of us in the opposition—I believe he used words like “bellyache” or “grandstand” or whatever it was—don't have real concern about the poor in our communities who are suffering as a result of this government's policies and cuts. I find that offensive. I don't know if he sees any of those people in his constituency, on his streets, but I certainly do, day out, day in, in my riding. I would appreciate if the member perhaps might want to withdraw those remarks.

I would say to him that as they point fingers and blame other, past governments for what they see as the sins of today, remind him that the last year a Tory government balanced a budget was in 1969-70. The last year that the Tories were in power, the deficit was over \$3 billion; I believe that was in 1985.

It's up to people to decide, and so far they've decided to stick with the Tories. So far I guess they agree with you overall, the majority, that it's OK to borrow billions of dollars to give a tax cut that mainly benefits the rich.

Hon David Turnbull (Minister of Transportation): What did you do?

Ms Churley: Yes, our government borrowed money and yes, our government raised taxes. We all know that. Whether it was misguided or not, we were in a bad recession that was obviously not caused by the NDP—what a ridiculous assertion—and tried to keep people afloat during the worst recession since the 1930s. That has to be acknowledged. You're borrowing money to give a tax cut to the rich.

2040

The Acting Speaker: Thank you. Members would know that interjections are always out of order, but

they're particularly out of order when you're not in your seat.

Mr Newman: It's my pleasure to comment on the speech from my colleague from Northumberland. I think he presented an excellent speech here tonight where he talked about the various tax cuts this government has brought forward since 1995. As you know, our government has brought forward 99 different tax cuts in our province. What we've seen in our province are 615,000 new net jobs created in our province, as the member for Northumberland mentioned, since the throne speech of 1995. These jobs are not only happening in ridings represented by members of this side of the House but in ridings represented by members opposite. They're seeing that there are more jobs in their communities today as well.

If we look back under the previous Liberal and NDP governments, we actually saw 65 tax hikes. How many new jobs were created between 1990 and 1995 under the NDP? We lost over 10,000 jobs in our province. Ontario saw a net loss of 10,000 jobs.

Just this past month, in October 1999, we saw 43,600 new net jobs created in our province. I think the member from Northumberland was very correct to point that out. When he was mentioning all the various tax hikes brought about by the previous governments—65 by the Liberals and NDP from 1985 to 1995—it made me think about previous budgets. If you think back, we saw during previous budgets—the night before the budget came out—long lineups at the gas pumps, long lineups at the LCBO stores, long lineups at the Brewers Retail outlets and long lineups in convenience stores where people were buying cigarettes. Why was that? People knew, they were confident, that the governments of that day were going to hike taxes and they were right. Governments went on to hike taxes 65 times.

They have the confidence in our government; there are no lineups the night before the budget.

Mr Bruce Crozier (Essex): The government likes to take us back in history. I'm not going to take you back to 1987 or 1990. I'll take you back to 1995.

During the 1995 campaign, Mr Harris staged a media event promising taxpayer protection legislation and balanced budget legislation that was promoted by the Canadian Taxpayers Federation. As a matter of fact, Mike Harris signed a pledge during a news conference on May 30, 1995, that “(1) would make an increase of existing tax rates subject to approval by the voters of Ontario in a binding referendum”—he didn't keep that promise; “(2) require the elimination of Ontario's operating and capital deficits within at least five years, along with interim deficit targets for each of those years”—he didn't keep that promise; “(3) contain a pay-for-performance ministerial salary penalty for the Premier and cabinet ministers if the interim deficit targets were not met.” He didn't keep that promise either. Why should we believe him now?

Now let's go to the province of Ontario annual report of the Ministry of Finance 1998-99—the Ontario debt as

a percentage of gross domestic product—and you're bragging about how you've helped the economy and how you're going to balance the budget and reduce the debt.

In 1994-95, when you took office, the Ontario debt as a percentage of GDP was 28.8%. Guess what it was in 1995-96? It went up to 31.1%. Then it went to 30.2%. Now it has dropped, although it's going to remain the same at 29.7%.

If you're going to brag about some things, you should also brag about those figures.

The Acting Speaker: In response, the member from Northumberland.

Mr Galt: I'm pleased to respond and particularly appreciative of the comments made by the member from Scarborough Southwest: brilliant observations on his part of my presentation. The other three didn't do quite as well.

I think it's kind of interesting. The member from Prince Edward-Hastings was talking about his young people going to university and college. But from the time they were in government until now we've gone from someplace around the 22% of our young people going to university or college and it's now at 34%. Something must be right about what's happening out there, a great place to invest in their future. I think he could explain about the cutting off of the late buses, having been the chair of the board, probably because they're spending too much money on administration and not enough on students.

