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**Official Report
of Debates
(Hansard)**

Monday 12 June 2000

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des débats
(Hansard)**

Lundi 12 juin 2000

Speaker
Honourable Gary Carr

Clerk
Claude L. DesRosiers

Président
L'honorable Gary Carr

Greffier
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LEGISLATIVE ASSEMBLY
OF ONTARIO

Monday 12 June 2000

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

Lundi 12 juin 2000

The House met at 1845.

ORDERS OF THE DAY

TAXPAYER DIVIDEND ACT, 2000
LOI DE 2000 SUR LE VERSEMENT
D'UN DIVIDENDE AUX CONTRIBUABLES

Mr Young moved third reading of the following bill:

Bill 72, An Act to pay a dividend to Ontario taxpayers, cut taxes, create jobs and implement the Budget / Projet de loi 72, Loi visant à verser un dividende aux contribuables de l'Ontario, à réduire les impôts, à créer des emplois et à mettre en oeuvre le budget.

Mr David Young (Willowdale): I appreciate the opportunity of speaking to this very important budget bill. I should say, by way of background, that over the last number of weeks I've had the opportunity to travel across the province to speak to many individuals in many parts of this great province about the contents of this very important piece of legislation. While there certainly are some out there who required further information, documentation, by and large, I say to you in all sincerity, there is a general acceptance and excitement about this bill.

I want to say as well that I will be sharing my time this evening with the member for Northumberland and the member for Peterborough, with your permission.

Economic growth is essential. It's absolutely necessary if we're going to sustain, if we're going to maintain and strengthen the social supports that exist in this province. In order to enhance the quality of life that the people of Ontario expect and deserve, it's absolutely essential that we have the economic wherewithal, strength and foundation to afford the health care and the education we all have come to expect. By any measurement, the 2000 budget is a success and it takes us well down that road.

I have said it before in this House and I will say it again this evening: The budget highlights our successes over the past five years as a province and talks about just how far we've come. It also sets out a framework for the future—a very important framework that will undoubtedly result in continued success and accomplishment in this province.

But as we begin the last round of this budget debate, it's important to spend a little bit of time, and I'll only use a small part of my time this evening, talking about

just how far we have come. As we talk about, as I will for the vast majority of the time I have in front of you, balanced budgets and brighter futures, we must indeed remember just how far we have come over the past five years.

It's important from a contextual point of view to remember that when we took office in 1995, the people of this province, this government, faced a projected deficit of \$11.3 billion. At that time, Ontario was still recovering from a deep recession, there's no doubt about that, but it was a recession, I dare say to you, that was made worse by an NDP government that had wasted much of those five years on a tax-and-spend-and-borrow odyssey, an odyssey that resulted in choked economic growth, an odyssey that killed jobs. We were quite used to having statistics come forward month after month, year after year, that less and less of a percentage of this province was working. We saw the provincial debt doubled over that period of time. So, not only was it a disastrous road that we were following in those years, we found ourselves leaving a legacy of debt for our children: mortgaging our children's future, mortgaging our grandchildren's future. Simply stated, that couldn't go on.

At that point in time, as remarkable as it sounds, one in 10 Ontarians was receiving social assistance, and we had a badly neglected health care system and education system, and the community safety net that once existed involving quality policing and growth simply was nowhere to be found.

On an aside, it's interesting to talk to police officers on the street today about the fact that from their ranks is absent a whole generation of police officers because of a moratorium that was put on hiring because there simply wasn't enough money. I know the police officers in 32 division in Toronto have told me time and time again that they face enormous challenges now because they don't have that middle section of experienced officers who otherwise would have been there; they don't because the money wasn't there to pay for them. The provincial government at the time, our predecessors, simply said—

Ms Marilyn Churley (Broadview-Greenwood): On a point of order, Mr Speaker: I believe the member forgot to mention that we're asking for unanimous consent tonight to split the time evenly between the three parties, so I would ask for that now.

The Deputy Speaker (Mr Bert Johnson): Is it agreed that the time will be split evenly among the three caucuses? It is agreed.

The Chair recognizes the member for Willowdale.

Mr Young: So that's where we were five short years ago.

I may say that it wasn't just the policing in this province that was neglected. It was the health care system; not one new long-term-care bed had been created. Where are we today? Let's talk about what has happened. What has happened by way of economic growth within this province—and I'll come back to the theme that I started with and I'll repeat it on a number of occasions throughout this presentation: Economic growth is necessary. It is essential to maintain and increase the quality of life that we in this province expect and deserve.

Over the last five years we've seen what is in many respects a miraculous or metamorphic turnaround in this province. Ontario's economy is back on track and the indicia of that are numerous. There are many signs that confirm that. First and foremost, let's talk about the fact that we now have come forward and announced that the budget has been balanced, not just for the upcoming year, but because of phenomenal growth that we experienced in this province over particularly the last quarter of last year, we are now in a position to state that for the first time in 50 years, for the first time in half a century, the budget in this province has been balanced for two consecutive years. Most of the people listening tonight in this chamber and beyond through the television network that broadcasts these debates have never experienced that. They've never experienced something that they should have expected and did expect.

What else have we done? We have begun the enormous task of paying down the debt of this province. I'm very proud of that. I feel as though we have turned the corner. How we have done that is really the question that will be on the minds of many. I would invite you to look at what we have done by way of eliminating many of the taxes that plagued growth, that burdened the taxpayers of this province. We've cut personal income taxes significantly. There are other provinces and there are other governments, including the federal government of late, which have begun to move in that direction, and I applaud them for making movements in the right direction. But one needs to question why it has taken them so long to get to this point.

Remember, five years ago when we began this endeavour, our critics inside and outside of this Legislature came forward to say: "It can't be done. You can't reduce taxes and increase revenue." That's what they said. They didn't say it once, they didn't say it twice; they said it over and over again. We proved them wrong, and I'll explain that over the next short while. We have cut taxes. We've cut taxes on numerous occasions, over 100 times, yet we have increased government revenue significantly.

This new budget cuts taxes further in numerous ways, and it also cuts corporate income taxes. It cuts corporate income taxes in a number of different ways, and the end result will be a further stimulation of this economy that will allow us—I come back to the theme I started with—to maintain, to sustain and to strengthen the social safety

net, the social infrastructure that we have come to expect within this province. Health care is perhaps the best example. But before I go on and talk about that example in some detail, let me share with you a quote made by a former Premier of this province: "My immediate priority is growth ... Growth—growth which provides new jobs and new revenues—is the only fiscally responsible way that Ontario can meet the social imperatives of the coming decade."

I agree. While I don't agree with everything the author of that quote said, I do agree with that. That was from Premier Peterson, as he was then. He, in a moment of clarity, undoubtedly understood that it was necessary to grow the economy. It was necessary to ensure that we had the fiscal resources operating within this province, coming into this province in order to afford the "social imperatives," to use his words, that are necessary to continue what we have started here. Growth means more than economic activity. It means more than jobs. What it really means is increased dignity for individuals, and it means increased revenue, revenue for the government because with more people working, more people paying taxes, more revenue is coming into our coffers as a province.

Let's look at the last year. In 1999 this province had a 5.7% rate of economic growth. I want to repeat that because it's worthy of repetition: 5.7% rate of economic growth. To put that in perspective, that is higher than any other province, higher than the United States. In fact, it's higher than any other G7 nation. It's expected that in the year 2000 we will continue to experience exceptional growth within this province's economy. A growth rate of 4.7% is expected.

