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of Ontario**

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**Official Report
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Tuesday 23 November 1999

Mardi 23 novembre 1999

Speaker
Honourable Gary Carr

Président
L'honorable Gary Carr

Clerk
Claude L. DesRosiers

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LEGISLATIVE ASSEMBLY
OF ONTARIO

Tuesday 23 November 1999

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

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The House met at 1848.

ORDERS OF THE DAY

MORE TAX CUTS FOR JOBS,
GROWTH AND PROSPERITY ACT, 1999
LOI DE 1999 RÉDUISANT DE NOUVEAU
LES IMPÔTS POUR STIMULER L'EMPLOI,
LA CROISSANCE ET LA PROSPÉRITÉ

Resuming the debate adjourned on November 22, 1999, on the motion for second reading of Bill 14, An Act to implement the 1999 Budget and to make other amendments to various Acts in order to foster an environment for jobs, growth and prosperity in Ontario / Projet de loi 14, Loi visant à mettre en oeuvre le budget de 1999 et à apporter d'autres modifications à diverses lois en vue de favoriser un climat propice à l'emploi, à la croissance et à la prospérité en Ontario.

The Acting Speaker (Mr John O'Toole): Further debate? The member for Hamilton West.

Mr David Christopherson (Hamilton West): Thank you, Speaker. I have all the faith in the world that all of my parliamentary rights will be upheld by the illustrious interim Chair, beginning with seeking unanimous consent to split the time as a formality. I understand that the previous speaker did not—

Mr Steve Gilchrist (Scarborough East): With which empty chair?

Mr Christopherson: With an empty chair that already spoke the other night. I'd just like to continue the leadoff debate, so I seek unanimous consent to do that, Speaker.

The Acting Speaker: Agreed? Agreed.

Mr Christopherson: Thank you, and I mean that. That one could get close.

Let me first of all thank my colleague M. Bisson for filling in for the initial 10 or so minutes of the leadoff debate by our caucus on Bill 14, which interestingly enough, Speaker—oh, another Speaker. Welcome.

Hon David Turnbull (Minister of Transportation): You can't keep up.

Mr Christopherson: Yes, really. You take your eyes off the ball for one moment and—now if only I could look away and you guys would disappear when I look back, that would be an improvement.

Interjection: You're hoping too high.

Mr Christopherson: Yes, asking for too much.

Interestingly, Bill 14 is another infamous omnibus bill. It deals with a whole slew of things. Of course if you've listened to the government members speak to this, you'd be convinced that it's innocuous to the extent that it doesn't do anything really substantive and that anything indeed it does do is merely changing small, minor matters. Of course they will argue that it'll have a significant benefit, but the reality, as always with this government, is very different between the facts and what they say.

I say to my colleagues across the way that the best example of that I can think of was in the auditor's report. It does tie into one of the items that appears in Bill 14, and I will make that connection in a moment. But what I want to draw to the attention of especially government members is the fact that the government for a long time—and actually, interestingly enough, in the House as I speak is the current minister of corrections, who in a previous life was the minister for privatization. That was the title, Minister without Portfolio responsible for privatization?

Hon Rob Sampson (Minister of Correctional Services): Yes.

Mr Christopherson: Of course, privatization has been a cornerstone of what this government believes is an important part of a prosperous future. We in the New Democratic Party obviously see it entirely differently. It's interesting that it would appear that the Provincial Auditor shares our opinion. Not necessarily ideologically or philosophically, because that's not what he's hired to do; his job is to analyze the business of the government from a dollar perspective and an efficiency perspective and determine whether or not indeed the people who've been entrusted with the business of the people of Ontario are doing it properly.

When he talks about what happens in transportation, where you have privatized, it's interesting that for all the government's talk about how wonderful the world will be under privatization, we're not getting as good a service as we had before and it's costing us more money. Strange. That's the reality from a government that at every opportunity will talk a great game, but we predicted that this was not going to work out the way the government predicted, and we were right.

What does the auditor say? I'm quoting from his report that was tabled with all of us just in the last few days. "Additionally, the ministry based overhead cost for two districts on 1995-96 data whereas 1997-98 data were used to calculate the overhead costs for the other two districts." This is getting to the good part: "The ministry

also included in its estimated savings imputed financial financing charges on the purchase of equipment. However, if the ministry had continued to provide highway maintenance services instead of agreeing to pay the four contractors a total of \$93.1 million, it would have had to spend \$93.3 million. Outsourcing will therefore result in minimal cash flow savings.”

That, I want to advise members of the government, is the good news. It gets worse. “Nevertheless the ministry included financing costs of \$2.3 million in its estimates which it based on a cash flow reduction of \$13.8 million from not buying the equipment. Therefore, the ministry has not considered the financing costs for all government cash flows including cash flows to outsourcing contractors. If all of these costs were factored out of the ministry’s estimates, outsourcing”—another word for contracting out—“would result in estimated losses on three of the four contracts.”

That’s in addition to the fact that there are questions of whether or not the service delivery was as good as it would have been had it been maintained within the responsibility of the provincial government.

We happen to have the Minister of Transportation here. I see him feverishly making notes, so I would expect he’s going to want to comment. I mean this sincerely: I would hope that your answer is not going to be the one you gave in the House the day we asked you about the auditor’s report.

Interjection.

Mr Christopherson: I’m being serious. Your response at that time was, “The auditor is wrong.”

Hon Mr Turnbull: I did not say that.

Mr Christopherson: You look up the Hansard. I’m paraphrasing, but that was the essence of your message. You were saying that he did something wrong; he didn’t take something into account.

Hon Mr Turnbull: You look up the Hansard.

Mr Christopherson: Before the night is out I’ll find the Hansard, because I don’t think I’m that far off the mark in suggesting that your response was to say that somehow the auditor had missed the point, that he hadn’t calculated correctly or had not included something in his calculation that you up there on Mount Olympus felt was important to be in the calculation. We’ll check the Hansard.

Nonetheless, rather than address the serious issue that the auditor raised, Minister, what you did was question the methodology or the work the auditor did. When that happened, I had a vision—one that I enjoy—of remembering when the roles were reversed and we sat over there and you were over here. Had we suggested at any point that the auditor was wrong, I know you would have been all over us. As I recall, I don’t think we took that approach, certainly not to my recollection. I stand to be corrected, but I’m not aware that we took that approach.

That’s your answer. It’s the height of arrogance and it’s consistent with the way this government acts when they’re confronted with facts they don’t like. They just deny them.

I remember asking Al Leach a question about the numbers coming out of Hamilton in terms of the downloading and the fact that in Hamilton-Wentworth we were being screwed out of over \$36 million a year in the downloading. I was pointing out to the minister that the numbers were crunched by the then CAO, who was good enough for the minister to hire as one of your deputy ministers, and the minister still stood up and said, “Their numbers are wrong.” That was it. That was the whole answer.

If that’s what you’re writing about, Minister, I hope that you’ll tackle the issue dead on. Talk about contracting out. Tell us how you can justify continuing a plan of privatization that’s going to have the effect of lowering wages, lowering the level of service and the quality of service the people of Ontario are going to receive and, assuming the auditor is correct, which we do, that will mean in three out of four cases Ontarians are losing money.

Interjections.

Mr Christopherson: You guys can moan and groan all you want, but there it is. It’s in the auditor’s report. Maybe those of you cackling away in the backbenches know better than the auditor, but what I read is right from his report.

Included in this bill—the reason I’ve raised this is that once again working people, people who work for a living, are in your target sites. In this case it’s the employees of the Ontario Realty Corp, and I would think the mention of that entity ought to bring a little quiet over there, given some of the concerns that are floating about with regard to the ORC. Having been a former Solicitor General, I’m not going near any one of them, considering they’re under review by certain institutions within our province.

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However, more important and more seriously and more to the point, Bill 14 now makes it very clear that as soon as an employee of the Ontario Realty Corp, under the Ontario Labour Relations Act, will lose their union completely—they can reorganize, but of course you’ve tightened up the organizing process so it is that much more difficult. At the end of the day, I suspect they will be organized, but my point is that you’ve decided in this bill that they’re going to lose their union representation, they’re going to lose successor rights. This is consistent with your approach that everybody in Ontario is protected if their business or service is sold and the contract goes with them, unless you’re public sector, unless you work for the people directly through the province as the government, in which case, do you know what you get if your work is privatized by Mike Harris? Zip.

Interjections: No.

Mr Christopherson: Zip. You do. The contract is gone.

Interjections.

Mr Christopherson: I don’t know why you find that so funny. I can tell you that people have lost their

seniority, people have lost their wages, people have lost their vacation—

Mr R. Gary Stewart (Peterborough): That's fear-mongering.

Mr Christopherson: No, it's not fearmongering. You've already done it. You wouldn't know, but some of the other brighter lights around you might. The fact is that it has already been done. You voted for it and you don't even know what the hell you're voting for. Really, it's so frustrating. It's one thing to stand up and argue on the merits of the issue, but to tell me that it didn't happen makes me wonder where you were.

Bill 7 did exactly that. You took away the collective bargaining rights of provincial workers if their work is privatized, and in doing so they lose their job, they lose their vacation, they lose their seniority, they lose their health and safety rights, they lose everything. There's no contract, nothing, it's gone.

Now you've done the same thing to the employees of the Ontario Realty Corp. I've already pointed out to you that in doing this with road maintenance your experiment failed. It failed miserably. Now you're going to do the same thing to these workers.

I say to anybody who is watching, especially if you're not a public sector worker, if you think somehow that you're protected because you're not yet one of the victims of Mike Harris's anti-worker legislation, just wait, it will come. There's absolutely nothing special about people who aren't included in Bill 7 except that their time hasn't come up yet; their name and their occupation or their union or the work they do is just not in there.

At some point, given this government's propensity to level all playing fields, eventually somebody in the private sector is going to make the argument to the Minister of Labour of the day or Premier Mike Harris and say: "Why is it that if there's a new service available because of privatizing the public sector work, there's no union there, but I don't have that advantage if I buy a company outright on the market? Why is that?" Eventually there's going to be this argument about the level playing field, and I predict it's only a question of time before we also see the denial of successorship rights into the private sector.

I would plead with anyone watching: No one can afford to be smug by thinking, "That doesn't apply to me," because the odds are that something they're doing does. It's going to be negative, and if they haven't gotten to you, just wait, they will.

Further under Bill 14, this is an interesting one; this is quite interesting. Where you're amending the Financial Administration Act, you're violating one of your own promises, which confirms what a lot of us suspect: that notwithstanding the booming economy, you've got some real number problems. Some of this stuff just isn't working out the way you had hoped and figured. If you get caught short by virtue of the economy stalling or, God forbid, the stock market falling in any significant way, you've got serious revenue problems—not expenditure; revenue. And the revenue problems are your own crea-

tion because you gave back billions of dollars in the tax cut.

But what do we have here? We have a promise in the Common Sense Revolution about asset sales that says: "The money we make from such asset sales will not go into the government accounts. Every penny will go directly to pay down the \$80-billion provincial debt." Well, guess what? You're going to amend the Financial Administration Act so that you can spend that money wherever you want. I wouldn't argue that as a standalone position that's so awful. That is not my point. My point is more that you make a big deal about making promises and then keeping them, and to a large degree the political nature of Ontario has changed as a result. I don't think there's nearly the same latitude that there once was for parties to knowingly state one thing, fully aware of the fact that if they won government they would have to make some moves.

I wouldn't give you all the credit for that because I think most of that stems from the fact that there's so much more information available now. In the past, if you go back not all that long ago, information was not as readily available; certainly not as many ordinary people would have it. Mostly it was politicians, lawyers, lobbyists, people in an individual industry and the like, who would know all of the details or enough to understand the change that would take place between a promise and what's delivered as a government.

But nonetheless the fact is that it was during your time that I think these pressures came to meet—and you got a lot of credit with a lot of people, even some who didn't vote for you. I'll go so far as to say that because I believe it is the truth. There are people who said that you deserve a lot of credit for at least keeping your promises. Most of us probably would have been happier to see you break more of them, because we disagree so much with them, but that's not the point. I don't mean to mitigate it; the fact is that I do believe that the nature of politics around that kind of thing has changed. I think you're getting the credit for it; most of that credit you deserve. However, the fact remains that here you're violating your promise, and you did that, to the best of my knowledge—I wasn't the finance critic at that time, but as I recall, during the budget presentation, when the numbers were analyzed, you took the—help me out, David. Was it \$3.1 billion net from the 407 sale?

Hon Mr Turnbull: Yes, \$3.1 billion.

Mr Christopherson: Yes, the \$3.1 billion net sale of Highway 407 you used as revenue for your 1999-2000 budget year, knowing full well that wouldn't be there in the next year. That's \$3.1 billion you've got to find somewhere else.

Hon Mr Turnbull: We will.

Mr Christopherson: The Minister of Transportation nods his head up and down and says, "We will." I appreciate your saying that, more because it just confirms the fact that what I remember is exactly correct, that indeed you did use asset sale from the 407 and rather than put it anywhere specifically or to the debt, as you promised you

would, you put it into revenue and it made your numbers look better. It inflated your revenue numbers.