It's interesting, the member from Broadview-Greenwood talking about poverty. In Canada, according to the UN, we now have it at 6% and we have the second-lowest poverty rate in the world. I think that's something to be proud of in one way, but 6% is still 6% too much. Until we get rid of that 6%, this government will not be satisfied.

The member from Essex started off with a great talk about debt compared to GDP and then he talked himself right out of it. He started out at 28.8%, it went up, and now it's coming back down; it's back down to 29.7%. The mess this government took over in 1995 was like trying to turn around the Queen Elizabeth in the Toronto Harbour. It was difficult, it took time and it certainly wasn't easy. But obviously, from the figures he had, going from 31.5% down to 29.7%, this government has it going in the right direction.

The Acting Speaker: Further debate?

Mrs Leona Dombrowsky (Hastings-Frontenac-Lennox and Addington): Mr Speaker, I will be sharing my time this evening with the member from Sarnia-Lambton.

First of all, I think it's important for me to state, as a Liberal representative in the House, that the idea of protecting taxpayers is certainly not foreign; it was part of the Liberal Party platform. It has certainly been part of the Liberal Party experience when the Liberal Party was the government in Ontario. It's part of the Liberal experience at the federal level in Canada.

The member from Etobicoke North made a statement earlier this evening that taxpayers are tired of footing the bill. Unfortunately, he didn't complete the thought with the very accurate phrase that the taxpayers are tired of footing the bill and they are still footing the bill.

"Taxpayer protection act" is really a misnomer, and I believe that taxpayers are as vulnerable now and perhaps even more vulnerable than they were in 1995, when this government first came to power.

I tried to imagine an analogy for the taxpayers of Ontario that accurately describes the business setting or situation in which we find ourselves as a province. I find it hard to understand how the government could present itself as an efficient money manager with this scenario, and I believe it is an accurate analogy. I present this example: In 1995, a homeowner buys a home for \$100,000 and agrees to pay a certain amount in payment. Four years later, after making all of those payments, the homeowner now owes \$125,000 instead of \$100,000.

It could be argued, "but the payments are lower; that's what the government has done." Yes, indeed, the payments are lower, our commitment in tax is lower, but the debt is higher. We have mortgaged the future of our children to provide tax cuts. The government would offer to us that this has stimulated the economy without any recognition of the other economic realities of the day, those realities being a booming American market, an attractive Canadian market because of the buying power of the American dollar.

It's unfortunate that the government doesn't recognize and attribute some of the growth, probably reasonably a good deal of the growth, to those factors. But to suggest that economically we in Ontario are in a better financial position today than in 1995, when they took office, in my opinion is misleading and misrepresenting of all the information that taxpayers of Ontario should have. We owe more money today than we did before.

2050

I would also suggest that the services to the people of Ontario have declined at the same level as the taxes in the province. In my part of rural Ontario, as I campaigned and I came to know the issues of the people in the area—and certainly I think the results in rural Ontario reflect that rural, middle-class Ontarians were forgotten by the last government. Check the election results. Rural, middle-class Ontarians have experienced significant reduction in services. Ministry of the Environment offices and officers have been reduced and have closed; Ministry of Natural Resources offices have closed; Ministry of Agriculture offices have closed. In my riding of 12,000 square kilometres in rural Ontario, there is not one Ministry of Agriculture office open. Ministry of Transportation and licensing offices have closed within the riding and have resulted in waits of eight to 10 months for people to simply get a driver's license. So while you might boast about reducing taxes, let's also tell the people of Ontario the services that you've reduced as well.

What concerns me now are the proposed reductions that will continue.

Interjections.

Mrs Dombrowsky: Lobbing the ball back and forth—"it's their fault, it's their fault"—and not taking any responsibility of their own only reflects the arrogance that this government continues to demonstrate to the people of the province, the insensitivity to the lack of service that the people are experiencing. Certainly that's the case in my riding.

So this evening I stand to support legislation that would protect taxpayers and would ensure that budgets are balanced. Certainly Liberal governments of the past have done it and they didn't need a law to do it. The federal government has done it; they didn't need a law to do it. If that's what it takes for this government to balance a budget, then I'm in favour of doing it because I think it's the reasonable, responsible thing to do. But don't present in this House that tax cuts have been such a benefit to the people, because I can take you to a lot of individuals who would demonstrate to you that tax cuts have not helped them, that tax cuts have only translated into user fees and they are out of pocket more money now than before this government took office.