I should tell you that during the tenure I have had at the Ministry of Finance, the economists who engage in this sort of prognostication have always taken a very conservative approach and have told me in the past they have certainly had reason to believe that the economic growth rate would be greater than they have forecasted, but on each and every occasion they have taken conservative figures and presented conservative figures, and this is no exception. Let me reiterate: Increased economic growth means more jobs. More jobs mean competition for workers, and that translates very clearly into higher-paying jobs for workers, for the people of this province.

To illustrate further, let's talk about the recent past. Let's talk about 1999. The 5.7% economic growth rate is one that I've already referenced, but I haven't talked about the fact that economic and employment growth in particular in this province have also grown at a relatively unprecedented rate. We have seen employment in Ontario grow by 3.6% over this past year. Ontario's unemployment rate, I'm sure you're aware, is currently at 5.5%, the lowest unemployment we have seen in some time in this province.

I want to pause to say that there are numerous factors that contribute to this success because I know the members opposite, when they have their opportunity to

rise and speak, will undoubtedly reference the boom that has occurred in the United States. There's no question about that. That has been a very positive factor and we have benefited from that, much the same as my predecessors across the way in the NDP caucus did when they were in government, much the same as they suffered as a result of what was clearly a recession that had a chilling effect on our economy, but when one considers factors that have led to their demise and the demise of the Ontario economy under their regime and one considers the success that we've been fortunate enough to experience in this province over the last five years, I would invite you to talk about and to consider the economic growth rate of this province, the employment growth rate of this province as compared to other provinces, as compared to the border states.

But it's not just about statistics and figures. It's about a feeling, it's about a confidence, it's about an optimism that now exists in this province. It's important to remember that we are competing in an international market, that international capital in and of itself is very mobile nowadays. Companies can choose to invest in any corner of this planet, and it is within this competitive environment that we must operate. Not to be cognizant of the fact that we are operating within this international global economy, not to acknowledge and respond to the fact that there are pressures upon us that didn't once exist, would be foolhardy.

1900

At the local level, let me share an experience I had last Friday when I was in a bank in downtown Toronto, a bank I had never been in before. I had occasion to speak with a woman who was assistant manager in charge of small business at this branch of the bank. We talked about how things were going—she didn't know what I do for a living. She clearly and unequivocally volunteered to me that there is a renewed confidence, a renewed optimism within the small-business community of this province like never before. She is taking in, processing and, one hopes, accepting small-business applications to allow for expansion, for the creation of new businesses and for the creation of new jobs.

It's not just national statistics or international statistics that are important; it's also what's happening locally. One need only drive along the streets of Toronto—and Willowdale, I'm proud to say, is no exception. One need only drive along the streets in the riding I have the privilege of representing to know that the economy is stimulated, to know that we are moving forward and to know that jobs, which were once so scarce, are now becoming plentiful again. One need only look at the windows of businesses and the advertisements in newspapers to know that opportunity is there once again within this province, as it was for many decades.

I had the privilege of being on the standing committee on finance with a number of the members opposite, and we talked—albeit not as long as some of them would have liked—philosophically about how we approach the budget we have tabled and the further cuts to taxes that

we have put forward. We talked about the fact that corporate tax rates, in our respectful opinion, needed to be cut in order to encourage, enhance and continue the growth that has existed in this province. We talked about the success that had been achieved to date and what we anticipated for the future. I will be the first one to say that it's difficult to forecast, flat down to the last tenth of a percent, what level of growth we've had. Fortunately, from our point of view, when we have prognosticated, when we have put forward figures, on almost each and every occasion since we took office, we have done better. We have overachieved as a province.

Let's look at what's going on in some other jurisdictions across the world, because Ontario is not the only jurisdiction that is cutting taxes. Almost every province across this country is engaged in a similar exercise. It's not just the provinces we share this great country with; it's also other countries in this world, countries like France, which is engaged in cutting corporate taxes in an unprecedented manner.

Germany, a country well known for its universal health care system, is engaged in cutting corporate taxes. Why? Because they believe that by cutting those taxes, they will enhance the possibilities, the prospect of getting new business. By doing so, their economy will grow. More people will work, more people will pay taxes and more companies will pay taxes, albeit lower taxes.

Japan has engaged in a similar endeavour. These are countries we are competing with, and to be oblivious to that is a recipe for disaster.

I would be remiss if I didn't also make reference to the experience of Ireland, because it is most impressive and most illustrative. Ireland, which was on the brink of economic disaster a short time ago, has now turned around its fortunes. One of the ways—and I underscore "one of the ways"—they have done so is because they have cut corporate taxes. Their corporate taxes are a good deal lower than those that exist within this province. But they have seen an economic turnaround that is clearly unprecedented.

It's interesting, when one talks about Ireland and compares it to the Canadian experience, that there is a good deal that is analogous. Firstly, it is a country that abuts a rather large neighbour and a powerful economy, being the United Kingdom. We, of course, live next door to the world leader, the United States. One need come forward and acknowledge that the existence of those powerful economies beside us is a factor. For many years Ireland suffered in a financial way, it suffered economically because of the size of its neighbour and the power of its neighbour. They've turned that around. One of the ways they've turned that around, one of the ways they got people working again, one of the ways they renewed confidence and optimism in their economy was by cutting tax rates, including corporate tax rates.

A discussion of international tax rates and what is going on internationally would not be complete if we didn't also reference what was going on in Sweden. Sweden, of course, is a country that we know has a very

impressive health care system, and is there to be responsible for, and is responsible for, the health of the citizens of that country. At present, the corporate tax rate for Sweden is about 28%. At present, before the cuts we have tabled, the corporate tax rate, federal and provincial combined, for this country and this province is about 44.62%—that's before the cuts.

The governments of the countries I've mentioned—be it Germany, France, Japan, Ireland, Sweden—realize, as does the province of Ontario, that economic growth makes possible the sound social programs that are the mark of a civil society that citizens have come to depend upon.

This budget discusses numerous initiatives and announces numerous areas where there are going to be additional dollars for the people of this province. This coming year the province will be spending \$22 billion on health care alone. That is a \$4.4-billion increase since 1995. Approximately 13 months ago, we campaigned—and the people on this side of the floor are the “we” I'm referring to here, the Conservative Party—across this province and undertook to the people of this province that we would spend, by the conclusion of our mandate, about \$22.7 billion annually on health care. We said that, knowing well that the federal Liberal government had cut transfer payments time and time again, and the prospect of having them restored was vague or remote at best. But we said we would make up that difference, as we have done in the past, and we said very clearly that we would spend at least \$22.7 billion by the conclusion of this term. With this budget that Minister Eves came forward and tabled last month, we are already at \$22 billion. Once again, if I may, we have overachieved in that regard.

1910

In addition to the annualized spending I have just discussed, let's also talk about the fact that Minister Eves, and subsequently Minister Witmer, have announced numerous initiatives, additional dollars for capital funding. A billion dollars in hospital capital funding was announced in this budget—a billion new dollars. Together with the SuperBuild partners, that brings to \$1.5 billion the total invested to modernize Ontario's hospitals and provide better health care equipment.

On the primary care front, this budget announced that we would be spending \$100 million over the next four years to expand primary care. We also talked about investing \$150 million, starting next year, to provide a new information technology system that will allow for the elaborate primary care network we propose to operate. We will enhance patient care through a further \$110 million for improved medical supervision in home care settings and improved psychiatric services.

When it comes to certain other priority areas, we intend to enhance patient care by the infusion of a further \$110 million for improved medical supervision in various areas. Cancer care, end-stage renal disease and cardiac care have all been targeted for new dollars. I invite the members present and I invite those listening who aren't in the assembly this evening to talk to doctors in these

areas who have acknowledged to me in my discussions with them to date that these are very significant steps forward.