Hon Mr Turnbull: That's less debt.

Mr Christopherson: No, no, you used it as revenue. Therefore you know that's not a renewable revenue, it's not a sustainable revenue, unless your game plan is to make up as much of that \$3.1 billion by continuing to make asset sales as you can. See, it doesn't seem like so much of a coincidence any more that we knew there was going to be this gap of at least \$3.1 billion that wouldn't be there in the 2000-01 budget year, and now you want to change your ability, break your promise and change the process so that you have the ability now to—actually you're just codifying what you're already doing, but nonetheless you said in the past that any asset sale would go directly to pay down the \$80-billion provincial debt, and that is no longer what you want to do under Bill 14. You now want the ability to say, "We can use this for anything," and obviously that would include revenue gaps.

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If that is incorrect, there's a minister in the House and a parliamentary assistant to the Minister of Finance, both of whom have the authority to speak on behalf of the government. If they want to go on the record saying that's not going to happen and that's not what it's all about, I'd love to hear that clearly articulated, I really would. If my speculation and suspicion are wrong, then you should be able to clearly state that. If you don't, if you even dance around it, I suspect I'm right. I'm clearly right in terms of breaking the promise, that's not hard to see, but whether or not it matches with your need for more and more provincial assets to sell to generate this money only time will really tell us.

By the way, just so the record is as up to date as it can be, the provincial debt that the government loves to rail about, like they are the only ones who ever cared about it or could do anything about it—

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

Mr Christopherson: Don't tempt me. I'll go back to my Mulroney numbers. I've got them with me.

Mr John C. Cleary (Stormont-Dundas-Charlottenburgh): Tell the rest of the story.

Mr Christopherson: I may do it anyway. I've got a little bit of time.

Under Harris, being the great economic growers that you are, on behalf of the people of Ontario, after you criticized us forever and a day, and the Liberals for that matter—although they really deserved it. I will agree with that. I still remember that \$25-million surplus turning into a \$3-billion deficit in the blink of an eye. But don't get cocky, because I'm going to talk about Manitoba. So be careful when we talk about surpluses and budgets and balanced budget legislation.

However, being the great economic growers that you are, I did want to ensure that you didn't lose the benefit of being noted for taking our debt from \$88 billion when you took office in 1995 and growing it to \$121 billion on

behalf of the people of Ontario, at the same time as you managed to make the rich richer and the poor poorer. What a legacy.

Mr Brad Clark (Stoney Creek): Wow.

Mr Christopherson: The deficit would have been gone and the debt down a lot more, I say to the member from Stoney Creek, if your government, your pals in the last term of office, and you, as part of the current 20% cut, didn't give so many billions of dollars to the wealthy. Keep in mind that if you had not given the tax cut and not made one cut anywhere, you already would have had a balanced budget.

Mr Stewart: No jobs.

Mr Christopherson: I know it's a debatable point. I hear the member from wherever, right over there with his hand up, for the purpose of Hansard—

Mr Stewart: Peterborough.

Mr Christopherson:—the member from Peterborough saying, "Jobs." I think in his heart of hearts even he would admit that a lot of the buoyancy of the Canadian economy has to do with the American economy, which is just booming beyond belief. I at least acknowledge and respect the fact that we have a difference of opinion on that.

Mr Stewart: What about BC?

Mr Christopherson: I'll tell you what: We'll take turns. I'll talk and you listen and then you talk and I'll listen, but both of us talking isn't working.

Mr Clark: You're on a roll tonight.

Mr Christopherson: I'm trying to be.

Hon Mr Turnbull: I like this David Christopherson better than the one who shouts.

Mr Christopherson: You haven't made me mad yet.

Hon Mr Turnbull: Give him time.

Mr Christopherson: Yes, give me time.

I mentioned Manitoba. I hearken back to the comments I made the last time we were debating an economic matter. I was pointing out the Mulroney history of what happened to the debt under him and what happened with Reagan and what happened to virtually all of the provinces during the early 1990s.

My friend from Wentworth-Burlington, if I recall correctly—please correct me if I'm wrong—called me an apologist. That was his characterization of what I was doing, which I found rather surprising because I didn't consider myself to be apologizing for it but merely pointing out that for all the evil that you try to say was the sole responsibility of the Ontario NDP from 1990 to 1995, there was this global effect happening, certainly impacting everywhere across Canada, and the United States for that matter. All the provinces were running deficits, and their debts were going higher and higher.

I say, in an attempt not to look like an apologist, that it wasn't because they wanted to run those numbers; it was because they made a choice. Our government was no different. Being the biggest government, the biggest province in Canada, it's not surprising our numbers are so big. But if you look at the other provinces, relatively speaking we weren't that far out of whack. Some of it has

to do with commodity markets, given what some of the major exports are in other provinces, so it's not a straight apples-and-apples comparison. However, the trend lines are the same.

Deficits shot up in order to maintain and sustain a lot of the things that we look at as making up Ontario: our health care system, our education system, our transportation system, our environmental protection laws, our labour laws. All of those kinds of things require money when you go into a serious recession, as we did. I would again remind the honourable members that it was their federal cousins, under the leadership of former Prime Minister Brian Mulroney, who refused to provide the usual kind of partnership support for provinces, which had been the tradition in Canada. At the same time, the free trade agreement kicked in, which yanked the rug out from under hundreds of thousands of decent, union-paying jobs.

Interjection.

Mr Christopherson: I know those words upset you, but that is the reality. A lot of people were put out on the street, and because UI, which is now EI, was cut in terms of who can get access to it, a lot of those working people, not because they wanted to but because they were left with no choice, had to go on social assistance. So yes, the social assistance rates went up, but it was because of the number of people who were unemployed and no longer qualified for their own unemployment insurance, and that put them on social assistance.

Those are just some of the realities. So this is another reality.

People will recall that not long ago there was a very exciting election in Manitoba. I could talk about the Manitoba election for quite a while. It was a joy to watch. I'll share with you and I know my colleagues will just love this to death: It was late at night and I was sitting on the couch, watching TV, and I heard the words. They said on TV, "The NDP will form a majority government." I've got to tell you I stood up and did a little dance, looked at the TV and said, "Say it again; say it again," because I just loved to hear that.

Hon Mr Turnbull: You won't in BC.

Mr Christopherson: Well, some election nights are better than other election nights, as I've learned.

This was a good night for the NDP and, as it turns out, an even worse night for the Conservatives, and unfortunately for the people of Manitoba, because what has happened is that under the Tories—and let's remember, whether it's Mike Harris or Brian Mulroney or now Joe Clark, it doesn't matter. Once they get the label of "Tory," that arrogance of, "We're the only ones who know how to run the economy; we're the only business people," that whole attitude comes forward. It's just so sweet when these levellers, these equalizers, come out to show that there's nothing special about Tories managing anything. Ironically, one of the reasons—

Interjection.

Mr Christopherson: You said you were going to start thinking before you engaged your mouth in this session.

For your own good I ask you to take your own advice. But I miss you over here in the rump.

As I was saying, what is unfortunate—

Mr Joseph Spina (Brampton Centre): You really miss me, don't you?

Mr Christopherson: Absolutely. It's hard to sleep at night.

What is unfortunate for the people of Manitoba and what was most interesting for us New Democrats in particular was that one of the reasons the Tories were turfed out was because of fiscal mismanagement. The people no longer had any faith that Gary Filmon and the Tories of Manitoba could properly manage the store. Interesting, since that's always the accusation that the Ontario Tories are hurling at the Ontario New Democrats.

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There was an independent study done. It wasn't the new government bringing in their people and manufacturing and massaging these numbers; they hired outside consultants who came in and found that instead of the promised and much-touted \$21.4-million surplus that the Tories were projecting in 1999-2000, it now would appear that rather than a \$21.4-million surplus, there is somewhere between a \$262-million and \$417-million deficit.

Interjection: Sounds like when you came in.

Mr Christopherson: Similar. But I think this has even the added benefit—I'll go this far—that it was a well-known, outside consulting firm with an international reputation which came up with these numbers. That pretty much closes the argument. The Liberals still dispute the numbers that we use, which is their right, but in this case the fact that they used an outside—which was pretty good politics too, quite frankly, especially for an NDP government. I think maybe they learned a little, watching what happened over here. My point in raising this once again—I did it in the last speech that I gave on these issues—is that the difference between what the Tories in Ontario talk about and the reality of what is, is night and day.

My friend from Stoney Creek wasn't here in the last Parliament, but if he had been he would remember clearly, as I'm sure the member for Wentworth-Burlington does, Bill 49, which was the Employment Standards Act, the best example. It was introduced in the House and we were told, "Oh, don't worry, that's only minor housekeeping matters." Just coincidentally, all the major Ontario labour leaders happened to be at the other end of the country at a national conference, and they were assured, "Don't worry, it's only minor housekeeping matters." Sometimes bills are; sometimes there are things that are just cleaning up the numbers, bringing the formulas up to date, changing some expiry dates, and they really are housekeeping. As much as we might try to fearmonger as much as possible around everything, it would appear to you, there are some things we acknowledge are merely housekeeping, and this was supposedly one of them.

We got into it and I started looking through this thing and, my God, there were workers' rights flying out the window hand over fist. Eventually we ended up with four weeks of public hearings where the government got trashed, because that's exactly what they were doing. And yet it was introduced as minor housekeeping. "Don't get upset, don't worry about it."

It's so important for anyone watching this government to take the time and make the effort to go one step beyond just what's on the bumper sticker, one step beyond whatever the name of the bill is that's scrolling across the bottom of the screen as we all speak. They actually have introduced bills in this place that have been entitled—and again I'm not attempting to quote directly but I'm not far off—"Environmental Protection Act." Good God, anybody who knows anything about the environment—this ought to come as a particularly important point to you, member for Stoney Creek, where under the guise of environmental protection as its title, which is what would scroll along the bottom of the screen again, they were yanking away years and years of protection for the environment that the previous Tory government and, yes, the previous Liberal government and the previous NDP government had either supported and funded or even built upon. You've done the same thing in virtually every single area that you've gone in.

I was so pleased to see the auditor take the approach that he did. I want to say that I think it's just the beginning. You cannot cut the amount of money that you have, over these last five years and a bit, in so many key areas of our society and not expect that at some point the truth is going to rear its head. This is the first of many.

The shell game that you play with education is really quite frustrating. Every one of you is very careful, as you've been instructed, to use the phrase "classroom spending"—real careful about that. They don't say "education," because on a per capita basis they're funding education less than previous governments. But what they do is talk about classroom spending, which allows them, on a technicality, to accurately say, "We have increased the funding for classroom spending." Obviously I've never been to one, but I'll bet a lot of the rookie MPPs sitting here were at the candidates' school that the party put on and it was rammed into them, "If you're talking education, don't talk about anything except classroom spending," because that's the only place with the idea of any expansion of funds.

How does this work? It's a shell game of the most obvious kind: They redefine what classroom spending is. There's now so little involved in classroom spending that all they have to do is identify those few items that are still left in what is considered by definition "classroom spending," be sure they're increased even nominally and then you can proceed to cut transportation costs, you can cut transfer payments. Heat and hydro in the classroom are not classroom spending. Cleaning the classroom is not classroom spending. All of these areas have been devastated but, by definition, all the good little Tory backbenchers can run around and say, "We increased

classroom spending." Yet the reality is that when you take a look at what you've done, you haven't done anything to enhance education; all you've done is put together an elaborate scam—and it is a scam—to try to cover up the damage that ripping billions and billions of dollars out of the revenue of the province to give to your rich friends is causing. That's what's happening.

Now, here we are. Part of what Bill 14 is going to do is implement further the tax cuts. By the way, I'm sure my friend from Peterborough will be interested to know that it's no longer just 25% of the tax benefit that the top 6% income earners are getting as a result of your gift; it's now 36% of that amount they're receiving. Life gets better for those who already have; for everybody else, I'm not so sure. The longer you're in office, the more we're sure it's not as many people.

Now you're at the 20%. Why did we see \$300 million announced the other day being cut, money that we can't afford to cut? It's not efficiencies. You know that. There was a good piece on OnTV at 6 o'clock about the privatization of the jails and what the implications are there. First of all, they're happening because philosophically they like the idea: "If it moves, privatize it." They have this blind belief that if it's public it's bad and inefficient and if it's private it's good and totally efficient, which is absolute nonsense. Things can be inefficient whether they're in private hands or public hands. That's not the issue. The issue is how things are managed and what service you're providing.

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I don't want to see our police services or our fire departments run on some kind of a for-profit basis, but I do want to make sure that when any Hamiltonian dials 911, both those services are there for them. I remind the members that the police were here last week lobbying us on matters that they care about. One of their big concerns is the privatization of policing. Yes, that's because the police union has an interest in making sure that their numbers stay as big as they can. There's nothing wrong with that, there's nothing evil, and I don't see them attempting to hide it. It doesn't change the fact that they, like us, are worried about what privatization in police services will mean for public safety. But because you're on another roll, with another 20% tax cut on top of the 30%, the money has got to come from somewhere, and so the \$300 million announced was but one step. We've still got at least \$600 million more to go just to pay for your tax cut.