So while I stand and I support taxpayer protection and the entire philosophy that it represents, if that's what it takes, a law in the province, to ensure that a government acts responsibly, I will support it. It is something the Liberals have done without a law, but if that's what the Conservatives need to balance the budget, then I will support it.

Ms Caroline Di Cocco (Sarnia-Lambton): Taxpayer protection and balanced budget: I will say at the outset that it's remarkable how well this government names its bills. I concur with the member from Hastings-Frontenac-Lennox and Addington that it's unfortunate that we have to enact a law, that this is the only way this government is going to balance its budget.

It's a pleasure for me to speak on a concept that I agree with, which is taxpayer protection and a balanced budget. I must say, who would not agree with that statement? I have to also say that there's an interesting aspect to speaking to this bill in that the reality is that Ontario is one of the last Canadian jurisdictions to adopt some form of budget or tax control legislation.

As has been the trend with this government, they like to look back and remind everyone of past records, of what they said and what they did, or divert responsibility to others. I'd like to remind this government of its 1995 campaign commitment, which was to balance the budget in the first mandate. The revolution document did not mention balanced budget legislation or tax referenda. However in 1995, Harris had the media event that supported taxpayer protection legislation and balanced budget legislation and it was promoted by the Canadian Taxpayers Federation. He signed a taxpayer protection pledge on May 30, 1995. In that pledge he suggested that the legislation would be introduced in the first session and that the legislation would require balancing the

budget within the first mandate. This was not the case, but better late than never.

The other reality that is fact is that Premier Harris has been Premier of this province for almost five years and has not balanced the budget as yet. The debt of the province of Ontario over his term went up \$21 billion, in his first four years. The debt has increased from \$88 billion to \$109 billion. This year, I understand, the debt is going up another \$4 billion.

I remind this House again that the Harris government loves to lambaste the record of previous governments. Well, we saw and understand what was happening when the credit rating of the province of Ontario went from AAA to AA+ to AA to AA-. This happened during the NDP government, under a horrific economic downturn. We all know that.

Mr Crozier: Where is it today?

Ms Di Cocco: Exactly. Where is it today? We have now been through almost five years of a government that has touted fiscal responsibility, and we have been and are still experiencing strong economic growth. It begs the question: Why is it that after four years, the major credit-rating agencies still give Ontario the same low credit rating of AA-?

As the member for Scarborough-Agincourt has stated in the past, the other interesting measurement of the debt is what is called debt to gross domestic product. This is an objective evaluation which shows that when Premier Harris became Premier, the debt to GDP was 28.8%. According to the government's own figures, the debt to GDP is higher, and it was at 31.9% after four years in government.

I hear over and over about how tax cuts are what has driven the economic boom in this province. I must say that I'm not quite as eloquent as the member for St Paul's but I have to agree with his comment that taking credit for the economic boom by the Tories is like the rooster taking credit for the sunrise. I think that says it all.

What is the government's role? Is it just tax cuts? Is tax cuts the only mantra that we have from this government? That's how it appears to me, anyway. And why do people pay taxes? Taxes are paid for the quality of life in a healthy, well-rounded society.

Let's look objectively at the economic prosperity of this province. The United States economy and our economy are interlinked. Our economy rises and falls in lockstep with the United States. This has been the case in the past, and it is more so as our trade corridors have shifted from east-west to north-south. Our exports to the United States have grown in nine years from 28% to 49%.

I have recognized that there are two parts to this bill: the balanced budget portion and the taxpayer portion. The part that has been a long time in coming and that I am in total agreement with is that the government must balance its books on a four-year cycle. As my colleague from Scarborough-Agincourt signalled, his concern is with accounting practices of the government that will come back to haunt us. Both schools and hospitals that

have made needed efficiencies within the system will now carry on a burden of their debt. This debt comes off the provincial books and goes on to the school boards and on to the hospitals.

2100

I agree with balanced budgets. Again, I don't understand why we needed legislation for this government to set a goal to balance its budget. On the other hand, I still believe that the Harris government has put the cart before the horse by giving tax cuts before they got their fiscal house in order. I believe that government must be held accountable, but in action, not just in rhetoric. It is a fact that government agencies such as the environment, health, education, culture, heritage and so many other sectors have become ineffective because they cannot provide the needed services this province needs.

What good is a tax cut if we lose what I consider sustainable people development? What good is it to hear in the Financial Times that the economy is booming if the disabled or students or patients or our infrastructure do not reap the benefit of this economic boom? The question is, of course, who is the economic boom for? It certainly isn't for the people of the province.