I'm very pleased to be part of a government that feels so strongly about not only the need to spend increased health care dollars but also has the wherewithal, the economic resources to ensure that that money is in place for that purpose.

My time is running out, but I do want to talk about some other initiatives in the health care area, if I may, before I sit down. One of them deals with the telehealth program, an initiative that has been present in some northern and remote areas of this province. It involves and allows for individuals who have health care questions to pick up the phone and speak to a nurse practitioner, as an example, and get some immediate answers. That program is going to be expanded to the GTA, and of course I have the privilege of representing a riding within that region. I'm very pleased that there will be access by my constituents to that service, to the sort of experienced triage nurses and others who will be able to provide health care advice and information to them without requiring them, for example, to trek down to the local hospital in the wee hours of the morning and sit in the emergency room. That's an initiative that I am sure will not only make the system as a whole more efficient but will also undoubtedly relieve stress for individuals and make their lives that much easier.

I also want to make reference to another local issue, if I may, before I take my seat, and that's one that Minister Witmer announced on May 9 within my riding of Willowdale. At that time, Minister Witmer, on behalf of this government, came forward and announced that there will be \$43 million more available to the new children's hospital at the Bloorview MacMillan Centre. Mr Speaker, I say to you there could be no better place for that money to be spent, and I'm very pleased that an extra \$43 million have become available. They're available, let there be no mistake, because we have an economy that can produce revenues that can be spent in that very worthwhile endeavour.

With that, I will sit down. I know some of my friends on this side of the Legislature are looking forward to having an opportunity of speaking, and I'll look forward to hearing the further debate that occurs following the rotation we're going to engage in at this juncture.

Mr Gerry Phillips (Scarborough-Agincourt): I will be sharing my time with the members for St Catharines, Kingston and the Islands and St Paul's.

This bill does very clearly spell out the Harris vision for Ontario, and in many respects I think it deserves a lot more public debate than we have had a chance to have on it. To the member who just spoke, this will come as no surprise: I felt it unfortunate that the Minister of Finance would not come to a legislative committee to talk about the policy issues behind this bill. I happen to think it's the most sweeping tax legislation I have seen here in the Legislature, and it will fundamentally change Ontario.

For the first time I can remember, the tax comparisons are not versus other provinces; they're versus Illinois and Michigan and Pennsylvania and New York state. What this bill does is say we are now committed to reducing our corporate income taxes by 40%. The provincial government, at the same time, is urging the federal government to do exactly the same thing. Premier Harris is saying that we now are in a position where we must see our corporate taxes lower than our neighbouring states and we are urging the federal government to cut its corporate tax rate by 40%.

The second big part of the bill is to cut personal income taxes by 20% and, again, I would say that Premier Harris's one communication to the federal government before the budget was to urge the federal government to cut their personal income taxes by 20%. We now have a policy direction in the province of Ontario that says corporate taxes have got to be lower than our neighbouring states. As a matter of fact, in the budget, the goal that the Harris government has set is to have corporate taxes in Ontario dramatically lower than in neighbouring states. In fact it says here, "If the federal government matches the initiative," which Ontario is urging them to do, "Ontario's combined federal-provincial tax rate would be among the lowest in the world and would be roughly 20 percentage points below our neighbouring US states."

So for Ontario, we now are embarked on a policy of corporate taxes substantially lower than our neighbouring states.

Interjection.

Mr Phillips: My colleague says, "What's wrong with that?" I'll get to that in a moment.

The second thing that we are doing now is cutting personal income taxes. Remember this: 75% of the federal government's tax revenue comes from those two things, personal income tax and corporate taxes, but Harris is saying, "Cut them." In the province of Ontario, about 55% of our revenue comes from those two things.

On the one hand, we saw Premier Harris saying on the weekend that public health costs could double over the next 10 years. This is the headline on the Provincial Report: "Health Costs May Double Over the Next Ten Years." The provinces believe that the amount of money that has to be spent on public health care could double over the next 10 years. At the same time as Premier Harris is saying that, he's saying, "We want to cut corporate taxes by 40% and personal income taxes by 20%."

Well, there's no magic. The funds that we require for health care come collectively from us. We have chosen in this country to fund our health care system in a fundamentally different way than the United States, and as I say, there's no magic. We have to fund our health care system, the way we want our health care system, out of public funds, yet at the same time we're now on a course where corporate taxes are going to be substantially lower than in neighbouring states and personal income taxes are going to be reduced substantially.

I carry around with me this document, which is the document that Ontario uses to persuade businesses to locate in Ontario. What does it say? It says that US manufacturers pay, on average, \$3,100 per employee for the kind of health care coverage provided by Canada's publicly-supported system, whereas Ontario employers pay about \$540. In other words, if your business is in Ontario, the health costs that you are required to pay for your employees is roughly \$2,500 per employee lower in Ontario than in neighbouring states. For the auto sector alone that's about a \$400-million cost advantage. But we now have embarked on a policy that Harris has said we now must have corporate taxes lower than neighbouring states and we must have personal income taxes, I gather, at the US rates.

1920

The question for us in Ontario is, how will we fund our health care system in the future? I happened to go through the campaign document that the Conservatives ran on in the last campaign. There was never a mention in there about cutting corporate taxes at all, let alone 40%. There was talk about cutting personal income taxes, but never a mention about cutting corporate taxes by 40%.

I say to all of us in Ontario, yes, we now are in an era where we must compete globally. As a matter of fact, while the government wants to take credit for the economy, I think the government's own budget points out what has been primarily responsible for Ontario's growth, and it is exports. That's what has driven the Ontario economy. Ten years ago exports represented roughly 28% or 29% of Ontario's gross domestic product. Today it's 55%. We are now the most export-oriented jurisdiction in the industrial world, according to the government. Of course, over 90% of that goes to the United States.

We now are seeing for the first time how that will drive policy. Make no mistake about it: We now are in a race for corporate tax reductions. Believe me, Michigan, New York state and Pennsylvania aren't going to stand still. As Ontario says, "Locate here because we're going to have lower corporate taxes than them," they'll reduce theirs. We're in a race to the bottom on corporate taxes.

The issue for us that the government has refused to answer is: How do we fund health care, education and, dare I say, the environment, if in fact we're going to have to have corporate taxes substantially lower than our neighbouring jurisdictions? The Liberal caucus said to the government, "You want us to approve a tax bill"—portions of which, by the way, are for five years; some aspects in this tax bill go on for five years for tax cuts. If you want to change them, you require a referendum. They wanted us to commit to a five-year tax cut program but were not able to provide one piece of evidence that Ontario is going to have the resources to provide for our health care system, our education system and our environmental system.

I want to stress the importance that we in the Liberal caucus place on those things. I found it instructive to read

this. I carry this book around with me because it is the document that Ontario uses to attract business. What does it say here? It says "Ontario is the heart of Canada." Of course, I agree on that. "Ontario means beautiful, sparkling, shining water." That's what Ontario means. I might say how ironic that statement now is in light of the horrible problems we've had with water, but that's what Ontario means. It goes on to say, "Ontario is one of North America's most peaceful and secure communities, and our remarkable health care and education systems are publicly financed and open to everyone."