What happens if the whole economy goes into the ditch tomorrow? Are you still going to keep your promise and do the tax cut and then cut \$900 million and God knows how many more hundreds of millions of dollars in order to pay for it? It would be nice if they at least acknowledged that there's a legitimate debate happening among economists, among other people on the right wing, about whether or not the 30% tax cut had any really significant role to play in the current economic boom that we enjoy versus how much of that is a result of the American economy booming, where 80% of our

exports go. Much of what we produce here in Ontario is for export, ergo our economy does well, rather than what you've done, which is really just a repackaging, trickle-down theory, supply-side economics advocated by Thatcher and Reagan. If that's the case, then I would ask the question that Americans asked themselves when it was happening there: Has anybody out there been trickled on lately?

The Acting Speaker (Mr Tony Martin): Questions and comments.

Hon Mr Turnbull: I'd like to just point out a few items to my good friend the member for Hamilton West. I believe it is correct political language to say they were terminological inexactitudes at least. His statement, regarding the auditor's report, that I said the auditor was wrong, and he pointed to Hansard—well, I'll direct him to the page, page 495 on November 16. I defy him to find anywhere that I made such a statement. Perhaps he's making the mistake of reading the Toronto Star as his information. They tried to get me to say it, and I said no, not at all.

The point I was making is that financing costs of capital which are incurred with respect to road maintenance equipment were not considered, because they were paid for by the Ministry of Finance. We believe we're doing the right thing. Indeed, a paper that was published by the federal government in 1989 directs us to this practice with regard to considering outsourcing. It's called total cost accounting, and two major accounting companies have confirmed this practice. We in fact now use PSAAB accounting, which is something the NDP didn't use. But I would point out that theirs was the government whose books the auditor refused to sign one year—totally, utterly didn't. With due respect, it was a wonderful debate, but it wasn't correct, any of the things you were saying.

Also, maintenance standards are monitored by our ministry with respect to all contracts, and they are the same standard as they were when road maintenance was done by our ministry, and it is monitored. They are as good now or better than they were before.

Mr Michael Gravelle (Thunder Bay-Superior North): I want to compliment the member for Hamilton West, and I'm glad to have an opportunity to respond to the minister as well.

In his response to my question last week, he talked about comparing apples and oranges. But what we know is that the auditor was very clear about the fact that the savings you had guaranteed would be there before you did any privatization were not there. You can't dispute that without saying, indeed, you think the auditor is wrong or the auditor is simply—I won't use the word we can't use in the Legislature. The fact is that the auditor was very clear about that.

But, perhaps more significantly, I think the important thing the auditor really directed us to be concerned about was the aspect of safety on our roads. He indicated that he thought the patrols were too long, there was too large an area being covered to safely monitor what was being done. I know that, whether you're doing the outsourcing.

What we do know—and we do know this is true—is that the standards for maintenance began to decline in about 1996—it's very true—when this government came into power. I personally put forward a private member's bill to try to at least maintain standards, which the government members wouldn't support. The reason was that I was concerned, certainly as a member from northern Ontario, from the district of Thunder Bay and from the new riding of Thunder Bay-Superior North. We have a lot of roads, and we really feel the maintenance standards have declined incredibly, and we're very worried about it.

I want to compliment the member for Hamilton West for his passionate remarks, as always. What I really want to say is that we are going to be watching very carefully. We know, because the auditor was very clear about it, and the auditor is an impartial observer of the process, that indeed no money has been saved. But more significantly, it has been made very clear to us that we should have real concerns about the safety on our roads. We're going to watch it very carefully, because there's no question that people deserve to have the highest of standards in their winter road maintenance, let alone all year around. It's something we need to fight to protect, and, believe me, we will continue to do that.

Mr Toni Skarica (Wentworth-Burlington): I want to congratulate the member from Hamilton West. He gave one of his usual impassioned speeches, and I wrote down some of the words he used. He says that we "screwed" people. He hears "moaning and groaning" from this side of the House. He alleges "violations." He observes "massaging." He says, "Don't tempt me." He says he misses the member from Brampton Centre; he can't sleep at night. What is he saying here?

I think what he's suggesting with his terminology is that the members of this House are some kind of sinners, and he even outlines what the sin is. What is the sin? He says the sin is, number 1, we keep our promises. He says that's the great sin for the members of this House: We keep our promises. We've indicated in two elections what our promises are, what our commitments are, and then we keep them. He says we have to get credit for that, and the public has changed because they expect that.

Then he goes on to what our second sin is, and again, it's not what you would think using that terminology. Our second sin is that we gave back billions of dollars. They don't belong to us; they belong to the public, the people of Ontario.

Another mistake the member makes, in my opinion, is that he says, "You know, these tax cuts are costing you billions of dollars." That's the NDP mantra. The truth of the matter is—and it's in our budget and it's audited. He mentions the auditor. The fact of the matter is that we are getting in revenues \$6 billion more than we started out with. So our great sin is that we're fiscally responsible, we're making more money and we're giving back money.

Mr Mario Sergio (York West): I welcome the opportunity to respond and congratulate the member from

Hamilton West on his presentation. I believe he carried on for some 20-odd minutes with a good repertoire, concentrating on the budget presented by the government. I have to say that the budget as presented by the government, and of course the response which we had from the Auditor General, confirms the fear that we have mentioned to this government time and time again. Even some of the ministers themselves have been saying in the House that some of the cuts they have to make are to help the Minister of Finance accomplish what they should have done three years ago, and that is balance the books, and still they cannot do it.

Why can't they do it? I think we will be the last province in Canada to balance our books. I think we are five years behind the federal government in balancing the books. Why is that? Because they have made a terrible election promise to give a 30% tax cut to the people who don't need it, and now they have the problem of finding the money. Where is the money going to come from? More cuts. Why is that? Because the savings they said they were going to accomplish are not there. That is why now it is not only costing more, but they have to cut even deeper to accomplish that particular goal. Even so, they are not even close balancing the books.

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The Acting Speaker: Response, the member for Hamilton West.

Mr Christopherson: I thank the members who took the time to comment on my remarks. I appreciate the member for York West emphasizing that the auditor's report goes a long way to dispelling the myths the government promotes.

The Minister of Transportation, if I wrote it down correctly, said "terminological inexactitudes"? I will look at the Hansard. I know you had a chance to read them. My dad taught me, "Trust everybody, but cut the cards," so I'll check the Hansard while other people are debating tonight and get back to you before we leave.

Interjection.

Mr Christopherson: We'll see about that.

The member for Thunder Bay-Superior North mentioned safety on the roads and I'm really glad he did. That's an important part of what's happening here. We just know that when you privatize and go into non-union circumstances, the level of training for health and safety is much less. So yes, it's not only dollars lost to the people of Ontario; the quality of service is down for the people of Ontario, plus the risk to health and safety of the workers involved has also gone up exponentially. I appreciate him raising that important point.

Last, to my friend from Wentworth-Burlington, who took what appears to be great joy in jotting down some interesting phrases I may have used, I couldn't help but think, given the track record of some of the backbench Tories in the motherland, that I'm not so sure he wants to go waltzing down that road in any way, shape or form, so I would suggest he rethink that.

Let me also say to the member on a serious note, though, I heard his point. He was basically saying that I

was blaming them for keeping their promises and, ha-ha, what a stupid argument to make. My point actually was that you're breaking your promises because now, under Bill 14, you are reversing something you promised in the Common Sense Revolution. So quite the contrary, Honourable Member: You're violating your own promise, and that was the point I was bringing out.

The Acting Speaker: Further debate, the member for Durham.

Mr John O'Toole (Durham): It's my pleasure to use up some of the clock tonight and help to share with the people of Ontario the ordinary view—

Applause.

Mr O'Toole: Thank you. I'm embarrassed and humbled by the respect shown by the members on the other side of the House.

I want to pick up on one remark made by the member from Hamilton Centre, which I think is a very good starting point. He admitted that we are giving money back to people. That's a premise that will pervade most of the initiatives of this government, to give the hard-working families of this province some of their money back. All through my comments this evening, while I'm speaking for the riding of Durham, I'm also speaking on behalf of our Minister of Finance and our Premier and the cabinet, that we are intent and firmly resolved to cut taxes.

On November 16 our finance minister, Ernie Eves, introduced this rather small, innocuous bill, Bill 14, which does have a number of sections—I think there are 22 sections—which I intend to review in some detail this evening. So stay tuned. Some of it is rather dry and technical in nature, but nonetheless I'll try to bring it down to the common man's language, which represents many of the people from this caucus.

A number of initiatives were called for by the stakeholder groups—the municipalities and small business people, not the least of which would be the agricultural community—to re-examine and enhance some of the changes we have made.

I can tell you in Durham they are moving forward on a number of the changes themselves, specifically in part I. As I said, part I deals with the Ambulance Act. In this, we're extending the opportunity to January 1, 2000, for municipalities to come to some agreement on the delivery of ambulance services within their area. This notice has been provided to municipalities to allow them to engage—and I know Durham is a leader in this. Durham region has already formed a contract and, from talking to people both in council and in the public, they're pleased and assured that there will be tax savings because of the streamlining and reorganization of what was to some extent fragmented around a number of communities with different contracts.

The other one that I believe is very important is part II, the Assessment Act changes. It's allowing regulations to be made for current value of land in certain property classes. I will speak to that section a little bit later on as I move into some of the detail, but I'm just giving a broad outline of the legislation.

One of them is the capital investment plan. Under this section is the amendment to provide in the act that “employees continue to be protected from personal liability for acts and omissions done in good faith.” So this legislation isn’t done without regard to those public service employees and other employees who need to be protected under this particular section of the Capital Investment Plan Act, 1993.

Another one is the Commodity Futures Act—a little bit more complicated, but that explains a great section of this bill. Much of this is harmonizing the regulations so they look very much like the Securities Act, so there’s no misrepresentation and more consistency in the language between those two bills.

I’m quite impressed with this particular one: the community small business investment fund. The small business investment fund is exactly that. It’s creating labour-sponsored funds. I think your government started those. These become resources of capital to grow small business and create opportunity. I think there are some very good regulations in there. Reducing the amount of capital that’s required to start up the fund is very important. In fact, middle-class and lower-income people are now able to participate in a registered retirement savings plan in a small business investment environment, thereby creating jobs, in many cases creating small businesses. I can tell you that sector has been a success. I commend Minister Palladini for working to create opportunities and partnerships in Ontario.

The Corporations Tax Act is a section I won’t be covering—it’s a long section—but I will be covering the employer health tax. It’s a little section dealing with the threshold, where some small businesses were being penalized for the way they were structured, as a small business corporation, with a threshold of \$600,000. There are some amendments in there to ensure that more small businesses actually benefit from the changes in Bill 14—a very long-overdue and necessary change.

Under the financial administration, part XI, you’ll find that there are about four sections in here and they deal mainly with the regulatory responsibility under the minister. I think that’s a very important commitment.

If I look back on the very premise or platform this party ran on, it was clearly that tax cuts create jobs. Part XII clearly outlines a schedule to reduce personal income tax from 40.5%—that reflects the 30% reduction from our last term—and we’re moving forward, you’ll be happy to note, so everyone who pays taxes will see more money in their paycheque, with the possible exception that the federal government might claw it back. Paul Martin is very good at articulating through the CPP premiums and, as we know, there’s a \$28-billion surplus in the EI fund. All of that money has been taken by the federal government. I look at my paycheque: 30% tax cut, no change. Guess what? The feds took it. Actually, it’s Jean Chrétien. Jean Chrétien’s government has clawed back any savings.

But our Premier is committed to moving the tax rate down to 38.5% by the tax year in our mandate. I can be

assured that this, along with the Ontario child tax credit supplement for working families, is also being increased—the amount of money going to working families with children, so they have more disposable income to make decisions about how to take care of the day care issues and the children nutrition issues that we all hear about in the early learning program.

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Again, there’s the land transfer tax, which certainly affects first-time homebuyers. I will be commenting at some length on how we’ve increased the allowance for young working families to buy that first home and to get the break on the land transfer tax credit.

The Municipal Act: There are a number of changes there as well. These are primarily to streamline assessment and tax-sharing between the provincial and municipal levels of government. Some of them are, I admit from my reading on this, retroactively looking at some eight or nine bills under municipal finance. Some of these are further refinements.

The job’s never done, of continually responding to and reflecting what both the public and the municipal clerks and treasurers are saying. I know our Minister of Finance is moving forward with important changes and amendments to legislation that has been passed. The job is never done, it’s clear.

There are other sections here; I’m at 22. With that time—as I say, I’m limited here; I’ve only got a few minutes—but I want to go back to the beginning. An important place to start is to always check out the motive. Why am I here representing the people from Cadmus, Caesarea, Columbus and Courtice, to name but four? I’m here to listen and speak up for them. Parliamentarian: The very word means to speak up, and that’s entirely what I’m doing tonight.