I also do not understand how every sector has to continue to do more with less, but the Premier's office has doubled, cabinet has increased in size and their staff's wages have risen. The Ontario Conservative government has a double standard. If you are a well-placed Tory providing direct political assistance to help the government get elected, you will be rewarded. But if you are a corrections officer or an environmental officer or a nurse or a teacher or a doctor or somebody who's providing direct service to the public, you will not be rewarded, you will be insulted. By comparison, the government in August quietly approved raises of up to 30% for the 326 political aides who work as communication assistants, chiefs of staff and policy advisers to the province's 25 cabinet ministers. Yet it was just announced that there are going to be more cuts coming in every other sector. So again we have a double standard.

I would also like to remind this House that on this side we have believed in tax protection and we have believed in tax cuts, in the right order. It was in 1989 that we had our last balanced budget, and it was under the Liberal government.

Sustained economic development means that we need to balance fiscal responsibility with a social conscience. Yes, it is the trend around this country, this continent, but if all those hikes in user fees, licence fees and services you must pay for—I wonder where the tax cuts come into play as we raise all the other elements of what I consider are subversive tax cuts. Gambling money is, in my humble opinion, another form of taxation.

In this House, we're all members who have been voted in to protect the interests of the people who elected us. I am wary about the words said by this government and the actions taken.

I had an opportunity to speak with the honourable Mr Lawrence Summers, the Secretary of the Treasury of the

United States. He spoke about sustainable economic development, and we had a long discussion about the more progressive approach to have adequate affordable housing, to ensure that good resources are put towards public education, good health care and the environment. He was adamant about the priorities: Get the fiscal house in order and look after the social needs that sustain economic development, and then you have the tax cuts.

Fiscal responsibility, and not just the appearance of fiscal responsibility, is what I believe in, and that's what we on this side of the House believe in.

There are many examples of how the actions do not follow the words of fiscal responsibility on the other side of the House. Yes, let's get our fiscal house in order, but in reality and not in words.

The Acting Speaker: Questions and comments?

Ms Churley: I appreciate the comments made by the members for Hastings-Frontenac-Lennox and Addington, and Sarnia-Lambton. With all due respect, I have to start by setting the record straight on the so-called balanced budget of 1989-90. I recall, when we won the government in 1990, being told that there was a balanced budget but coming into office and the horror of opening up the books and day after day finding that the so-called balanced numbers were going up and up and up. I believe it was \$2 billion or something.

Hon Mr Turnbull: It was two and a half.

Ms Churley: It was \$2.5 billion, was it? So we did start off with a bad recession coming—let's face it, there really was—and we started in the hole with a \$2.5-billion deficit. So let's get our numbers straight there.

What we all have to consider here as we talk about numbers—and they're flying back and forth across the House: who balanced the budget when and who didn't and whose fault this was and who's taking credit for that. For the people out there, all three who may be watching right now, one has to talk about solutions and to think about what people really want.

As the speakers mentioned, people do want tax cuts. I disagree with your approach. I don't think we should be borrowing money to give a tax cut to the wealthy when you're trying to pay down a deficit. I think that's wrong. On the other hand, I believe there should be strategic tax cuts when times are good that mainly benefit the poor and the middle class. You're doing the opposite.

The other thing these speakers mentioned is the social deficit, which you are paying no attention to. We have to consider, when we think about tax breaks, what our taxes pay for. Health and education are two.

Hon Mr Turnbull: I would like to congratulate my colleague the member for Sarnia-Lambton for her debate. I met with her this morning and I was delighted to have a good conversation with her. But I just wanted to get on record the correct figures.

In 1989, the Liberal government of the day projected a budget deficit of \$550 million—a deficit. In fact, they got an unusual transfer from the federal government of \$888 million. I have the numbers emblazoned in my mind. That would indicate, taking away from that unusual

transfer which they weren't anticipating, that they should have had a surplus of \$330 million given to them by the federal government. In fact, they managed a \$90 million surplus, supposedly. I don't know what they would have done if they hadn't got the money. They'd have been even further in the hole than the \$550 million they planned.

2110

But in point of fact they'd used a technique known as pre-flow. That means they took payments that they were supposed to recognize the next fiscal year and took them into that fiscal year and delayed payments they should have been making to other institutions to the following year. This is known as pre-flow. Then the NDP, when they became the government—not that I would ever want to be known as defending them—inherited a \$2.5-billion deficit, and nobody understood how it had happened, except the Provincial Auditor commented and so did a lot of other financial experts about the financial jiggery-pokery that the Liberals got into. They never had a balanced budget ever in the five years that they were government.