Again I go back to the point I made earlier and that is, tonight—this is it. Tonight at 9 o'clock, all debate about this is gone. This now becomes law. Yet we are saying we'll cut corporate taxes by 40%. We are cutting capital gains by a third. It used to be in this province that roughly 75% of capital gains was put on your taxable income. It's going to be cut by a third. Believe me, this is a \$1.2-billion terrific tax cut, in many respects, for the wealthiest in this province. Make no mistake: Companies are going to structure their compensation programs so that their corporate executives will be paid in capital gains instead of income, because it will be taxed at half the rate. This is a bonanza of the first order for the best off in our province. It's a \$1.2-billion tax cut and it will benefit, without question, the best off in our province.

The Harris government has said that there are more tax cuts coming at the upper-income level, and yet they have been unable to provide one piece of evidence to us on how we are going to fund our health care system. They are able to prepare 10-year plans on what it's going to cost and they're able to issue a report that says health care costs are going to be doubled. That can be done, but they are unable to provide one single piece of evidence to us on how we are going to fund our health care system and our education system.

I go on in this document, because it illustrates why companies should locate in Ontario and therefore, in my opinion, it illustrates the things we should be investing in. It says here: "Ontario workers are well-educated and well-trained. Sixty per cent of the 1998 workforce have attained university or college; 20% graduated from university and 30% from our colleges." That's because we've invested in these things. That's because we have chosen to fund our health care system, our education system and our environment adequately.

I've already mentioned that our corporations get a cost advantage in the health care system of \$2,500 per employee because we've said we'll all collectively insure ourselves, we'll all collectively pay taxes so that we have a basic health care system that provides for every single person in this province.

I also often point out to people—this is the quality-of-life page and it makes a big thing about the quality of life here in Ontario. It points out that in the United Nations Human Development Index, Ontario, Canada, ranks number 1. What's taken into consideration in that? It is life expectancy at birth and it's adult literacy and educational enrolment. But we are embarking now on a tax

program that says we will have a 40% cut in corporate taxes, we will cut our capital gains taxes from 75% to 50%, without any assurance that we can fund our health care system and our education system.

That's why we in our caucus have said that—if you believe, which we do—those are the things that set Ontario apart. Those are the reasons our economy has grown. Those are the reasons we have been successful in competing with the US. Those are the reasons Ontario now manufactures more cars and trucks than Michigan. We have been enormously successful, and I gather there will be announcements soon about further expansion in Ontario, because our auto sector has at least a \$400-million cost advantage in health care. But we are choosing to go down a route without knowing whether we are going to be able to fund our health care system and our education system.

This budget announces about \$9 billion worth of tax cuts. The corporate sector alone has a tax cut here of \$4 billion. Listen, if that's what in a debate we all conclude, that no longer is any corporation prepared to be, on a long-term basis, in Ontario without corporate tax rates being lower than the US, let's collectively agree on how we're going to raise the money for our health care, our education, our environment and other things. But we're making a huge mistake in committing to this route without understanding exactly where it's going to lead us.

That's why we said to the government when this bill went to legislative committee, "Will you give us some idea of how over the next five years with these tax cuts we are going to have the revenue coming in to pay for our health care system?" I repeat: The government is able to do five-year and 10-year projections on spending, and I know the government does revenue projections but is unwilling to share that with us. We are now heading down that road. The debate on this tax bill will be over at 9 o'clock tonight. There will be a vote, perhaps tomorrow, and it will become law.

1930

I also said that on the personal income tax side, again, if we've now concluded that the brain drain is such that we have to have corporate taxes at or lower than the US, recognizing that the federal government—and this is where Premier Harris has said, "Federal government, you give us the money for health care." That's out of one side of his mouth. Out of the other side of his mouth he's saying, "Federal government, please cut corporate taxes by 40% and cut personal income taxes by 20%." Well, there's only one taxpayer. There isn't a magical pot of money in Ottawa and a magical pot of money here in Ontario; it's all the same taxpayer. If Premier Harris is saying his priority is to cut corporate taxes by 40% and personal income tax by 20%, we say we owe it to ourselves and to Ontario to have an idea of how we're going to raise the money to fund our health care system.

The area I think the public should be fundamentally concerned about in the bill we're dealing with tonight is that we now appear to be heading into an era when

businesses will only locate in jurisdictions where they are offered the lowest tax rate. If that is the case, where will we find the money? Premier Harris has already said it won't be in personal income tax. As a matter of fact, he is going to provide an enormous advantage on the personal income tax side by cutting capital gains. So where will it be? Well, if you look at the sources of revenue for the province, basically after those two it's consumption taxes. It's retail sales, it's gas taxes, it's consumption taxes. That's the route; that's the concern. As I say, it isn't as if there was ever a discussion during the campaign about corporate taxes being 40% lower.

Another part of the bill is the \$1-billion tax rebate. I would say that I think the tragedy at Walkerton was for most people a tangible demonstration of a price we are paying for the revolution. I think the \$1-billion tax refund, an idea that came out of Governor Jesse Ventura and Governor Ridge, will be seen for what it is, which is a rather cynical ploy to try to restore the Harris public support. But when people get their \$200 and at the same time realize that for the last five years—in spite of the fact that the Provincial Auditor said in his 1996 annual report, and I remember it well, “Ontario, you've got a problem with groundwater,” and the government said, “We're going to do something about it.” In the 1998 report, he went back and said to the province: “Where is what you promised would be done? Where is it?” It still hadn't been done, and in my opinion we saw the tragic consequences of that. So when the \$200 cheque comes, I think people will look at it and say, “Is that what I get for the price we paid in one community in Ontario?”

I happen to view this bill as hugely important, a significant step down the road to the Harris approach, which is the Americanization of our social system. That's not what we in the Liberal caucus want, that's not, by the way, what the government itself sells when it's out trying to get business to Ontario, and I don't think that's what Ontario wants.

The Deputy Speaker: I may have said earlier that this was second reading of this bill. In fact it's third reading. I want to correct that. Further debate?

Mr Doug Galt (Northumberland): I appreciate the chance to speak on third reading of this bill.

I think this really goes back to 1994, when we came out with the Common Sense Revolution and talked about reducing taxes. We also talked about reducing spending and eliminating the debt.

There's a basic difference in philosophy between the members opposite and ourselves and the government in Ottawa on what cuts to taxes do. These people, the Liberals in Ottawa and the Liberals across the way here, look at cutting taxes like you're doing someone a big favour and giving them a great big break. We see it as stimulating the economy. If there's anything politically positive to be gained, it's down the road when the economy is booming and people are feeling really good about it. Cutting taxes, cutting spending and stimulating the economy and getting things going makes it more

sustainable. This is what we see going on in our economy in Ontario at this time.

I think it's interesting and really quite humorous to observe the Prime Minister and Paul Martin taking credit for having balanced their budget. They know right well that if they continued—and actually they did; they increased taxes. But if we hadn't cut taxes and stimulated the economy, they'd still be wallowing in debt and wallowing in a deficit; I don't think there's any question.

I have challenged provincial Liberals, federal Liberals and Liberals in my riding: Give me one, single fiscal policy that they brought in, other than cuts to the provinces, one fiscal policy they brought in that helped balance the budget. Just name me one. I'm sure the member from Kingston and the Islands might dream up something when he gets up to speak later on.

I have yet, in all my challenges, to have a Liberal come forth with a single fiscal policy that the federal Liberals brought in that helped balance their budget, not one. The only one that came in was what the province of Ontario did to help bring that along. I'm still waiting. I'm sure they have some ideas, and I'm sure that some day something just might happen to come out.

It was interesting to listen to my friend from Scarborough-Agincourt as he was arguing about the problems of the US cutting their taxes as well, and what that would mean to Ontario and what we would have to do here in Canada. They recognize what's going on. You would think that taxing was a right given to a Liberal, and they tax and tax. Yes, maybe the American states will reduce some of their corporate taxes. They may see what's going on.