Everyone in Ontario, every voter in Ontario, every person who’s perhaps interested in this process of governance, knows that our government does what we promise. And do they want to know what we promised?

Well, it was called the Blueprint, and I’m not trying to politicize this debate but certainly they know that our Premier will hold our feet to the fire, if you will, and the voters will too. I can tell you that in my riding—I could name people here now but it’s not appropriate that I name individuals—people call me on a weekly basis and they want to know my position on legislation. I’m pleased, in this capacity, to be responding to them publicly on the record in Hansard. We’re accountable, and that’s part of it.

But I think the main thing was balancing the budget, dealing with the whole issue of making sure that we stop governments from spending money with no responsible reason. I think the Balanced Budget Act which we dealt with is a commitment, not just by the Premier and cabinet, to make sure that we go to the people and ask them if they want us to tax more.

I call on my federal counterparts, not just Paul Martin but certainly Alex Shepherd is a federal Liberal member—103 of them, I think, in Ontario—to be responsible

and tell Paul Martin to actually give the people their money back, much like Mr Christopherson, the member from Hamilton Centre, said. And he wouldn't be alone. Alex Shepherd from my riding of Durham wouldn't be alone.

Roger Gallaway from southwest Ontario says, "You know, the red book is not the bible in the end." He's a Liberal; they don't keep their promises. So the red book isn't the bible. What is the bible? That's what we're always dealing with: trying to deliver on our promises.

I'll tell you what I'm hearing in my riding: 50% of our surplus should be tax cuts and 50% debt. Clearly, they've got the message.

Looking through some comments to speak to tonight, I know that I watched with some interest the federal election and I also watched with some interest the sort of change in tone at the NDP level. I commend Alexa McDonough for listening.

At the Ottawa convention in August this summer, clearly, she said, "The new Canadian way"—and I'm quoting here; policy platform adopted by the NDP—"calls for fiscal responsibility, tax relief, balanced budgets, good relations with small and medium-sized businesses" They finally got the message.

They finally got the message, and I think the member from Hamilton Centre had it right in most of his speech.

Interjections: Hamilton West.

Mr O'Toole: Hamilton West, pardon me. The member from Hamilton West admits that we're giving the money back. After all, if you want to give it back, people can make choices. Today's people are well educated, well informed to make choices on how to spend their money. I've got a number of supporters in this particular package, and I could go on at length and name names of people who want—

Interjection: Go ahead.

Mr O'Toole: I could name a number of names. I think most of the press right now—I've got Alexa McDonough, and even Allan Rock is in there talking about tax cuts. The only one you really have to listen to is our Premier, Mike Harris, and our Finance Minister, Ernie Eves, will certainly be there.

I will just briefly read here his introduction of Bill 14. I think it's worth putting it on the record. Basically, we are on course for "the first instalment of the 20% income tax cut referred to in this past May's budget." Another promise made and a promise kept. "It will take care of the Ontario child care supplement for working families. It will extend and expand the land transfer tax refund on first-time homebuyers of new homes.

"It will deliver on the retail sales tax rebate on building materials for farmers," a very important sector, often not mentioned but very important. This is a sector that needs our support more than ever, certainly in my riding of Durham. "It will provide enhanced capital tax exemption for small businesses." I mentioned the labour-sponsored investment fund. "It will provide incentives for businesses hiring apprentices."

There is a lot in this legislation that deserves your attention, and it deserves your support. I call on all parties here, unanimously, to put down their weapons, give this a good, close look and support the legislation.

"It will present incentives for Ontario school bus safety." There is a capital tax schedule in here which allows them to depreciate school buses more quickly, for safety for our children. So it's here in the fine-print language.

It's a large bill, as I said, but it's worth the read. It's an excellent Saturday night or Sunday afternoon read, it really is. It's full of tax cuts and promises that we've made.

"It will also level the playing field in the area of property taxation for newly constructed commercial and industrial properties." I'm in Durham, where there's a lot of growth; it's one of the fastest-growing areas in all of Ontario. Any time a small business—in fact, I'm dealing with one right now in Port Perry, where they are putting an expansion on. He's coming to me and he's saying, "What's the assessment?" There is clear language in here to define, in regulation, the process of going about looking at surrounding properties of similar uses and size to come up with a current value assessment for a new property. I think there's very important clarity in that particular section.

It's important that I look to what has been said in some of the questions that have been raised with me, but I do want to get down to one section here that I said I would talk to some extent about, that is, the increase in the maximum benefit under the Ontario child tax supplement for working families. It is being increased from \$1,020 to a maximum of \$1,100, each year, for each child under the age of seven, effective July 1, 1999. There you have it. There is more money, as the member from Hamilton—

Mr Christopherson: West.

Mr O'Toole: —West said. Actually, he is a little bit from the west, really.

More people getting their money back, that's what this bill does.

I mentioned as well the changes to the community small business investment fund. I particularly like this one. I think providing people with encouragement to invest in their own communities and in small business is the way of the future. The large corporate empire is something that needs to be given a whole new lease on life. Some of these small business people will become the large businesses of the future. They need that start-up equity. It reduces the minimum equity capital contribution for community small business investments by a labour-sponsored investment fund or a qualifying financial institution from 50% to 25%. That's an important opportunity.

It reduces the minimum amount of equity capital required to register a small business from \$5 million to \$2 million. Again, you don't need as large a pool of capital to get the investment fund started—absolutely critical for small business.

I really like a couple of the next ones. I've only got a few minutes left. How time flies when you're having fun.

I think the important thing here is families. I look at my area of Durham, and in that area Courtice is one of the fastest growing, as is Bowmanville; two of the fastest-growing communities in all of Canada. There are a lot of new families, first-time homebuyers. This program increases the maximum refund for newly constructed homes from \$1,725 to \$2,000, effective for agreements of sale entered into as of March 31, 1999.

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A very important sector, and I repeat this every time I'm in the House, is the agricultural sector. One particular constituent comes to mind, a whole family farm that has been in business for years. It's the Frew family. I hate to mention people's names, but the Frew family, slowly but surely, with their family, their sons and daughters and daughters-in-law and sons-in-law, have grown a successful small business. I would say it's probably 3,000 to 4,000 acres. They're in pork, and of course they went through a difficult time, but they're also in corn and cash cropping as well.

This says, "The temporary sales tax rebate on building materials for farm buildings has been extended permanently." So there you have it right there. Retail sales tax that would normally have been spent by the taxpayer is now more money to go back into the business, in fact, to put the seeds in the ground that grow the stock which makes the bread which we eat. Thank you, farmers of Ontario.

Interjection.

Mr O'Toole: Absolutely. You can see it right there. It's the transcending thing.

They've increased the rebate of sales tax on heritage properties to a maximum of up to \$3,000. Coming from villages like Newcastle and Hampton, I look around at the wonderful history of these communities. We need to have programs in place that sustain and ensure respect for our heritage properties. The small town of Newcastle, for instance, with the Massey family and some of the buildings in that community—I was the first to advise LACAC, the local architectural conservation advisory committee, of this important change. I see Mr Gerretsen in Kingston would also like to advise his constituents that this government is giving people tax money in their pockets to create hope and opportunity for the future.

It's unfortunate to have only covered a couple of small areas, but our plan is on track. Our plan involves giving people their money back and committing this government to responsible, effective delivery of programs at an affordable price. If I had a chance, I would certainly go on, and maybe that would just be that; I would just be going on.

The job of controlling government spending actually never ends. It's a relentless activity, and this government and our cabinet members, many of them here tonight, never give up the challenge of trying to do more with less. I know I'm part of a team that's committed to doing what it promised. I'm confident that all of the tax meas-

ures implemented in Bill 14 will improve the economy and create jobs, hope and opportunity. I wish there was some time to share with members, but I'll certainly be looking for responses, specifically to the context of what I was saying. With that, I will give up the floor.

Mr Dwight Duncan (Windsor-St Clair): In response to the member for Durham, this is a budget bill, after all, and I want to talk about some of the broad figures that were in the budget.

Let's talk about the province's debt, first of all. This government has taken the province's debt up \$21 billion since it took office. That is over four years. We have a measurement of the impact of the debt on our province. When this government took office, the debt-to-GDP ratio was 28.8%; today it's 31.9%.

Another important fact is that there are four major credit rating agencies in North America. They downgraded Ontario's credit rating after the Liberals left office. They downgraded it three times under the NDP. That downgrading brought us to AA-. I remember watching on television, because I was always interested in what the now government members had to say. I remember them ranting and raving about the credit rating. Well, it has been four years now that they've been in office, and we have the same credit rating as we had when they took office in 1995. According to the credit rating agencies, not to partisan groups, it's because of their allowing the debt to grow so much, so fast, and the prospect for further debt reduction isn't good. So four years later, we have that.

The last budget figure that I think is particularly significant—I know the member for Durham will know this—is that Ontario, other than British Columbia, is the only province that hasn't balanced its budget, the only one. You could have done that two years ago. There is room for tax cuts when there's a surplus. We need solutions. We don't need a Common Sense Revolution. We need a solution revolution. We need solutions to the 39 hospitals you closed that you promised not to close. So your track record is not great. You've benefited from strong exports and strong international economies.

Mr Christopherson: I appreciate the opportunity to comment on the remarks of the member for Durham. He's having so much trouble remembering my riding. I would suggest to him to think of it this way: It used to be Hamilton Centre, and now it's Hamilton West, and that's because Mike Harris took mine so I took one of his. That's one way maybe you can remember it. I think it was right about here where it was, actually, for that matter.

Let me comment on the member's remarks earlier on in his comments, when he talked about my comment of giving it back, the whole idea that he thought this was a good thing. I have to tell him, it's not the idea of giving it back or not giving it back, it's really how much is going to whom. If you make \$250,000 a year, you're going to get—what?—roughly \$25,000 or \$26,000 after tax. That is real money, 26 grand. If your family income is in the average range, so you'd be around \$40,000, \$45,000 or

\$50,000, you're hardly going to notice it, especially if you start adding up the user fees you're paying, the municipal services you've lost, the copayments that your now Premier—who when he was leader of the third party over here said a copayment is a copayment is a tax, and a tax is a tax is a tax, but when he became Premier, suddenly copayments weren't taxes.

It's not just the fact that money is going back, that suddenly we can't handle that—I would prefer, if you're going to do it, to talk more about provincial sales tax—but it's whom you're giving it to, how much they're getting and how others are having to pay to give that money to people who don't need it in the first place.

Ms Marilyn Mushinski (Scarborough Centre): It gives me particular pleasure to rise to speak on behalf of my colleague from Durham, who made such an eloquent speech on behalf of Bill 14, which does talk about and is entitled, actually, More Tax Cuts for Jobs, Growth and Prosperity. In fact, what we could translate that into is, "More Tax Cuts for More Jobs, More Growth and More Prosperity Act," actually.

When we were first elected back in 1995, each ministry was asked to undergo a business plan, and there were certain and basic principles that evolved as a result of that business planning exercise. One of them was that ministries had to develop performance measures, and they had to identify what their core businesses were. Strategies should be results-oriented, and results should be measurable.

When we look at this particular bill, and what my colleague from Durham speaks to is, are there some identifiable results that we can refer to? Very quickly, I think it's important to emphasize the jobs that have been created in this province since 1995. There have been 600,000 net new jobs that have been created. Tax cuts have clearly been welcomed by the average taxpayer in Scarborough, and there are many Scarborough success stories that we've taken since 1995, not the least of which is the development of the Scarborough Town Centre, which created over 400 construction jobs. I could give you all kinds of examples with those results.

Mrs Leona Dombrowsky (Hastings-Frontenac-Lennox and Addington): I'm going to comment at this time on some of the statements that were made by the member for Wentworth-Burlington—I think I heard them again from the member for Durham—to the effect that the government has given back billions of dollars to the people of Ontario, that they are making more money and giving more money back to the people. But what they forget to add, the very important part they're forgetting to add, is that they're borrowing more money. They're mortgaging the future of our children, who will already own a mortgage when they graduate from university because of the cuts of this government. That's what they forget to add.

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I have to comment also about the statements made about the great favours the government is doing for farmers. Coming from a part of the province where I have

occasion to speak with farmers regularly, certainly what comes to me from members of that community is the great concern and consternation they've had with the cuts that ministry has experienced at the hands of this government. Field offices have been closed and they have to drive much farther to access information and services that were once provided much more conveniently to them. They're very upset about the cuts this government has delivered to the 4-H program, a very important program within rural Ontario, a program that supports rural children. This government has cut the heart and soul out of the 4-H program.

I think it's quite unconscionable that you stand up and talk about the budget in such glowing terms when people in my riding have suffered significantly as a result of the cuts that this government has introduced in its budget.

Mr O'Toole: I would just like to respect all of the members who stood up. At least it shows they were here and they were listening and participating. That's their duty.