Mr Dave Levac (Brant): I want to thank the minister from Don Valley West for that history lesson. It's very important, and I think we should go on record as saying that your windfall was \$1.7 billion for selling a highway. I guess you get to balance your budget. Oops, sorry, it's not balanced yet. You couldn't do it with an extra \$1.7 billion.

I also want to talk to my colleagues on this side for their kind words and understanding. I think we have to start bringing a little bit of sanity into the debate by simply saying: "Here are the ideas. Let's talk about whether or not we really are going to balance that deficit." Did you have the opportunity to balance the budget beforehand? Yes. Did you take that opportunity? No. What did you do? You borrowed money to put on to the debt. Your intent was to make the debt higher. The next thing that you have to do is, you're going to have to turn around and wait until the legislation gets put down, until you put the legislation in.

My question is very simple: Why would you not have put in this legislation in the first round of deficit? You could have done this in the first round. In your first term of office you had the opportunity to do that. Did it happen? No, not at all.

Somebody on the other side made the comment about having substance. Let's look at the circumstances behind the situation that we're faced with, the circumstances behind this situation that's been created. Each time those things happen, you're looking at a circumstance and you don't want to face the reality. You had an opportunity to balance the budget an awful lot earlier than you did, but you had to wait because you wanted to put that extra money on to the debt.

Now you're going to say to us that we've got to make up that difference. How do we make up that difference? User fees. How many user fees have been introduced by this government? Tons and tons. You want to talk about

previous governments that have added the taxes. Let's put those taxes up; let's count how many times user fees have gone up since this government has been in power.

Mr Joseph N. Tascona (Barrie-Simcoe-Bradford): Certainly in this debate I think we should focus on what we're dealing with here. I don't think the member from Sarnia-Lambton did focus on that. The question is the Taxpayer Protection and Balanced Budget Act.

All we've heard is that they do agree with the balanced budget, but when it comes to taxpayer protection, they're not in agreement because, quite frankly, they've said that they don't believe in tax cuts; they don't believe in any protection for taxpayers. I don't think that's the right policy. When you look at it, even the federal government may be getting the message from the public, because they don't lead by example, they basically follow. They realize that what we see here is that the federal government has come to the conclusion, at least through Paul Martin—if you believe that's their position—that there should be some tax cuts.

When you listen to the Prime Minister, he basically says, "If you don't like the tax situation in this country, leave." That's a real attitude in terms of saying, "Leave the country," rather than do something about it. That's basically the message we're getting from the member from Sarnia-Lambton. She's saying: "We're not going to be involved with this taxpayer protection. We don't believe in that." But with respect to balanced budget, they say that you don't need any legislation to deal with that.

That's one thing that we do need to have here. We need balanced budget legislation because we're looking at a tremendous amount of debt that was inherited by this government, over \$100 billion in debt. I think the member from Sarnia-Lambton has missed the point. We do need the protection. We have kept our promise and that's why we got elected and the members on the opposition on the other side.

The Acting Speaker: Response?

Mrs Dombrowsky: I want to pick up on the word that I heard the previous speaker refer to more than once and that is the "protection" of the taxpayer. I certainly believe that as a government we have a responsibility to protect the taxpayer, but I think that protection goes beyond just looking at the bottom line in a ledger. That seems to be the only kind of protection you understand over there.

I'm worried about protecting the people who are in line to get into an emergency room—not the lineups in the emergency room, the people in line to get into the emergency room. I'm worried about protecting those students who require special services in school who are not able to access them, because the board does not have the resources that they require. I'm worried about protecting our environment, protecting the future of my children and the children of Ontario, to ensure that they have a safe and healthy environment in which to live, safe water to drink, air to breathe. That's what I'm worried about protecting.

I'm worried about protecting the roads in the province, instead of downloading them to municipalities that can't afford to maintain them. When you talk about protecting the taxpayer, let's look at protection in its fullest sense, not just a ledger sense but in the way we provide service to the people of the province.

I heard across the way tonight the term that they inherited such a "mess" five years ago. We have a mess now. It's worse now than it was five years ago. Accept that, please, accept that.

The Acting Speaker: Further debate?

Mr Tascona: I'm pleased to join the debate with respect to the Taxpayer Protection and Balanced Budget Act, 1999. I'm very proud to say that that's another promise made and a promise kept. That's what I think the people are looking for with respect to this government.

When you talk about a Taxpayer Protection and Balanced Budget Act, this government has stood behind that for the four years that I've been a member of this government and we're on the verge of balancing the books.