But I can tell you that it was quite a thrill to be in my riding last Tuesday afternoon when Great Dane, the trailer company, announced moving a plant into the part of Quinte West that's the Trenton ward, that used to be the city of Trenton. It's going to employ some 500 people. Why? They're looking at everything from the quality of our work staff to our work ethic and the quality of life here in Ontario, and of course they're looking at the dollar, which is better, and the tax structure and our health care system. This is all part of the package. We have to remember that, and that's what we're doing when we attract business to this province.

The member from Scarborough-Agincourt was criticizing—I couldn't believe it—the things that we're out there advertising for this great province. I would think he would want to get on the bandwagon and would be wanting to help with this. But it's consistent with their party and some of the stands they take. They talk about Walkerton, and you'd think every water system in the country was at risk, when in fact 99 per cent plus of the waterworks we have in Ontario are doing a great job. Of course, fearmongering undermines the confidence of people in this province, and for what reason? Why would they do it? Just to gain some political brownie points. As a politician, I'm embarrassed on their behalf that they would do that kind of thing.

The other thing the member from Scarborough-Agincourt was commenting on was health care funding, and criticizing our government for expecting a bit of recovery from the federal government—we're only saying to the 1994-95 level. We're not saying, "Go back to 1970, when they were committed to 50% funding," which they never did meet in the first place. I think they got as far as 40% or 35%, somewhere in that neighbourhood, and even their health critics are saying it should be at least 25%. What are they at now, 11%? It got down to a low of 8% at one time and it snuck back up. It might even get up to 13% if their promises—and we know what a Liberal promise amounts to. But that is only one-time funding up to that level; it's not permanent funding. That's certainly not realistic for the stable health care program that we have here.

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Then the member was saying, "How can they pay for that if they're going to cut corporate taxes and they're going to cut income taxes?" which we're recommending the federal Liberals do. I don't think they really understand that when you cut those taxes, you stimulate the economy. I think it's great in Ontario to have companies come and say: "We're looking for people to hire. We need people to work." This is absolutely tremendous. What a turnaround from what it was some six, seven years ago when people were standing on the street just pleading for an opportunity to work.

In the next five minutes or so I'd just like to spend a few minutes talking about some of the good news. I know this is going to be upsetting to members like the member for Kingston and the Islands and some of the Liberals opposite, but there is a lot of good news to talk about in the province of Ontario and I'd just like to share a bit of that with you.

Our job growth has continued—

Mr John Gerretsen (Kingston and the Islands): On a point of order, Speaker: I just want to correct the last member in what he stated about my presence in the House tonight. I am always in favour of hearing good news. However—

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

Mr Galt: I am pleased the member for Kingston and the Islands does enjoy good news.

Anyway, getting back, for the 11th straight month jobs have increased, some 4,100 jobs this past month. That's the 11th straight month, of course, and that follows a month of some 2,300 net jobs in April. The Canadian economy continued to expand in the first quarter of 2000, the real GDP expanding by 4.9% at an annualized pace. Growth was well-balanced, propelled by a strong domestic economy, with continued growth into exports. In April, department store sales rose some 3%. This is higher compared to the same month in 1999. Over the first four months of 2000, sales advanced by 3.6% from last year. This is the good news, the things that are happening in the province of Ontario. Also, the help wanted index went up by 0.5% in the month of May. That

followed a 1.1% decline in the previous month. However, over the first five months of 1999, the index is up some 12.9% compared to the same period just a year ago.

The other good news—everybody, whether you're in opposition or not, should be celebrating the fact that we've got over half a million people off welfare; just in the month of May, 9,400 people off welfare. Imagine. When did it go up and skyrocket? It went up in the good times of the late 1980s when the Peterson government was here in the province of Ontario. That was when the welfare rates absolutely skyrocketed. Why? Because they thought it was important to pay people to stay at home.

So many things are happening. Residential construction advanced 2.4%, lifted by a strong new and resale market. Business investment was up 2.7%, driven by increased engineering construction and computer equipment purchases. Real consumer spending grew by 0.8%, coinciding with a healthy rise in after-tax income. This good news just keeps going on.

Consumer spending recorded another healthy advance of 4.1%, supported by a 4.5% rise in after-tax income, while consumer confidence reached an 11-year high. This is what is going on in the province of Ontario.

There are many things here to share with you, but I do want to share some of my time with the member from that great riding of Peterborough. To save him a bit of time at the end, we're going to sit down, but I just want to emphasize that we have a tremendous amount of good news in Ontario particularly because of the tax cuts we have made and taken advantage of, and it's time that the members in the opposition learned what tax cuts really can do for people in the province.

Mr Gerretsen: Let me first of all say that the members on this side of the House too like the fact that an economic recovery is going on in this province and that more people are working right now, no doubt about it. I think we have to give credit where credit is due, so let's thank Bill Clinton, let's thank Alan Greenspan, let's thank Paul Martin, because they're the people who really caused the economic upturn that we currently have. Just for the record, let us also be clear about the fact that the government's own budget document clearly indicates the last balanced budget we had in this province was in 1989, which was put together by a Liberal government, under David Peterson at the time.

We all like tax cuts. Who wouldn't like a tax cut? The real question is, can we afford them if we want to keep the quality of life we have in this province, that the United Nations applauds this country and this province for, year after year, for being at the top of the list? What we really have to ask ourselves is, what gives us that quality of life? You and I know that good public services, a good publicly funded and publicly administered health care plan and an education plan, are what are required. They give us a good quality of life. They are the basic, essential ingredients for that quality of life.

Let's take a look at the facts, again, from the government's own budget document. Let's take a look to see how much the debt of the province was in 1995. It was

\$90 billion. What is it currently? It's \$114 billion, an increase of \$25 billion. We have been saying for years that if the government had waited with their tax cuts until they actually had a balanced budget, we wouldn't have had to borrow the \$10 billion more that the people of Ontario had to borrow to be in the position where we are currently. The interest on that public debt is some \$8.9 billion annually, more by about \$1.4 billion than we spend on all the social services in this province.

The other issue I very quickly want to mention, and it's something that is obviously on everybody's mind these days, is what is happening to some of the other government departments. What is happening to the Ministry of the Environment? I know that water is on everybody's mind, the quality of the drinking water that people have all across Ontario. Whether you live in a small hamlet, in rural Ontario or in urban Ontario, everybody is asking themselves, "Is the water that is coming out of my tap tonight safe to drink?" I'm not just speaking of Walkerton. We've all heard reports over the past three or four weeks about the water condition of many of the other smaller plants throughout Ontario.

A public inquiry has now been set up. We know it will take maybe two or three years before the inquiry is totally finished and we have recommendations as to how to improve the situation or what caused the situation in Walkerton to happen. But we also have to live in the meantime, and the question I have is why, in this booming economy we've heard of from members opposite us, from the government members, was it necessary to decrease the budget of the Ministry of the Environment even more than it has already been decreased over the last four years? Even in the current budget, the Ministry of the Environment is being cut from \$174 million to \$158 million. They are the people who ultimately give us, the general public, the assurances that the public utilities we have out there are sufficient for our needs, are of such high quality that we can have complete confidence in our water system.

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There are many other issues as well. We know the government's own budget had an excess, a surplus last year of some \$5 billion. Five billion dollars more in taxes was collected in the past year than the government itself had anticipated. What could the government have done with that? It could have, and it should have, gone back into the social housing scene. I have said this on many public occasions, not only in this House but elsewhere as well, that it is simply unacceptable to the people who need good housing in this province not to have any social housing programs, not to have any new social housing starts since 1995. Both the federal government and the provincial government have completely gone out of the housing business, as it were. It is simply not adequate to say, "Oh, well, the private sector will go back into it." They simply won't. The cost of housing, particularly when you add the cost of the development process that goes along with it and the cost of the land itself, simply

will not allow affordable housing to be built without some government support.