The member for Windsor-St Clair, I'm surprised—he was here tonight—lost his political ties, it would appear. That's what I observed as he was speaking. He's saying we still haven't balanced the budget. Perhaps he should speak to Paul Martin. When you look at the EI issue, that's \$28 billion. We're 60% of the economy of this country. Clearly, a good portion of that EI surplus belongs to the hard-working families of Ontario. He doesn't get it.

The member from "Hamilton left"—actually it's Hamilton, left on the political spectrum. I know it's Hamilton West, but the west is on the left if you're looking north. That's where I was going wrong. He still doesn't get it, as well. I have to realize that even in their plan, Clearly on Your Side—or in your pocket; that was their platform—all it talked about was spending, and actually increasing taxes was how you pay for that spending. To remind members, we're on the record with 69 tax cuts, so the job isn't done, I'm clear.

I was most impressed with the member for Scarborough Centre. She talked about renaming this large bill—dealing with trying to improve the economy is really what it's about. She tried to give it another name. I look at the back and it says the short title is More Tax Cuts for Jobs, Growth and Prosperity Act. You had it right. You've read this bill, I can tell.

It's like any sequel. This is like Tax Cuts II. It's sort of like a sequel of the Austin Powers movie, you might say. His first movie was International Man of Mystery, and I think the second movie could have been called The Spy Who Taxed Too Much.

On a serious level, to the member for Hastings-Frontenac-Lennox and Addington: Yes, I speak to farmers, and I know that Harry Danford, when he was here, spoke for farmers as well.

The Acting Speaker: Further debate?

Mr John Gerretsen (Kingston and the Islands): I am very pleased to join this debate today.

I'll tell you about one group of people that isn't interested in tax cuts. I'm talking about the 240 people who lost their jobs at Celanese in Millhaven today. Some 240 people, most of them in their 50s, who have worked at this plant for the last 30 years or so, lost their jobs. Ask them about tax cuts. It will be very interesting to see what this government, through its Minister of Labour and through its other cabinet members, is prepared to do for these elderly workers who have given their lifetime to make sure that plant was operating since 1955.

I was somewhat surprised by the press release today, "Celanese AG and KoSa Sign Agreement." It says, "Celanese is seeking to enhance shareholder value by divesting non-core assets, restructuring our current operations and taking advantage of growth opportunities.... The sale of the Millhaven plant will allow us to focus our resources more intensively on our core chemicals, acetate products and technical polymers businesses."

What it doesn't say anything about is the people who lost their jobs there, who will be out of work in mid-February. At least show some compassion and some understanding. I hope that the members of your caucus will go after the cabinet ministers and say, "Look, we've got to do something for these people." Get the Minister of Labour involved.

Mr Bill Murdoch (Bruce-Grey): Are they closing it?

Mr Gerretsen: Yes, they are closing the polyester division of this plant, and these people will be out of a job come mid-February. Don't ask them about tax cuts. I'm sure that they would be more than willing to give up whatever tax cut they may have received, and that hasn't been reduced by increased user fees, if they could still have their jobs.

Mr Murdoch: Were you the mayor in Millhaven?

Mr Gerretsen: No, actually, this is located in the riding of my colleague from Hastings-Frontenac-Lennox and Addington, although the people who work at this plant live in both of our ridings.

It will be interesting to see what the government is prepared to do about the situation to assist these people, because that's what government should be all about. It should be about helping people in need, to level the playing field for people so that we all have an equal opportunity and an equal chance in life, not just the favoured few. That's a fact.

I always like to use the government's own documents, for the simple reason that presumably you believe in your own figures, to deal with this whole notion once again—and I know it's been mentioned here ad nauseam—about the public debt in this province. Look at your own 1999 budget document. That's what this bill, after all, is all about. What does it say? On page 57: The public debt in this province was at \$88 billion in 1995 and it's expected to be \$121 billion, and that includes \$8 billion of the Ontario Hydro debt; taking the Hydro debt off, \$113 billion as of the end of this year—an increase of \$25 billion.

It's also very interesting to note that this table goes back to 1990, which is when the NDP took over. The

public provincial debt at that point in time was \$42 billion. I acknowledge that about \$10 billion of that was added on during the Peterson years, but the first \$32 billion of that was during the Davis years and all the preceding years. So it's interesting to note that out of the \$113 billion of public debt that we have, \$103 billion of it was caused by the New Democrats and by the Conservative governments in this province. I don't think the people of Ontario ought to forget that.

The other very interesting figure that I always point to, and people are always surprised by this, is how much interest we pay on the public debt in this province. This year it's going to be \$9.2 billion, over a \$2-billion increase from what it was in 1995, and that's even with low interest rates. With all the complaints that you people have about what we pay for social services—I talk to many Tories in my riding as well and there's always something said about social services—we spend more annually on interest on the public debt, \$9.1 billion, than we do on all the social services that the province pays for, which is some \$7.9 billion. So let's put the facts as they are and let's deal with the issues.

The other thing I find very interesting is that in your Bill 14 you once again deal with another property tax amendment. I know that members of the government, as do members of the opposition, get asked by many people in your ridings who are paying commercial and industrial taxes, "When are we going to get our final 1999 tax bill?" In most communities in my riding it hasn't been issued yet. Here we are, a month away from December 31.

You remember the tremendous problems that were created last year when there were seven different tax bills passed and all of them were incorrect. All of them were incompetently put forward and implemented by the Minister of Finance. It got so bad, actually, that earlier this year many people got revised bills for their 1998 taxes. They couldn't understand it. They thought they had finally got a break or were finally paying the right amount, when all of a sudden a lot of these people with commercial and industrial properties got revised tax bills for 1998, increasing the amount tremendously.

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If you people were able to explain that adequately to your taxpayers who were involved in those kinds of situations, I'd like to know what your story was, because it is almost incomprehensible that you could have allowed that to happen, particularly when there were organizations around such as AMO and the clerks and treasurers who were telling you two years ago how to implement this. Remember, these are people, particularly the people involved with the clerks and treasurers of Ontario, who basically are not politically involved. They are the implementers of local decisions.

Mr Stewart: Yes, they are, and you know it.

Mr Gerretsen: I see. OK. Now they're saying they are partisan appointees. Tell that to your clerks and treasurers. Sir, for the life of me I cannot understand why you didn't listen to the people who deal with these taxation

problems on a day-to-day basis. They would have told you how to implement it and it wouldn't have gotten you into the kind of mess you've been in for the last two years and that you're still in today because you are still making some changes to the tax legislation.

The other interesting thing is the fact that, yes, there is one good thing in this bill. That deals with the land transfer tax. I'm all in favour of providing rebates to first-time homebuyers. The problem is that you have limited it to just first-time homebuyers of new homes. The question I get asked quite frequently is, "Why shouldn't it apply to first-time homebuyers of existing homes?" If you know anything about economics, it doesn't matter whether you buy a new house or an existing house, you're going to create movement in the housing market. Why you are discriminating against people who are buying a house for the first time, but it doesn't happen to be a new house and therefore you're not giving them back the land transfer tax, is beyond me. What's good for one is good for the other. I believe the Minister of Finance even acknowledged that in a question on this issue in the previous House, back in April or May of this year. Why didn't you extend the plan so you could be fair to all first-time homebuyers in the province?

The other thing that's very insulting is the way you're treating municipalities in this bill. There is a section, and I'm sure you're quite familiar with it, that basically tells municipalities what information they ought to file in how they prepare their tax bills. How insulting can you be to another level of government? It just so happens that today AMO, the Association of Municipalities of Ontario, issued a news release. It came hot off the press about 25 minutes ago. What does it say?

"Property Taxpayers Hit Again." It's dated today. "Municipal governments have been hit with several provincial announcements over the last week ... the implementation of the \$50-million rent supplement for low-income and special-needs housing tenants will help with the overwhelming affordable housing crisis," but municipalities have to pay for it. "On the other hand," they say, "the province is"—listen to this, Speaker; you'd be interested in this—"keeping \$28 million of a \$58-million ... allowance from the federal government."

It isn't Liberal research saying this; it is AMO saying this, the Association of Municipalities of Ontario. You are keeping money that you should have passed through from the federal government to the local municipalities to deal with these programs. You're keeping \$30 million of that. Why aren't you passing it through?

Michael Power, the president of the association, states that, "The province continues to move forward and implement policies without meaningful partner input and without acknowledging the municipal capacity or the program effectiveness of some reforms."

Get it? You're not talking to the municipalities. You're downloading it on them. You have no idea how these programs are going to be implemented or how municipalities are going to be affected by it. Why don't you talk to your partners? Remember how when the

AMO conference takes place you always talk about them in terms of partners? Well, talk to your partners. They're saying you're not talking to them; you're just unilaterally downloading it on them.

He goes on to say: "The announcements imply that the municipal property tax base is able to bear this additional financial downloading and this clearly is not the case ... I call on the province"—this is the president of AMO, the organization that represents pretty much every municipality in Ontario—"to discuss the capacity of municipalities to handle this and any other surprises that the province may be contemplating."

Why aren't you doing this? Why do you have this higher-than-thou attitude? You just download it, implement it, you don't talk to the experts, you don't talk to the implementers; you just go ahead and do it and create chaos and havoc.

One of the other interesting things that is not in the budget bill that should be there deals with the doctor shortage situation in this province. I wrote to the minister about that on July 3 of this year, and I finally got a response. I want to read some of the response to you. This is a letter that has been five months in coming. This is from the Minister of Health, dated November 3.

"Dear Mr Gerretsen:

"Thank you for your letter about the distribution of physicians in the Kingston area." I didn't talk about distribution; I talked about the shortage of physicians. It says, "With regard to your constituents that are unable to find a family physician, they may wish to contact the College of Physicians and Surgeons of Ontario." Have you ever called them? Their lines are plugged with people looking for physicians. It then says, "The college requires a postal code and the name of the hospital closest to your constituent's home."

She goes on to say, "I also want to ensure that the province has an adequate supply of physicians and the right mix of specialists." I would dare say, tell that to the people out there who have been looking for the last two, three, four years for a family physician.

Tell that to the people in Lansdowne. The member for Leeds and Grenville may want to listen to this, because Lansdowne is in his riding. They have a health centre. The doctor who has worked there is not going to come back from maternity leave. You know what an editorial in the Kingston Whig-Standard just recently said, on November 16? "About 1,200 patients will now be forced to travel to walk-in clinics in Kingston and Brockville if they need routine medical attention."

Do you know what that means? From Lansdowne to Kingston is probably a good 50 kilometres, and probably about 40 kilometres to Brockville. The minister has the nerve to say there's not a shortage of physicians? This is only one example of the many hundreds that are out there. Our Academy of Medicine and physicians in the Kingston area get anywhere from 50 to 70 calls per day from people looking for family physicians. Yes, I'll grant you, some of these may be duplicates. People will phone one doctor, they'll phone the academy, they'll phone the

College of Physicians and Surgeons. They're desperate. They need a family doctor.

We live in a land of plenty. We live in a country that has been regarded as the number one place to live in the world, from a quality-of-life viewpoint. Yet we cannot make certain that a family physician is available for people who live in the largest province of this country. That is a shame.

Yes, you are starting to take the right step, as suggested by Dalton McGuinty during the election, that one way to get people into underserved areas is maybe to adopt a program much like they have at the Royal Military College for military personnel. The government pays the tuition fees of these individuals, the medical students, and in return for that they agree to go to an underserved area for five years. It's the same way the military has been operating the cadet program at RMC for the last 30 or 40 or 50 years.

But that doesn't solve the problem right now. That solution is probably five, six, seven, eight years away, when some of these people start graduating. Why don't you get together with the College of Physicians and Surgeons, with the Ontario Medical Association, with the Ministry of Health, and try to do something about the number of foreign-trained doctors who are in this province right now and have our qualifications to practise medicine in this province and make sure that their process of getting approved to practise medicine in this province can be speeded up?

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I heard of one case just recently where a foreign-trained doctor has passed the Canadian Medical Association exam, but he still can't do anything in the medical field. You know why? Because he has to wait 11 months before he is allowed to write the Ontario provincial exam. Here we have a trained individual—and I think we ought to make sure that these individuals practise their medicine up to the standards that we find acceptable in Ontario, that follow all the rules and regulations. It should be nothing less than that. But why are we allowing this kind of situation to fester for 11 months when you can do something by getting this person qualified earlier to alleviate some of the physician shortages?

Those are just practical solutions as to how you can solve the problem. I know there are probably all sorts of interest groups that may prevent it, one way or the other, from happening. But I think it's up to the government, if it is truly concerned about the health care that our people have in this province, to cut through a lot of these turf protection areas. I'm a lawyer by profession. I know we have many areas of turf protection there as well; no question about it. It's only the government that can say, "We're going to cut through this, and we're going to make it happen for the people of Ontario." These are some of the issues that should have been dealt with in the budget documents.

I'm sure that the people of Ontario must think that most of the discussions in this place sort of deal with a continuing election campaign. I say to the people very

clearly that the election is over. You won. Now govern for all the people of Ontario. Don't just govern for those individuals you think supported you.