In dealing with this debate, I want to refer to why we need taxpayer protection and why we need a balanced budget act. I want to refer to an article that was put in the *Ottawa Sun* editorial, December 21, 1998. It says:

"Prime Minister Chretien would do well to steal a page from Ontario's Common Sense Revolution and introduce his own mandatory balanced budget legislation.

"Balancing the government's books has taken years of pain and sacrifice and it would be a pity to allow some future government to fritter the hard-fought gains away by slipping back into the shortsighted and dangerous practice of deficit financing.

"Imagine where this province or this country would be today had earlier governments offered the foresight to get out of hock and balance the books, enshrining in law the measures needed to keep future governments from buying votes today with tomorrow's money.

"There could be no greater gesture to those who have borne the real cost of balancing the books in the past 10 years than to protect taxpayers from a return to the days of red ink and higher tax bills."

We know that Prime Minister Chretien has done nothing of the sort. What he's talking about today—if you can make out what he's talking about, because he says one thing one day and he says another thing the other day—is that maybe they're going to give us tax cuts, maybe they're going to give us some debt refinancing, maybe they're going to spend more money. As you know, Mr Speaker, being a Liberal, probably what we're going to see is more spending. That's where I think that we have a very fundamental difference between this government's philosophy and what the federal government's philosophy is.

I think that's even more enunciated with respect to taxpayer protection. When the Prime Minister of this country comes out and says, "If you don't like this way it is in this country, you don't like the way the tax system is, just leave the country," that's a heck of a thing to say

with respect to fellow Canadians who have worked very hard. They have put this country in a tremendous amount of debt. They balanced the books, essentially on the backs of the provinces.

2120

What this government is looking at, in terms of a balanced budget—and I want to deal with the components of this bill as to why we need balanced budget legislation. In the past 35 years, Ontario has balanced its books or had surpluses only four times, in 1965-66, 1966-67 and 1969-70 under Tory governments, and then in 1989-90 under a Liberal government.

The fact is, every child in Ontario is born bearing a combined federal and provincial debt load of \$28,711, \$9,572 for Ontario and \$19,139 for the federal government. That's a significant amount of debt. By the end of March 1999, our debt reached \$109 billion, more than 50 times greater than our debt in 1964, eating up crucial revenues that could be used to pay for services for Ontarians. That's why we need balanced budget legislation.

From what I understand, Ontario is spending more than \$18,000 per minute just to service its debt. A fundamental fact the public has to realize is that we're still dealing with debt that was left to this government by the Liberals and the NDP. Public debt interest is \$9.8 billion in 1999-2000, almost half of what the province will spend on important services such as health care, which is \$20.2 billion in 1999-2000. What could we be doing with that money? We could certainly be doing a lot better than putting it into debt interest. We could hire 10,000 more nurses over the next two years. We could expand home care beyond the original long-term-care plan. There are numerous other examples, but one area we could invest in is building and modernizing universities and colleges.

The debt expenses we have are significant, and that's why Ontarians need balanced budget legislation. What we've heard from the other side tonight is, "Why do you need legislation?" We need legislation, obviously, because governments haven't listened to taxpayers. I think taxpayers want governments to live within their means, and certainly we promised that that was something we would bring in. We're not like the provincial Liberals, who would back off on a promise. We basically have lived up to our promises. That is the hallmark of this government, and it brings credibility to political life in this province.

With respect to taxpayer protection, one only has to ask, "Why does Ontario need taxpayer protection?" I think we've heard here tonight the amount of taxes Ontarians pay, not only to the provincial government but also to the federal government. What we've seen here is that from 1985 to 1995, Ontario taxpayers faced 65 provincial tax increases. I want to give you some examples to show the way that governments in the past, the provincial Liberals and the NDP, treated taxpayers. They treated them with total disrespect.

In 1985 the Ontario personal income tax rate increased to 50% of the basic federal tax. In the same year, the

federal Liberals put a surtax of 3% on Ontario tax in excess of \$5,000. In 1988 they increased the gasoline tax by one cent per litre and the retail tax rate went up 1% to 8%. Those are fundamental taxes that we faced and are dealing with today. Then in 1989 the gasoline tax increased by another two cents per litre and the Ontario provincial income tax rate increased to 53% of the basic federal tax. In 1989 we also had the employer health tax levied on all Ontario employers. In 1991 the gasoline and diesel fuel tax increased by 3.4 cents per litre and the Ontario surtax rate increased from 10% to 14% of Ontario tax in excess of \$10,000. In 1992 the Ontario provincial income tax rate increased to 54.5% of the basic federal tax and then to 55% in 1993. Is it any wonder the provincial economy went in the tank between 1989 and 1995? When you tax people in their basic personal income tax, when you increase gasoline taxes the way they were increased and when you also put an employer health tax levy on employers at a time when they should be getting breaks in terms of fair economic policy, taxation policies from government, that's why the provincial economy went in the tank.