We can all argue as to whether or not that support should go to the developers, to the builders, to the people who ultimately own the units, to the non-profit corporations etc, but the point is this: No social housing has been created in the last five years. The waiting lists of our housing corporations, the municipal non-profits and Ontario Housing's own stock, the various housing authorities, have rapidly increased. So yes, times are good for an awful lot of people in Ontario, but I also think an awful lot of people have been totally forgotten in the equation. I believe those are the people, in the kind of economy we've been having, with the kind of surpluses the government has run, who should be thought about as well, because we all know that the difference between the haves and have-nots in this province has been increasing at a rapid rate.

How about some operating dollars for our colleges and universities? I noted within the last two or three months there have been various announcements made by the Minister of Colleges and Universities for capital additions to some of our colleges and universities, but we also know there has been absolutely no additional funding set aside on the operating side of things. We all know that within two years the number of applicants going into our universities and colleges will, for a short period of time as the double-cohort moves through the system, almost double the demand for our university and college space, yet there has been absolutely nothing done to make sure the teachers and the support staff will be in place in order to look after double the numbers that are anticipated in those years. Every college and university administrator has talked about that, has urged the government to come up with something and, so far, absolutely nothing has happened in that regard.

How about putting in some extra dollars for mental health? For community mental health services, we currently spend some \$430 million out of about \$20 billion that's being spent in the health care budget of this province. Some people, when they listen to these figures, may say, "Well, that's an awful lot of money." But we all know what's going to happen when Brian's Law gets implemented. As you know, Speaker, Brian's Law is about treating more people with mental health problems in the community through community treatment orders or agreements. The biggest concern that we have on this side of the House is that there will be enough community resources available to make sure that those people who will no longer be in the institutions will not be forgotten once they've hit the streets and once they are so-called reintegrated into our society. This has happened before in this province when, in the past, vast numbers of people have also been in effect kicked out of our psychiatric hospitals on to the streets, and there weren't any community services to look after their needs and thereby posing more of a danger to themselves and to the rest of society. So the big concern we have about Brian's Law, about which there is a fair degree of unanimity in this

House that it should be passed, is, once the community treatment orders and agreements are in place, that there are going to be enough dollars available, that there will actually be support resources available in our communities to make sure these people are looked after properly, not only for their own safety but also for the safety of the rest of society.

So are times good? Yes, for a vast number of people they are better. But it's always been our contention on this side of the House that too many people have fallen through the cracks. It would seem to me that once a government gets elected, it shouldn't govern only for those people it feels are supporting it, but it should govern for all the people of Ontario. That is something that this government has totally forgotten.

So I say to the people of Ontario, yes, in this budget there are a tremendous number of benefits. If you play the stock market, and I believe something like \$645 million will in effect be given to speculators because they will no longer be taxed on that, this is a good budget for you. If you are involved in various endeavours that have large capital gains, this is a good budget for you. On the other hand, if you are an individual who may have been diagnosed with cancer and need treatment to be started as quickly as possible—and we know that right now only about one in three people who are diagnosed with cancer start treatment within the required period of time—then this is not such a good budget for you. If you are a student going to university or college, this may not be such a good budget for you because it doesn't do anything for you as far as lowering tuition costs and fees are concerned.

So this is a good budget for some people, but certainly for the vast majority of people who need support from government, who need help from government from time to time, this is not a good budget.

Ms Churley: I have 55 minutes here. I have a lot to say as well. I spoke fairly recently—

Interjections.

Ms Churley: There's the smugness coming out already. The Tories are saying bye-bye because Marilyn Churley is going to be speaking about the environment. That's OK. There are other people listening; you should start now as well.

We just had second reading debate on this a little while ago, and I talked then about the cuts and the impact on the environment. You know, what amazes me is listening to members of the government today. After this tragedy in Walkerton and all of the evidence that has come out over the last two weeks—in fact, not new evidence but stuff that I and others have been saying for a number of years, warning the government that the cuts and the deregulation and the downloading within the Ministry of the Environment were going to have drastic, profound, negative effects—I find it really amazing; I don't know what planet these members from the Tory caucus are on sometimes. In the midst of what we've been through over the past couple of weeks in this House and in Walkerton and throughout the province, indeed the

country, this smugness that I see when the Tory members get up and take all of the credit for everything they perceive as good in this province over the past five years, but refuse to ever take any responsibility for some of the negative things that are happening. You can't have it both ways. Well, I guess you can. That's what you're trying to do.

But I would think, given what we've been talking about here over the last two weeks, that people from the government side would be just a tiny, just a smidgen more humble, just give out a little bit of comfort to people that they actually are taking what happened in Walkerton seriously and are willing to look at the impact of their budget cuts to the Ministry of the Environment, to even admit that maybe there's a responsibility there, even with all the evidence. But no, we get government members standing up with their finely tuned messaging, saying the same thing over and over again, that without them, we'd all be going to hell in a handbasket and they saved the entire world because they—

Interjection.

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Ms Churley: Listen to it already. Listen, there she goes, the Minister of Culture, who hasn't brought in the Ontarians with Disabilities Act yet. We're watching disabled people, and we've brought it up time and time again in this House. We brought in employment equity, and this government took it away and promised to bring in an Ontarians with Disabilities Act, and you still have not done it, so I don't want to hear any nonsense from that minister—people on ODSP, the program this government brought in that we supported with the proviso that they wouldn't use it as an excuse to cut off sick people, people with disabilities, which is exactly what is happening. People with mental health problems are systematically being cut off the program. We see it time and time and time again. If I were the minister—

Hon Janet Ecker (Minister of Education): Why didn't you do it?

Ms Churley: Now the Minister of Education is starting up. I wonder if we want to go there tonight. Let's remember what happened when this government took over. The then Minister of Education, who didn't last long—we mustn't forget the history here—because he's the one where it became public that he was going to create a crisis so they could find a way to cut Ministry of Education funding to our school boards right across the province. There has been just an attack on education and teachers and our kids in this province from day one. That's why today we're talking about balancing the budget. Let's talk about on whose back we're balancing this budget.

I was struck by a letter I saw in the Toronto Star, among many. I can talk about letters I saw in the Toronto Sun about the Walkerton thing, and in the Globe and Mail and, God forbid, even in the Post, that are expressing concern about the cuts to the Ministry of the Environment. I responded to that letter; I was struck by this particular letter. It was from Mr Jim Miller, May 28,

who was expressing his surprise at the outrage that so many Ontarians are feeling about Mike Harris's new \$200 tax rebate. In his letter he states that the government—and I've heard the government say this; he repeats it—having spent all it planned to spend on health care, education, debt repayment etc simply had money left over.

But I've got to tell you, in the very same edition of that Toronto Star, the former Ontario Environmental Commissioner, Eva Ligeti, reminded us once again that the Ontario Ministry of the Environment staff assigned to water and drinking water dropped by 42%. Staff assigned to groundwater and hydrogeology dropped by 53%. In the same edition of the Toronto Star there was that letter talking about how the government spent all the money it had planned to spend, "So we're going to give it back." In the meantime, there's a story talking about how much money over the last five years has been cut out, and that's just in the water area.