I'm convinced, as are many, many people in this province, that you basically don't care about the bottom third on the economic scale of this province. The longer I'm around this place and the more decisions I hear that are being made on an ongoing basis, the more convinced I am of that. That is totally different from anything else that's ever happened in this province before. Any other government, once the election was over, governed for all the people of Ontario. I would strongly suggest you return to that model.

We live in a great country, in a great province. You have done more in the last five years to divide that ever-expanding difference between the haves and the have-nots in this country and in this province than anybody else, any other government prior to that. You still have three and a half years left. Try to govern truly for the best welfare of all of the people of Ontario, including those unfortunate people who for whatever reason need the help of this government.

Mr Christopherson: I want to compliment the member from Kingston and the Islands on his remarks. I think he's touched on an awful lot of concerns that a growing number of people share.

Picking up on his last comments about the growing gap, I want to say to the government members and the member from Kingston and the Islands that you're right. This is an issue. The trend has been seen. It's now being recorded and documented. There are people of sterling reputation, qualified professionals, who are crunching the numbers, and clearly we are seeing that there's a growing gap. You can take that not only from individuals here in Ontario, but you could even apply that, quite frankly, to the world and to developing nations, those who haven't been fortunate enough to be part of the original G7 and then—what?—G8, and then G8 and a half.

It's a trend that cannot continue in an unlimited fashion, because at some point that whole concept breaks apart. You cannot continue. We can't afford globally, not just in Ontario but globally, to see so much wealth accumulated in fewer and fewer hands, and then, to take the macro and go to the micro, within Canada and within Ontario. That very accumulation of wealth within our nation and our province is now concentrating in fewer and fewer hands while the have-nots are growing in number. The people in the middle are not gradually becoming haves. What they are doing is slowly sliding into the have-nots, and virtually every measure this government has taken exacerbates the growing gap.

Mr Skarica: I want to congratulate the member from Kingston and the Islands as well, and I suspect one of the reasons he doesn't use the Liberal research but the Conservative figures is because they're accurate. But I don't think you should go and dwell on the debt figures, because if you go and look at the history, it does not reflect well on the Liberal Party.

Before the Liberal Party took over as the government from 1985 to 1990, the total debt in this province was \$30 billion. That was over 120 years, more or less, at the rate of \$250 million per year. What happened when the Liberals took over? All of a sudden the debt accumulation accelerated and \$10 billion was added to the debt over a mere five-year period, an increase of 33%. Then when the NDP took over in 1990, they increased the debt by a further \$47 billion and basically doubled it. When we took over, there was a \$12-billion deficit. We increased the debt by some \$20 billion. About half of that was in the first year, and the reason for that was that we had this huge deficit to begin with and, to use the member for Hamilton West's term, we had to massage it down.

You'll recall, member for Kingston and the Islands, you opposed each and every one of our attempts to reduce that debt. When we tried to reduce welfare spending, you opposed that. Every time we tried to cut government spending, it was opposed by the Liberals.

But at least your figures are relatively accurate, as opposed to some of the information from some of your fellow Liberal members. You'll recall the member from Windsor-Essex said that the Liberals increased the debt by \$5 billion. He was off by \$5 billion. He said the NDP increased the debt by \$12 billion. He was off by \$35 billion—he was off by \$40 billion.

To conclude, I congratulate him that he's using the right numbers when he's using—

The Acting Speaker (Mr Michael A. Brown): Thank you. The member for Thunder Bay-Superior North.

Mr Gravelle: I certainly want to compliment the member for Kingston and the Islands for his usual very strong speech. I'm always impressed when I listen to him. He makes a great deal of sense. There are so many areas I want to talk about where I do agree with him, but I'll focus on a couple.

One, I agree with the recommendation that he made, and I hope the government members were listening, in terms of the land transfer tax rebate going to the first-time buyers of new homes being extended to existing homes. That makes a great deal of sense I believe. There's no question that a lot of people have asked me about it in my constituency, and I support that.

I want to focus on your comments related to physician shortages, and in particular the fact that there are a number of foreign-trained physicians who are very keen to practise in this province and this government is really doing nothing at all to help deal with that reality and try to get them to practise in this province. The fact is they continue to believe that it is simply a distribution problem, not a supply problem as well. Certainly in my riding of Thunder Bay-Superior North, there are a number of foreign-trained physicians, very keen psychiatrists, general practitioners, specialists, who are very keen to come forward. I think the government has to recognize that.

The Minister of Health appointed a fact-finding commissioner, Dr Robert McKendry, back in August, and we were looking very much forward to getting the results of

his findings as quickly as possible. We're now heading right into December and we haven't heard that report yet. We want to get that. It is very important that action be taken immediately, because no matter what happens, we need solutions right now for those people who need doctors.

One other aspect that I think should be dealt with is the fact that nurse practitioners need to be supported in a much more strong way than they are by this government. We had to drag this government kicking and screaming to get the nurse practitioner legislation brought forward; we finally did. They then were very slow to announce funding for it. They then wouldn't release the funding. The fact is that nurse practitioners can provide an extremely important role, especially in northern and rural communities, and we're huge supporters of them here on the Liberal caucus side.

I'm glad to compliment the member from Kingston and the Islands once again for a great speech.

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Hon Mr Sampson: I always listen intently when the member for Kingston and the Islands stands up and speaks in this House. When he speaks about taxes and the implication of taxes across the board, of course, he speaks with great expertise. He was the mayor of the city of Kingston for a period of time, and the taxes went up, I think, 30%—I know the member will correct me—when he was mayor. He also spoke about the Celanese plant. If I remember the Kingston area, John, that would be the old DuPont plant, isn't it?

Mr Gerretsen: No.

Hon Mr Sampson: That's right, it's the other plant. If he was reading the press release, I think he was talking about the owner selling that asset or looking to sell that asset. I would say to him that what we as a government have tried to do is make it attractive for foreign investors to invest in this province by lowering the tax base and allowing foreign capital to come in, understanding that when foreign capital is employed properly, it will create jobs. That's been the prime objective.

The member went on quite eloquently for some time about the debt in this province and he said, I think quite proudly, that under the Liberal regime in this province the debt did not go up substantially. What he didn't tell you, of course, was that in order to make sure they didn't borrow—in fact they borrowed marginally during that time—they funded their expenditures by raising the tax base of this province a number of times; 33 times, as the member for Brockville draws my attention.

I say to my colleague from Kingston that you can't tell half a story. If you're going to proudly stand in this House and say that when you and your government were in power you didn't raise the debt in the province, you should also say you did that by raising taxes.

Mr Gerretsen: I thank the members from Hamilton West, Wentworth-Burlington, Thunder Bay-Superior North and Mississauga Centre. First of all, to the member from Wentworth, you didn't raise \$30 billion worth of

debt in 120 years; it was all done in about 15 years prior to 1985. In about 1970 this province had no debt at all.

Number two, if the taxes of the city of Kingston did go up 30% over an eight-year period, that's about 3.5% per year. Inflation went up three or four times that amount. If what you're saying is correct, I'm very proud of my record.

You like to talk about our 33 tax increases. You have increased taxes 456 times through user fees. You have increased taxes in this province 456 times just in the last five years.

As far as the doctor shortage is concerned, I didn't get a chance to read that paragraph in the minister's letter to me. We all think that when Dr Robert McKendry, the fact-finding commissioner, comes out with a report something will be done. Do you know what the minister says about doctor shortages in her letter? "Based on the outcome of the commissioner's report, an expert panel will be appointed to undertake longer term planning with the objective of developing strategies to match future service levels with the required physician human resources."

It is time for the studies to end. There are places across this province, large and small, rural and urban, where people cannot get a family physician. In a country and a province as strong as ours, surely that is the least that people can expect from their health care system. Do something about it. Get everybody around the table and fix the problem.

Mr Dan Newman (Scarborough Southwest): I want to begin by saying that I'll be sharing my time with the member from Barrie-Simcoe-Bradford this evening.

This evening we are debating Bill 14, the More Tax Cuts for Jobs, Growth and Prosperity Act, 1999. I want to say that I'm proud to take part in this debate because today is indeed a very historic day in our province. Today, third reading was given to Bill 7, the Balanced Budget Act, 1999.

Interjections.

Mr Newman: You hear boos over there. Bill 7 now protects taxpayers in our province. No new tax can be levied in this province unless it's been put before the people of Ontario via referendum or in a general election. Also, there can be no increases in current taxes. Bill 7 also penalizes cabinet ministers 25% of their cabinet stipend for the first deficit and 50% for any subsequent deficit brought forward after that.

This is truly an historic day in the province. The taxpayers of Ontario now have protection against tax increases. That's why it's so fitting that tonight we are talking about Bill 14. We should know that since 1995, when our party was elected by the people of Ontario, we have introduced 99 different tax cuts in our province.

There have been cuts to personal income taxes totalling 30% in reduction of the rate. We've also seen the employer health tax removed from the first \$400,000 of a company's payroll. We've seen the health tax entirely removed for self-employed Ontarians. We've also seen, as the member for Durham mentioned tonight, the

Ontario child care tax credit introduced, and with this bill we're seeing that credit actually increase from \$1,020 to \$1,100 per year per child under the age of seven, effective July 1, 1999. These are all important tax cuts, which have contributed to some 640,000 net new jobs in Ontario.

Mr Speaker, you've been in this place for some time now. Think back to budgets of previous governments. There were lineups at the gas pumps because they knew that governments were going to hike gas taxes. There were lineups at LCBO stores because they knew governments were going to hike taxes on liquor. We also saw lineups at Brewers Retail outlets where, again, people knew that governments were going to hike taxes. We also saw long lineups at convenience stores, where people were buying cigarettes.

They had confidence that those governments were going to hike taxes. That's far different from what they see with our government. What they've seen with our government is 99 tax cuts. They haven't seen any taxes introduced by our government on gasoline or on the other items I brought forth. They have confidence that this government will not hike taxes. That's a strong message to the people of Ontario.

It would be great in Ontario if the federal government would do the same. I encourage all the Liberal members present tonight, and those who aren't, when they go to Ottawa next weekend, because they're going to be there propping up their leader—

Mr Tascona: It's this weekend.

Mr Newman:—this weekend, yes, propping up Dalton McGuinty, maybe they can talk to their federal cousins—there are 101 of them from Ontario—and ask them to stand up for Ontarians, ask them to stand up for tax cuts, to reduce the EI premiums our employers and individuals have to pay in our province. I hope that when all those members are in Ottawa, either voting for a leadership review or not, they will ask their federal cousins to bring forward tax cuts on behalf of the people of Canada.

In the last year, we've seen the economy of Ontario expand by 4.2%, double the rate of the rest of Canada. While the opposition claims that it's all happening because of the United States, they're simply wrong. What we're doing in Ontario is cutting taxes and creating jobs. In the second quarter of this year, Ontario's GDP grew by 1.2%. That's an annualized rate of 5%. Ontario now accounts for 41% of Canada's GDP. Business investment has also risen significantly, to \$38.5 billion.

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Where has this investment gone? I have a few examples here. It's right across the province. It's in all ridings in Ontario. For example, IBM recently announced that it will build its new \$125-million software development lab in Markham. Lucent Technologies recently announced a \$50-million investment in their Ontario headquarters. In 1997, Toyota decided to spend some \$600 million on a plant expansion in Cambridge. In 1998, Honda invested \$300 million in Alliston. General Motors, not be outdone,

announced that it will locate a major research and development facility in Oshawa, bringing 100 research engineering jobs here. Those are significant investments in the province of Ontario.

Mr Skarica: Are those part-time jobs?

Mr Newman: No, those are absolutely full-time jobs, jobs that pay well, jobs that will definitely contribute to the economy in Ontario.

You have to ask yourself, why was this not happening before? Again, it's the confidence factor. Companies and investors didn't have confidence in the economy of the province of Ontario before 1995. They have confidence today and we have seen those jobs created.

From 1985 to 1995 we saw in our province 65 tax hikes. It's a little bit of a game between the Liberals and the NDP. The Liberals hiked taxes 33 times; the NDP hiked taxes 32 times. We have cut taxes through 99 tax cuts being introduced here in our province. Under the Liberal regime from 1985 to 1990, we saw welfare rates increase, more people go on welfare at a time when the economy was booming. We all saw what happened there.

This bill, the More Tax Cuts for Jobs, Growth and Prosperity Act, is a major step in the right direction of the finances of this province. It provides a legislative framework for many of the tax cuts that were announced in the 1999 budget, most especially a 20% reduction in the income tax rate in our province.

This bill brings the personal income tax rate in our province in 1999 from 40.5% of the basic federal rate to 39.5% of the basic federal rate. That's from 40.5% to 39.5%. What the bill also does is reduce that rate again. Effective, I believe it is January 2000, it reduces it from 39.5% to 38.5%.

If you think back to 1995, the personal income tax rate in this province was 58% of the basic federal rate. We were one of the most highly taxed jurisdictions in all of North America.

Between 1990 and 1995, when the NDP brought in their 32 tax hikes, we saw a net job loss in this province of 10,000 jobs. There were 10,000 jobs lost in this province. What has our government done in four and a half years? We have 640,000 net new jobs in this province, the majority of these jobs being full-time jobs paying good wages.