There's been criticism here tonight with respect to why there would be tax cuts. What seems to be missed from the other side is that tax revenue comes from taxpayers. It just doesn't come out of the sky; it comes from people's hard-earned dollars. It's their money. There is only one taxpayer.

I would say that our tax cut policy was used as a stimulant to get the economy going and I think it's obvious what's happened. We have the top economy in this country. It's also been leading with respect to a number of US states in the north and the Midwest. We're doing far better than they are. That has increased jobs, as we talked about tonight, in excess of 600,000.

I think it's very fundamental to the policy that we've set. What I think the business community is seeing in my area of Simcoe county—and the member for Simcoe North, Garfield Dunlop—is tremendous growth. What we're seeing is that growth coming into new jobs, tremendous investment in the construction industry, new homes, tremendous furniture buying. What we're seeing is tremendous growth also in the education sector and in the health care sector. You can't have a strong health care sector or an education system without a strong economy. It just doesn't add up.

So I would say that this province under this government has lived up to its promises. The Taxpayer Protection and Balanced Budget Act is what the taxpayers want and that's why we got re-elected. I'm very proud to be back as MPP for Barrie-Simcoe-Bradford, on that note.

The Acting Speaker: Questions or comments?

Mr Parsons: "Tax cuts create jobs": We keep hearing that; I wish it was true. I know there are statistics that prove it's true, but I know there are lies and there are darned lies and then there are statistics.

I'd like to tell you about a woman who came and spoke to me a few months ago. She had a full-time job, a

five-day-a-week job that included medical benefits. She lost that when the company closed. She now works four part-time jobs, a total of four jobs over seven days a week, and uses a large portion of it to pay for medicine that used to be funded under her plan. But she said to me that what really bothers her is that she is a success story. She knows she's never home at night, she knows she's not home on weekends and she knows that over half the money she makes now goes to medicine, but statistically she lost one job, she's acquired four, so she's produced three of the wonderful new jobs for Ontario. But she doesn't feel like a success. She certainly does not feel like a success.

I hear about the tax cuts and I look at the list for my area: Unihost closing, 70 employees; Nortel, 722 jobs; Zellers, 25; all the ambulance workers in our area given layoff notices; Bell Canada, 40 jobs gone from our area; Deloro Stellite, 36 jobs; Bata Norimco, 209 jobs. The other side lists the new jobs for my area and it's blank.

I think there are more jobs in our area, lots and lots of part-time, minimum-wage jobs. Lay off two nurses at the hospital, replace them with five part-time: There are three more new jobs for Ontario. It is misleading to infer that the new jobs are real jobs.

Mr Wayne Wettlaufer (Kitchener Centre): I'd like to compliment my colleague, the member for Barrie-Simcoe-Bradford, on a very good speech pointing out the consistency of our government. We did, as he said, live up to our commitments, something that other governments haven't done.

I'd like to point out as well that tonight we've been listening to a lot of the opposition comments and it has become quite clear to me, as I'm sure it has to the viewers, that they talk out of both sides of their mouths. You don't like the bill but you're going to support it, right? Why is that?

Mr Garfield Dunlop (Simcoe North): Because they're Liberals.

Mr Wettlaufer: Yes, because they're Liberals. They don't have any principles.

They talked about the fact that we didn't come back here until October. The reason we didn't come back until October—

Mr Crozier: You don't even know what a principle is.

Mr Wettlaufer: —as they bloody well know, was because the chamber was under renovations.

The Acting Speaker: The member for Essex will come to order.

Mr Crozier: Why don't you talk about education and health care?

The Acting Speaker: Stop the clock. The member for Essex will come to order.

Member for Kitchener Centre.

Mr Wettlaufer: It's too bad, you know, when you touch a nerve that they have to go rangy over on the opposite side. It really is too bad.

I would like to point out a couple of other things here. They talked about the AAA rating that their government

enjoyed. That was wonderful, but do you know the thing you don't understand? It's called simple economics. There is a difference between the Bank of Canada borrowing rate and what you have to pay as a province to borrow. Do you know, we are paying less differential than what your government did. Do you know what that would mean in terms of actual dollars in interest that our

government would have to pay? It would mean another \$500 million a year.