I had just returned recently from Walkerton when I read that letter. What it reminded me of when I saw the letter was how successful to date the government has been in pulling the wool over people's eyes while it has cut, downloaded, privatized, deregulated so many of our essential services. It has been brought out here, and I would advise the government to listen, to admit that perhaps there's a lesson to be learned here, that this is just the tip of the iceberg.

We have seen more homelessness, year after year, since this government came to power. We see more children using food banks, we see more people with mental illnesses and disabilities using food banks and more seniors using food banks. We see more people, more children living in poverty, and on and on. There's a virtual war going on in this province against poor people, and it's all swept under the carpet. The Premier goes down to the SkyDome and talks about the thousands of people who are off welfare because of his policies. There are people suffering, and I see them in my role—one of the hats I wear—as the critic for community and social services and for disabled people and for children and youth. I see the underbelly. I see the other side of it that they don't talk about over there. We get ministers and backbenchers standing up and talking about, "I was in this bank today and they're doing all these great things." That's fine. They should be out there doing things to help small business. We never hear them talk about the downside to their cuts.

What that letter meant to me, and I believe what it means to most people in our society, and I would say some Tories as well, is that we have to start the debate again about what our tax dollars are for and what role government plays in our lives. This government really pushed the limit on this when they ran in 1995 on: "Government is bad. We have to get government out of your face. We're not the government. We're here to fix government." They fixed government, all right. The debate isn't over. It's time now. There is nothing good about what happened in Walkerton, absolutely nothing

good. All we can do is try to use it as an opportunity to start that debate again about the value of our tax dollars. We're not talking about wasting tax dollars here; we're talking about the essential services that only government can provide that sometimes can mean the difference between life and death.

I asked a question to the Premier today, as more and more evidence comes to our knowledge, as we get more information—in brown envelopes in some cases, which is where I got this. Civil servants—

Hon Mrs Ecker: Now that's a good source: a plain brown envelope.

Ms Churley: They're real documents, Minister of Education. They are written by—you see, Mr Speaker, the smugness; absolute refusal to listen to what's going on here. People died in Walkerton. We have all kinds of evidence that the government's downloading and cuts and deregulation have had an effect—

Hon Mrs Ecker: So I guess we don't need an inquiry, eh, Marilyn? You've got all the answers.

The Acting Speaker (Mr Michael A. Brown): The Minister of Education.

Ms Churley: —a direct cause here, and all they do is yell and scream. They never listen.

Let me tell you about this document for your information, Mr Speaker. It's a document, see? It's not a prop. This is what I'm reading from. It's from the Ministry of Environment and Energy dated May 22, 1996. It says, "To all staff, operations division." Do you know what the operations division is? The operations division is the people who conduct the front-line services. That's what the operations division is. It's from Sheila N. Willis, assistant deputy minister of the operations division, "re divisional changes." What the document is all about, and this was in 1996, is the two phases of the savings plan. The ministry "will eliminate 752 positions, 279 of them in our division." That means front-line services. Yet, when the Premier was confronted with this today, he just went into the mantra about how "We came to government and there was this big deficit and we had to get our books in order," blah, blah. He didn't deal with the reality that there was a warning, time and time again, not just from outside the ministry from environmental groups, the Environmental Commissioner, the auditor, but from within the government itself. Adam Vaughan, a TV reporter, revealed a similar document a few days ago, that the government had been warned that there were going to be problems if they didn't do something about the cuts.

It says right here in this document, "These measures will have an obvious impact on our work plan," and, "The next few months we'll be working on adjusting our priorities and compliance strategies to harmonize with the ministry's core business functions," which means cut, cut, cut. That's what this document is all about.

Since the government came to power in 1995, the government ordered the Ministry of Environment and Energy and Ministry of Natural Resources to cut their budgets more than twice the rate of the 15% ordered for

the other ministries. And now—get this, Mr Speaker—when the government was actually increasing its budget from \$59.7 billion in 1999 to \$61.1 billion in 2000 and found \$8 billion or more in more tax giveaways, which once again mainly benefit the rich and corporations, it again reduced the Ministry of the Environment budget by about another \$16 million.

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From 1995 to 1997, the budget for the Ministry of the Environment branch that focuses on programs and standards connected to water and air quality was cut by an unbelievable 65.5%. Make no mistake about it: These cuts and deregulation and downloading and amalgamations led to the complete breakdown in the system and the conditions that led to Walkerton. The MOE operating budget was cut by 42.4%, and more than 900 Ministry of the Environment abatement and enforcement staff were cut. Fines and prosecutions dropped by about 67%, from an average of \$2.6 million down to about \$863,000 in 1998.

On top of all this, the government ended the drinking water surveillance program in 1996. This was a program that reported on drinking water in Ontario, a very important program that was cut. There were directives given to the ministry—we're talking directly about water here. The DWSP—that's the drinking water surveillance program—steering committee, consisting of representatives from the Ministry of Health and the MOE's laboratory services branch, standards development branch, water policy branch and operations division—these are the recommendations. Because they had to cut, this is what they came up with, and this is just a small piece of it. They decided to cut down on their sampling for microbiological parameters. They were discontinued as of June 1996. I believe that's looking for E coli. It showed that the commonly used agricultural pesticides are rarely detected—it says "rarely detected"—in the source waters in northern Ontario. As a result, they stopped testing the frequency of pesticide sampling of raw water sources in non-agricultural rivers and watersheds. That's been reduced. Testing for mercury and cyanide: Because they haven't detected it in drinking water, they decided that they were going to discontinue that, and that goes on and on. Those are the areas that have been cut, directly related to drinking water.

When I asked the Premier today, and on many other occasions, about his direct link to what happened in Walkerton, at first, as everybody here knows, it was complete denial and blame. On a daily basis somebody new was found to blame—everybody except himself and his own government. Today again the Premier was unwilling to even admit that perhaps the cuts had something to do with what happened in Walkerton.

What is scaring me about all this is that we now have a public inquiry. It could take years for the results of that inquiry and the recommendations from that to come to the light of day. Even though my leader, Howard Hampton, has asked repeatedly for an interim report so that some of these immediate, urgent questions are dealt with

quickly, there's no commitment from the government to do that. We have an urgent situation here. We don't need to wait, nor should we wait, with all the compelling evidence now before us that the cuts and the downloading have had a direct impact on our drinking water in Ontario. We shouldn't be waiting. The government should commit immediately to putting resources back into the Ministry of the Environment.

The Premier said today—I think he still said; I have to get Hansard for today—that nothing had changed, that the delivery of service was still the same. He continues to say that when all the evidence is that it isn't.

For a couple of weeks now, New Democrats have been asking the government repeatedly to release the most recent water quality test results for all municipal drinking water systems, to tell the public which water treatment plants have outstanding orders against them from the Ministry of the Environment and to release the most recent audit reports on the status of all Ontario water treatment plants, and that if those audits have not been done, they must be done immediately. We've asked the government to reopen the four closed labs and put Ontario back in the water-testing business, to increase the minimum number of tests required and make financial support available to the municipalities, and to revoke the decision to end the water protection fund. These are the dollars for water and sewer capital projects which are scheduled to end at the end of this fiscal year. It's ludicrous. We now know from their own records from a few years ago—the government's records are behind—that they know there are a number of plants not meeting standards across Ontario. They know that now, and yet they still plan to phase out—to end, not phase out. They brag about how they accelerated it. It was going to be over three years, and they decided to do it in two years. That means the program is supposed to disappear a year from now, and they still haven't committed to bringing that program back.