The bill before us today also extends the land transfer tax refund for first-time buyers of newly constructed homes. It increases the maximum from \$1,725 to \$2,000. It also makes permanent the retail sales tax rebate on building materials for farmers. It also enhances the capital tax exemption for small businesses. Importantly, this bill also increases the employer health tax exemption from \$400,000 to \$600,000 and that's good for all small businesses across Ontario, in fact all businesses in Ontario, because that was simply a tax on jobs. That's what the employer health tax was. It was brought forward by the Liberals under David Peterson and it was basically a job-killing tax. I guess it's no different from what the federal government is doing today with EI premiums in our province. I hope when they go to Ottawa this week-

end that they bring that message to their 101 cousins who will be there at the leadership review.

On this note, I will pass it on to the member for Barrie-Simcoe-Bradford.

Mr Tascona: I am certainly pleased to join in the debate with the MPP from Scarborough Southwest. The act entitled the More Tax Cuts for Jobs, Growth and Prosperity Act, 1999, is certainly another one of our promises kept.

I want to refer to the Blueprint that we ran on and I was elected on. It says, in terms of cutting taxes: "From 1995 to 1998, we cut taxes 69 times, including a 30% cut in income tax rates. This was the biggest tax cut in Ontario history and the first real increase in take-home pay for the average Ontario worker in more than a decade!"

Of course, that led to tremendous economic growth. "A record 540,000 new jobs were created in Ontario in under four years." That's one of our promises that was kept.

What we're seeing now is a pledge for 30 additional tax cuts. That will bring it to 99 tax cuts, and one could say that the great tax cuts are here. Certainly, we have delivered on our promise, unlike the Liberals.

I want to quote from the Toronto Star here today:

"Taxes Said Hitting Tenants.

"Federal levies cost tenants hundreds extra a year, landlord study says."

I'll quote from the front page of the Toronto Star, the business section:

"Tenants in apartment buildings pay hundreds of dollars more than necessary each year because of federal taxes, says a study by the Canadian Federation of Apartment Associations.

"The lobby released a study yesterday showing that inequities in the federal tax system, including the GST and capital gains tax, are penalizing landlords who have to pass the extra costs to tenants."

That's just an example of the federal government turning a deaf ear to the taxpayers of this country and certainly of this province. What we're trying to do here is—tax cuts create jobs and they create growth and they create prosperity.

I also want refer to the Toronto Star, August 28, 1999, and I quote:

"We all want to reduce the gap between the poor and the rich. And we all want to eliminate child poverty. But to reach those objectives, our party must respond to economic changes with change.' ... McDonough advocates tax relief for low and middle-income Canadians, starting with the gradual elimination of the GST." She said the GST hits working people hardest because they pay the same rate of tax as the rich.

"Although at least a third of the delegates opposed,"—this in their convention—"McDonough's position managed to pass" and become NDP federal party policy.

Certainly, the GST has been one of the great promises never kept by the federal Liberals.

We also have Ken Georgetti, former president of the BC Federation of Labour and current president of the Canadian Labour Congress, August 25 of this year: "CLC calls for social investments, progressive tax reform and low- and middle-income tax relief."

"Federal tax revenues under the Liberals have risen from 14.8% of Canada's economy (GDP) to a projected 16.2% next year, mainly because income tax thresholds and tax credits have not risen in line with prices." That's what we know as tax bracket creep.

"The balanced approach the CLC advocates matches badly needed reinvestments in social programs and job creation with progressive tax reform ... and tax relief closely targeted to low- and middle-income earners.

"The best way to begin tax reform would be to significantly raise the threshold at which workers start to pay tax."

That's something the federal government has been urged to do, and in fact they've refused to do that.

So what we have to do as a province—from what I understand, in 1998, Ontario accounted for 41% of the GDP of this country. That is a staggering figure in terms of the growth that has occurred under the Progressive Conservative government in this province since 1995.

There are other aspects of this bill, with respect to the employer health tax, for example. The definition of "eligible employer" in the Employer Health Tax Act is being amended to reflect changes made in the exemptions given under subsection 149(1) of the Income Tax Act. Also, what's important to employers is that section 3 of the Employer Health Tax Act is being amended to provide that employers whose annual total remuneration is \$600,000 or less do not pay the taxes in installments.

Another area that is very important is the Income Tax Act. Under the Income Tax Act, the personal income tax rate is reduced from 40.5% to 39.5% of the basic federal tax for 1999 and to 38.5% of basic federal tax for the year 2000 and subsequent years. Certainly that is the lowest rate in this country. "The fair share health care levy is adjusted to reflect the change in income tax rates."

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We also have: "The maximum annual benefit under the Ontario child care supplement for working families is increased from \$1,020 to \$1,100 effective July 1" of this year "for each eligible child under seven years of age. The rates at which the benefits accrue to lower-income working families are increased." That's welcome news to taxpayers, but also families with children.

The final area on which I want to comment, in terms of this bill, is the Land Transfer Tax Act. "The act now permits the refund of land transfer taxes payable on the purchase on or before March 31, 1999, of a newly constructed home by a first-time buyer. Amendments extend this deadline to March 31, 2000, and increase the maximum amount of the refund to \$2,000 for agreements of purchase and sale entered into after March 31, 1999, and before April 1, 2000."

Certainly in an area such as mine, Barrie-Simcoe-Bradford, one of the fastest-growing areas in the prov-

ince—in fact it is the largest riding of electors in this province—we're seeing unprecedented growth in the construction industry. We are seeing an area from Barrie down to Bradford that is growing by leaps and bounds, tremendous investment in the education sector with new schools being constructed, tremendous investment in this area with respect to health care. Along Highway 400 we're seeing tremendous growth.

As you can see, the homes are being constructed all the way up from Toronto and right along the boundaries of Highway 400. That is good news for Ontario and for the construction workers of this province. This type of growth is unprecedented. Certainly it's a result of our policies. The land transfer tax amendment is something that is going to spur first-time owners to buy.

What we find in the city of Barrie, in the town of Innisfil and in the township of Bradford West Gwillimbury is tremendous opportunities for first-time homebuyers to come up and live in this area, because it is a tremendous area with respect to all the services that are provided, a friendly area to raise your family and also to retire. The opportunities that are being created by tremendous expansion in retirement home construction and in new single-family dwellings are a compliment to this government because of the growth we are seeing in this area.

I don't think it's any small coincidence that you're seeing that the growth and the prosperity is a direct result of people having more disposable income in their pockets, having confidence that they're going to have a job that looks secure. They can plan into the future in terms of what their needs are. We're seeing tremendous growth with respect to furniture stores, tremendous purchases of furniture by people who are buying their new homes. It just permeates throughout the economy in terms of that construction growth, the jobs and also the offshoot of that in terms of purchases that are being made.

As I say, we're continuing that growth: 66 tax cuts during our mandate before we were re-elected in 1999, and another 30 tax cuts can only go to benefit consumers because that money stays in their pockets. They can use it. Everybody knows there's only one taxpayer and that money is being put back into the economy. That's where it's going. We're seeing that people are saving less and spending more on things they need. Obviously that spurs the economy.

I'm very pleased to support this bill. The members from Scarborough Southwest, Durham, Hamilton-Wentworth and Ancaster have set out their positions on it. I'm very pleased to support this bill.

Mr Ernie Parsons (Prince Edward-Hastings): We certainly had a fixation over the last four years or four and a half years on the word "taxes," but I think we need to remember that taxes generate the budget for the province. In the budget, really, are the provincial services expressed in numbers. I don't enjoy paying taxes. In my previous life I never enjoyed raising taxes. But when I go in to buy a car, I expect to pay for it. When I use the

hospital or when my children use the schools, I expect to pay for it.

We've lost touch with the previous sense of government providing service. It's great to have the extra \$10 a week in pay. That buys about a chocolate bar a day, and unfortunately I do that far too often. I take that \$10 because I have no choice, but I can't take the \$10 and go to the hospital and say, "I'd like to give you the \$10 and have this wing reopened and have the nurses hired back." I can get together with other people in my community and I still can't reopen that hospital floor; I can't do something for my school to keep it open.

There is a responsibility of government to make those collective decisions, to say, "As individuals, it can't happen, but we and we alone have the responsibility to say that that hospital must have nurses; that school in that community must stay open." We haven't seen that vision over the last four years. It's been a "What's in it for me?" series of actions rather than, "We have a responsibility to do what's best for that community"—certainly to be efficient, certainly to keep costs down, but not just to look at the dollar but also to look at the impact on that community and on every single person in this province. We need to get back to the collective vision of where we are going in Ontario, what our citizens need and how we go about providing that service.

Mr Christopherson: I want to comment on the remarks of the member for Scarborough Southwest, who was the first speaker.

Applause.

Mr Christopherson: I'm just soaking it up. I don't often get applause from that side of the House.

I just wanted to comment that in the early part of his remarks all he wanted to talk about—and this may generate another round of applause; who knows?—was tax cuts, tax cuts, tax cuts. Does that do it for you?

Applause.

Mr Christopherson: I thought it might. Go ahead, enjoy your moment.

The other side of the coin, the other side of that, the part that the member for Scarborough Southwest and all the other members of the government don't want to talk about, is how that is playing out in our communities, with real people on the ground. By that, I mean inclusively real people, not the exclusive version you used in your throne speech.

The number of user fees that have gone up—these things may only be a few bucks here and there to some people, but it does add up, and not everybody has that kind of money.

He talked about the referendum and how important and crucial that was. Where was the referendum that the people of Ontario were entitled to when you decided you were going to slash the health care system in Ontario, or the education system? Don't look at me with your face all screwed up like you don't know what I'm talking about. If you come into Hamilton, I can show you what you've done to the education system. I can show you what your flawed funding formula means to kids with

special needs, kids who in the first few weeks of school couldn't even be in the classroom because there wasn't enough money to hire the educational assistants.

These things are all the other side of your tax cuts. It may sound good to your rich friends when they do their income tax, but the reality is it's affecting the quality of life of more and more people. That's that growing gap I'm talking to you about.

Mr O'Toole: It's a truly historic day, given the fact that earlier today we passed Bill 7, the Taxpayer Protection Act, as well as debating Bill 14 tonight, more tax cuts. So it really is historic, and I think it's important.

It's even more of a juxtaposition, if I may, to have the member for Scarborough Southwest and the member for Barrie-Simcoe-Bradford—who are both members of the task force that is doing an intensive review of gas prices, and I am a member of that committee. We're all for doing the best for the consumer. I'm somewhat disappointed that the member for Halton isn't here tonight, but I know he's out there. He's probably checking gas prices.

In concluding, I must say that the member from Hamilton-Wentworth, who is the parliamentary assistant to the minister, is here tonight. He has been vigilantly watching the debate and fine-tuning every word that has been said. Just recently he conducted some consultations on vacant and seasonal properties, I believe. It's clear from what I've heard from my constituents that he was listening, and it's clear from this legislation that he's made an impact with the minister.

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But even today, as I was listening to the news and watching the papers—really, price and protecting consumers is all part of the taxpayer thing that we're talking about. In that respect, in reviewing other provinces and their challenge as well, I look at St John's, Newfoundland, and they are expecting a price of over 70 cents. Quebec is close to that. Nova Scotia is close to that.

So I call on John Manley and the federal Liberal tax-and-spend government to look at this. They've got to look at the Competition Act, what we need to protect the consumer, protect the taxpayer. That's what we're all about.

Mr David Ramsay (Timiskaming-Cochrane): I'm pleased to comment on this debate today and to say to the member for Barrie-Simcoe-Bradford how very impressed I am with the development that's going on in your area. But you speak of a world that I do not know, for the area that I represent is very different, and I would ask you to experience my part of the world, northern Ontario. I would like to invite you up this intersession that we're going to be embarking on soon, to maybe come to see how other parts of the province are trying to struggle with what this government is doing.

The member for Prince Edward-Hastings said it very well, that it's very nice to have that extra \$5 or \$10 in one's wallet every week, but how much cancer treatment is that going to buy for somebody? If we had all the cancer treatment, then I'd say yes, we could start looking

at tax cuts. But if we're not doing a proper job of government—and I don't think we are, as the auditor has pointed out that not 30% of the people are receiving cancer treatments on a timely basis—then I think we are failing the people of Ontario. That is basically a question of funding, and I think we have to fund those programs that we in government feel are important. I think health care is.

You certainly are starting to get out of the business of other things, and it's certainly your right to look at that. Maybe with some of that I won't argue with you, but when it comes to fundamental services that are really the basic equalizer in our society, giving people an equal opportunity—not that everybody is going to end up in the same place, but at least everybody should have that equal shot to start the run up the rungs of the ladder. Health care and education have to be primary investments, not expenditures but investments that a government makes in its people. I believe you failed to do that and you continue to fail to do that, as we've seen from the recent budget cuts that have been illuminated in the leak last week in the newspaper.