Interjections.

The Acting Speaker: Thank goodness it's 9:30 of the clock. We will adjourn this House until 1:30 of the clock tomorrow afternoon.

The House adjourned at 2132.

**STANDING AND SELECT COMMITTEES OF THE LEGISLATIVE ASSEMBLY
COMITÉS PERMANENTS ET SPÉCIAUX DE L'ASSEMBLÉE LÉGISLATIVE**

Justice and Social Policy/ Justice et affaires sociales

Chair / Président: Joseph N. Tascona
Vice-Chair / Vice-Président: Carl DeFaria
Marcel Beaubien, Michael Bryant, Carl DeFaria,
Brenda Elliott, Garry J. Guzzo, Peter Kormos,
Lyn McLeod, Joseph N. Tascona
Clerk / Greffière: Susan Sourial

Estimates / Budgets des dépenses

Chair / Président: Gerard Kennedy
Vice-Chair / Vice-Président: Alvin Curling
Gilles Bisson, Sean G. Conway, Alvin Curling,
Gerard Kennedy, Frank Mazzilli, John R. O'Toole,
R. Gary Stewart, Wayne Wettlaufer
Clerk / Greffière: Anne Stokes

**Finance and economic affairs /
Finances et affaires économiques**

Chair / Président: Marcel Beaubien
Vice-Chair / Vice-Président: Doug Galt
Ted Arnott, Marcel Beaubien, David Christopherson,
Doug Galt, Monte Kwinter, Tina R. Molinari,
Gerry Phillips, Toni Skarica
Clerk / Greffier: Tom Prins

General government / Affaires gouvernementales

Chair / Présidente: Marilyn Mushinski
Vice-Chair / Vice-Présidente: Julia Munro
Toby Barrett, Marie Bountrogianni, Ted Chudleigh,
Garfield Dunlop, Dave Levac, Rosario Marchese,
Julia Munro, Marilyn Mushinski
Clerk / Greffier: Viktor Kaczkowski

Government agencies / Organismes gouvernementaux

Chair / Président: James J. Bradley
Vice-Chair / Vice-Président: Bruce Crozier
James J. Bradley, Bruce Crozier, Bert Johnson,
Morley Kells, Tony Martin, George Smitherman,
Joseph Spina, Bob Wood
Clerk / Greffier: Douglas Arnott

Legislative Assembly / Assemblée législative

Chair / Président: R. Gary Stewart
Vice-Chair / Vice-Président: Brad Clark
Marilyn Churley, Brad Clark, Pat Hoy,
Jean-Marc Lalonde, Jerry J. Ouellette, R. Gary Stewart, Joseph N.
Tascona, Wayne Wettlaufer
Clerk / Greffière: Donna Bryce

Public accounts / Comptes publics

Chair / Président: John Gerretsen
Vice-Chair / Vice-Président: John C. Cleary
John C. Cleary, John Gerretsen, John Hastings,
Shelley Martel, Bart Maves, Julia Munro,
Marilyn Mushinski, Richard Patten
Clerk / Greffière: Tonia Grannum

**Regulations and private bills /
Règlements et projets de loi privés**

Chair / Présidente: Frances Lankin
Vice-Chair / Vice-Président: Garfield Dunlop
Gilles Bisson, Claudette Boyer, Brian Coburn,
Garfield Dunlop, Raminder Gill, Frances Lankin,
Tony Ruprecht, David Young
Clerk / Greffière: Anne Stokes

CONTENTS

Monday 15 November 1999

SECOND READINGS

Taxpayer Protection and Balanced

Budget Act, 1999, Bill 7, *Mr Harris*

Mr Hastings.....	459, 462, 471
Mr Bradley	461, 462, 471
Mr Bisson.....	461, 466, 467, 471
Mr Galt.....	461, 472, 476
Mr Bryant.....	462
Ms Churley.....	465, 471, 475, 478
Mr Skarica.....	466
Mr Agostino	466
Mr O'Toole	470
Mr Parsons	474, 481
Mr Newman	475
Mr Crozier.....	475
Mrs Dombrowsky.....	476, 479
Ms Di Cocco	477
Mr Turnbull.....	478
Mr Levac	479
Mr Tascona	479, 480
Mr Wettlaufer.....	481
Debate deemed adjourned	482

TABLE DES MATIÈRES

Lundi 15 novembre 1999

DEUXIÈME LECTURE

Loi de 1999 sur la protection des contribuables et l'équilibre

budgétaire, projet de loi 7,

M. Harris

Débat présumé ajourné.....	482
----------------------------	-----