I think these things have to be fixed, and once these things are fixed—

The Acting Speaker: Thank you. In response, the member for Scarborough Southwest.

Mr Newman: I'm pleased to respond on behalf of myself and the member for Barrie-Simcoe-Bradford this evening to the four members who were responding to our comments.

First, to the member for Prince Edward-Hastings, I know you said you didn't like paying taxes and you didn't mind paying for education and health care. I don't know if this is a new policy that the Liberals have tonight. I'm not sure.

The member for Hamilton West was listening to my comments. I did mention the words "tax cuts"; I'm not sure how many times.

Mr Christopherson: Too many.

Mr Newman: Well, I think I mentioned "tax cuts" 99 times, because that's how many times we've cut taxes. He mentioned that it's a few bucks here, a few bucks there. That's the very point that brought us all those 65 tax hikes from 1985 to 1995. So that the people of Ontario wouldn't mind, it was only three dollars here, five dollars there, a few dollars there. That's what brought those 65 tax hikes to our province and took jobs out of our province.

He talks about health care. Well, let's talk about health care. I'm proud to defend our record on health care. When we took office, this province was spending \$17.4 billion on health care. The Liberals wanted to only spend \$17 billion. When we came in the NDP were spending \$17.4 billion. Today we're spending over \$20.6 billion on health care, plus we made a promise in our Blueprint to increase health care spending by 20% over four years. We were actually able to increase that health care spending over the last four years while at the same time the federal Liberal government cut transfers to

our province and cut the health care of the people of Ontario.

I say to the member for Hamilton West, he should always remember that it's a strong economy that's going to continue to pay for health care and it's a strong economy that's going to continue to pay for our education system, and a strong economy comes through tax cuts and job creation.

The Acting Speaker: Further debate?

Mr Sergio: I take the opportunity to address a few remarks on the bill that is in front of us, which actually is nothing more than the 1999 budget which the government wants to implement.

Actually, there is a bit more to it than just simply implementing the 1999 Conservative budget. It does incorporate a number of other amendments, which in themselves would make the bill a lot more than simply saying that it's the provincial budget. I think it's a mini-omnibus bill, because it does give power to the government, to the Premier's office, to the various ministers, to do the things they want to do their own way. Of course, we do not have the details of what they want to do.

Let me address just a couple of areas of the budget, especially what's missing in it. It's not what's in it; it is really what's missing from the 1999 budget. If we had more time, I would dwell on the various mentions which Mr Erik Peters well expressed publicly about the financial conduct of the government. But I would limit myself in the few minutes that I have and mention just a couple of things.

Interjections.

Mr Sergio: Of course, my friends say, "Speak to the bill," and indeed it's the item that I want to dwell on, because there's nothing which addresses the real needs of the people.

Who are the people we should be concerned with? Should it be the seniors? Should it be the 200,000 children who are being affected by this particular government because of their disastrous way of collecting \$1.2 billion on behalf of the Family Responsibility Office? They don't seem to care that not only are there single mothers but there are 200,000 kids suffering because of the inefficiencies of this government.

We heard about the health care system. The Provincial Auditor went to great lengths in saying that the most disastrous record of this government is within the health care restructuring system. It will take another four years to accomplish what they set out to do with restructuring the health care system. The money which they had set out that they would be saving and then would channel and funnel into other areas is not happening. It's not there. As a matter of fact, in one brand new, \$110-million hospital, half of the operating rooms are not operating because of lack of funds. This is not us; this is somebody else who controls the way you do your own financial affairs, who says it's completely out of control.

Can you imagine that we have to send mothers with cancer to Buffalo, Thunder Bay, because we cannot take care of those people here? We have so much waste in the

government solely to accomplish one very silly, very bad mistake, one very bad promise that they made: a 30% tax rebate. I wonder, if they had gone to the public in the form of a referendum, which they said they were going to do five years ago, if the public would have said: "We want a health care system instead of tax cuts. We want a health care system that is here, made in Ontario for Canadian people, not an imported, south-of-the-border system."

My colleague from Kingston and the Islands mentioned \$9.2 billion a year in interest payments on their debt, \$800 million more this year because of the money they borrowed. I would like to ask the Premier and the members on the government side how many affordable units we could provide with \$800 million, how many more beds we could provide for long-term care, how many more children we could feed with an extra \$800 million.

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But you know, they don't seem to care. They say: "You know what? We're going to promise another 20% or 30% tax rebate and we're going to borrow more money and, yes, we're going to pay more interest." Isn't that common sense? I think it's terrible common sense.

It's unfortunate that we have to deal with a government that keeps on saying: "Do you know what? There is more coming. We are going to do more." We are saying, "From which planet are you coming?" The people are saying, "Look, we can't take any more of this."

Just the other day, they'd been caught with their pants down, if you will—let's call it the way it is—that \$800 million.

Interjections.

Mr Sergio: They are saying, "Where are you getting that, the Toronto Star?" When it's something that they like, "Oh, yes, according to the Toronto Star." But \$800 million more cuts from the education system alone?

The minister was saying, "We have to do it because we have to balance the budget." Come on, guys. Come on, Mr Harris. Give us a break. The people don't care about your tax break for the rich. They want to go to the hospital and make sure that there is a bed, that there is a nurse.

A mother with a child who has learning disabilities, learning problems, wants to have the proper teacher to teach that child. She doesn't want to hear about more of the same, another tax cut for the rich. Can you imagine? From \$88 billion to \$104 billion and they don't care.

Now they are saying, "We're going to bring balanced budget legislation." Where were you for the last five years, Harris and company? You did all the dirty work and now you want to jump in and say, "We're going to bring in a balanced budget." You've been criticizing the federal government. With all due respect, the federal government balanced their books. They've got billions to shell out. What are you people doing? Borrowing more money.

Interjections.

Mr Sergio: They don't like that. Can you believe that? Every financial consultant keeps on saying: "You've got to reduce the debt. You've got to balance the books." But do you know the problem this government is having now, why they will be doing more cuts? Yes, people out there, they will be doing more cuts because they've got to balance the budget, and the money that was supposed to come from the various savings is not there.

What government couldn't foresee that every year we are getting hundreds of thousands more children who go to school and we've got to provide for? There are hundreds of thousands more seniors whom we have to provide for. That costs money. They didn't foresee that, but we told them.

Now, because they've got to balance the budget—and they are going to be the last province in Canada to balance their books—they've got to cut somewhere else. Isn't that nice?

I would like to leave a couple of minutes for my colleagues to make some comments. I will terminate this. I don't profess to do justice to the entire bill, because it would take quite a while, but I would love to pass it along to my colleagues on both sides to at least make a couple of comments. I thank you for the opportunity.

Mr Gravelle: I want to compliment the member for York West for his strong and eloquent comments. I think it's rather sad when you look back and think what decisions have been made as a result of this determined desire to, no matter what, go for tax cuts, tax cuts which people generally speaking find attractive. But the fact is, you pay an extreme price for it at times.

The first decision that was made was to cut 21.6% from people on social assistance, the most vulnerable in our society, which caused an enormous burden for many of them.

Very close on the heels of that, they decided to cut \$800 million out of our hospital system, cutbacks which have had an enormous impact on our health care system from the moment that took place, and we are having some real difficulty recovering from it.

Today, what we're seeing right in front of us in terms of our education system are many, many problems, but one of the most perhaps tragic and sad is the cuts to special education. I know that certainly in my riding the Thunder Bay Catholic District School Board is absolutely begging the government to talk to them, to deal with them, to recognize that there are people within the system, children within the system, and parents, who are counting on the support amounts to be there for their children. The government, the Ministry of Education, put them through an extraordinary process, and the Catholic board worked very hard with them, yet no further money is forthcoming. So, again, this determination to draw the line to reach their targets has meant that they are no longer helping those who are in need, specifically in this case children with special educational needs. That, to me, is a real tragedy.

It's a certain price you pay. You make real decisions and they quite comfortably carry on and proudly do so, but people in our society, in our province, are being impacted in very negative ways. I think they should be very careful when they make these decisions, recognizing what impact it has on real people.

Mr Skarica: It's pretty clear, listening to this debate, that the Liberals on the other side are going to oppose the 30 tax cuts that are in this bill.

The people of Ontario should realize two things. One is that the 30 tax cuts that are in this bill were outlined in our campaign platform, and they voted for that. So they want this to happen. What should also be pointed out is that today was a historic day in that we passed the Taxpayer Protection and Balanced Budget Act. The Liberals on the other side all voted for that act, knowing at the same time that there are 30 tax cuts coming in this budget and a whole lot more in the next couple of years.

If the worst of all worlds happened and there was a Liberal government in three or four years, they are now committed to not raising any of the taxes, not rolling back any of the tax cuts that we're going to implement. If they were going to be logical about it, if they voted for the taxpayer legislation knowing that the province voted for the 30 tax cuts that are in this bill here today, knowing that they're going to happen, then how could they in good conscience vote for the taxpayer legislation, knowing there can't be any further tax increases without a referendum?

There is a certain lack of integrity in this approach, to oppose these tax cuts but at the same time to back the taxpayer referendum. It goes back to the flip-flop that happened on the taxpayer referendum. Before the election they said they opposed that type of legislation, but they voted for it today. They said they've always supported it. The truth of the matter is they didn't support it last time.

Mr Tony Ruprecht (Davenport): I listened very carefully to the remarks made by my colleague from York West. He mentioned one important item, and that important item was that when the Toronto Star, on the front page, raised the issue of a document that was shown in cabinet of an \$800-million tax cut to education alone, I thought at that time that it was an impossibility—

Interjections.

The Acting Speaker: This place works much better when one member speaks at a time. The member for Davenport has the floor.

Mr Ruprecht: Here is the nerve, but you know what? You didn't just cut the nerve, you've cut the bone. The bone is cut when there are 10 schools being shut down by the city of Toronto this year. And you know what? The Toronto school board—

Interjection.

The Acting Speaker: The member for Scarborough Centre.

Mr Ruprecht:—while we speak tonight, has to make another decision, and that decision is to cut 10 more schools and close them. How would you like them

bananas? How would you like to have your children in those schools and have those schools closed? Would you like that? Would you like to disrupt the education of your kids in the school? School after school after school, that's what you're cutting.

I know this is very sensitive because you've been caught with your pants down and it ain't a pretty sight. I stand here today and I say to you, stop cutting, because what you're doing is giving a break to the rich.

Mr O'Toole: It's been a pleasure, but it's also been rather confusing to listen to the Liberal message tonight, delivered by the members for York West and Davenport, I think it is, or Dovercourt, clearly talking about apples and oranges—or bananas. He's soft on the issue of tax cuts, there's no question of that, whether it's bananas or oranges. The most important thing is that if somebody reads the Toronto Star every day, they will know that's the depth of the Liberal research group.

If one wants to look at some kind of really critical commentary on Bill 14 and Bill 7, you have to listen to the member for Wentworth-Burlington. Clearly, this gentleman has stood here night after night and tried to help the consumers, the taxpayers, the viewers tonight to understand that tax cuts create jobs. The Liberals just don't get it and the NDP aren't here to listen.

The commitment here starts with our platform document. I said that earlier this evening. If you look at the real fundamentals here, it says that the rate of Ontario personal income tax for the entire 1999 year is reduced from 40.5% to 39.5%, and is further being reduced in the future to 38.5%, the lowest provincial tax in Canada. We're leading the pack.

What's been the result of that? We have cut taxes, but what have we done? We've raised revenue. The revenue has just gone through the roof. The clear thing here is, if you look at the balanced budget legislation and you also look at the commitment to more tax cuts in Bill 14, we're on the right track. The consumers of Ontario have confidence that we'll have the economy to have a good health care system and a good education system.

The Acting Speaker: The member for York West, in response.

Mr Sergio: Briefly, I'd like to thank all the members who have participated in the debate. Let me just add that the way we have chosen is not their way. They keep on with the tax cuts. We like to say, "Let's care about the people; let's give them the care that they need."

They have to sell, they have to privatize, they have to spend money to increase the value so they can balance the books. There is no better way, no more crystal clear way than the Provincial Auditor when they said, "You guys are mismanaging the provincial dollar here, not only what's coming in but also what's going out." For heaven's sake, it's the Provincial Auditor who says, "You are giving contracts here at will, contracts worth \$500,000, to fix roads." Those roads are not being fixed. The local municipalities are fixing those roads.

Where's the responsibility of the government versus the taxpayers of Ontario? This is the importance of the

government and governing well. We are saying, before you have tax cuts, make sure that indeed those savings are passed on to the people who really make the difference, the people of Ontario who need it the most; that is, the women with cancer so that they don't have to go to Buffalo. They should have it here. We have 200,000 kids who should have care here. We have seniors who deserve attention right now.

They have a majority. This is the way they see it. The people will have to speak at the end. That is not our way. I thank you for the listening time. I want to thank you for the time which was granted to me tonight on this particular matter.

The Acting Speaker: It being on the full side of 9:30 of the clock, we stand adjourned until tomorrow at 1:30.

The House adjourned at 2135.

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