There is more and more evidence coming forward that, particularly in small municipalities across the province, there are problems with water and sewage. There's a small town that perhaps a lot of people hadn't heard of until today. It's called Rocklyn. It's southwest of Owen Sound. Residents have had high levels of E coli contamination in 13 wells. The ministry has known about this since February. But the ministry spokesperson was quite clear: They didn't have the staff to investigate. Now they say they don't have the staff to investigate until the Walkerton crisis is dealt with. Believe me, I'm not saying for a moment that we should withdraw people from Walkerton, because they're urgently needed there. We have repeatedly asked the government that if there are not enough people to do the job, it's my understanding—I was told by the Minister of the Environment in Ottawa that they were willing to send experts and are still willing to do that, and the Ontario government turned them down. For heaven's sake, if we can bring in the army to shovel snow in Toronto, surely we can bring in enough experts to help deal with the crisis in Walkerton so

people can turn their taps on again. But we have to hire if we don't have enough people to do the job.

For heaven's sake, how could this happen? How could the Ministry of the Environment know since February that E coli was showing up in 13 wells and do nothing about it? When we phoned today and asked the spokesperson in the Ministry of the Environment, they said they basically haven't had time to do it yet. The best they could do was promise to investigate in the spring. Spring has come, and it still hasn't been done. The explanation from the Ministry of the Environment today was that it would be at the earliest convenience when staff had time to do that. I assume they meant that, having known this from February, the earliest they would be able to do it would be this spring, and yet today the government still denies that the cuts had anything to do with this.

The Minister of the Environment, when scrummed outside here, was asked by the media, sometimes politely and other times not so politely—basically, the leader of the official opposition today asked the question that's been asked again and again over the last two weeks, and that the media asked the minister repeatedly today. The environment critic from the Liberal Party, the former Minister of the Environment, was there with me watching this, and the minister absolutely refused to say when he would release the results of the water tests across the province. I believe he's not releasing them because the tests are not up to date and they don't know. Everything is in such disarray that they don't have the data and it would be embarrassing to put out what they do have. I also believe—and their own numbers so far to date, the latest we have, show it—they also know there are problems with many of our municipal treatment plants across the province.

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So the minister continues to say: "We're going to do all this stuff; we're going to review certificates of approval every three years, and we're out there and we're going to test every plant. We're not going to put out any information"—I believe that's what he said today—"until they've tested right across the province."

That's not acceptable. When we asked this question in the House—I think the week before last was when we first asked it—about whether the minister would release this data on the testing of our drinking water across the province, do you know what he told us? He told us and the people out there to go to a Web site; it's all posted on the Web site. So we did. We went and had a look. The data on the Web site was three years old. I think only about a third, maybe less, of the sewer and water plants across the province were listed on that Web site.

That's not what we asked for. People are getting worried about the quality of their drinking water. As more and more stories are revealed, like the incident we brought up today in a small town outside of Owen Sound, more and more people are going to get worried about their water. The minister has got to come clean. He's got to admit they don't have the budget to do the work they should be doing, and hire the staff to do it.

The other thing the government did which was really quite stunning, considering the legislation, the right-to-farm act that was brought in which allowed more intensive livestock farming—factory farming, we call it. At the same time—I think before they brought that in—they cancelled a small but effective program which the NDP had brought in. It was called CURB, Clean Up Rural Beaches, working with farmers directly to keep agricultural runoff from going into our drinking water. That program was cancelled and nothing was put in its place. That just doesn't make any sense whatsoever.

We know, because the government has said it repeatedly, that environmental laws and regulations were seen as red tape. That's part of the problem, when you have a government that sees as red tape the laws of the land that were put in place over the years, starting with a Tory government, and every year, under progressive governments—that was a Freudian slip there—things improved, although not as much as some would like to see.

I know under our government we did a lot. We spent \$200 million in setting up OCWA, the Ontario Clean Water Agency, which now we understand the government's got on the chopping block. We know it has been on the list for some time, but recently it came to our attention from some staff that in fact it was up for sale. They've taken it off now temporarily while this situation is going on, but certainly when the Premier and the minister were asked, they didn't deny it. The Premier went so far as to say, "Yeah, if some good ideas come forward for selling OCWA we'll do that."

Our government set that up, and we took \$200 million out of the line budget of the ministry and put it directly into that, completely dedicated to sewer and water. I watched with amazement in the blame days when the government was trying to find, every day, a new person or a new municipality or a new party to blame: every single day, somebody new to blame. I noticed that for a couple of days, members from the government caucus were popping up all over the place, on TV shows and here in the House and everywhere, and I couldn't quite get what they were talking about at first. They kept talking about the \$200 million that the NDP cut out of the Ministry of the Environment. I had sat around that cabinet table. I thought, this doesn't ring a bell with me, and because I got into politics as an environmentalist, even though I wasn't Minister of the Environment, I paid a lot of attention to the environment portfolio. Ask Ruth Grier; ask Bud Wildman. I was an ally and I was also a watchdog. I paid a lot of attention and did everything I could to assist around that cabinet table, making sure that even in the middle of a terrible recession, which I grant a member acknowledged tonight—I believe it's the first time I heard a Tory member acknowledge that the terrible deficit and recession we were in were not all the NDP's fault, that the American economy actually had something to do with it. I believe he went so far, just a smidgen, as to say that maybe the American economy is having a positive effect on good times right now. He's probably

going to get beaten up later for that by some of his colleagues over there, but he did acknowledge that.

You know, that is the reality. There were lots of things I wanted to do. There were lots of things Ruth Grier wanted to do, lots of things Bud Wildman wanted to do, lots of things that our caucus and government as a whole wanted to do. We picked our priorities within the Ministry of the Environment, as all governments do. This government, the Harris government, decided that the environment was not a priority, period, and cut and slashed it until there was almost nothing left. Our government decided that it was a priority and then within the existing funding that we had—and yes, we decided to borrow money to fund the environment—decided on safe water, and clean air to breathe.

There was so much work to be done. We knew it then and I knew we weren't doing nearly enough. I wanted to do more. But we did make a decision to continue to invest money in the environment even when—and let's be frank here—both opposition parties were screaming at us day after day to do something about the deficit. I think that was a wise decision.

Let me tell you something about safe drinking water. I certainly knew—I'm going to be honest here. When we stand up and talk about the need to have a safe drinking water act, the need to bring all the guidelines and rules and all of those policies into a legal framework, it needs to be done. I wish our government had done it. I wish the Liberal or Tory governments before us had done it. I was quite aware when we were in government that over the years our policies and guidelines came together piecemeal on water policy and that there was a need to have it all brought into law, but I was also aware that it was working overall. A lot more needed to be done and it could have taken billions and billions and billions more dollars, but we had good, dedicated, well-trained staff who understood and knew how it all worked.

Water testing is a good example of that, why it was so important to keep the government labs open and to continue with the well-trained government employees who understood completely how the system worked so it did not break down.

One of the things that I feared—and I did. I'm not just making this up now; I read Hansard the last time we debated this bill. I warned the government when I started to see the many cuts, particularly to the area of water, that something really bad was going to happen, partly because I was aware, perhaps more so than most people in the Legislature, that the laws were not tight enough and that if you didn't have the resources and the staff who understood how it all worked, then things were going to start falling apart, and that's exactly what happened.

I don't understand, now that there's so much evidence that that's exactly what did happen in this case, why again the government doesn't listen. It's no good just putting in a new minister. We've had four or five ministers now since 1995. A new face hasn't changed anything. Some have been better than others in the spin. The one we've got now is not doing such a great job, but

the one before that, Tony Clement, pretty good at the spin. Nothing changed under any of these ministers. They continued to cut and slash and deregulate. We don't just need a new minister; we need a complete new mandate for the Ministry of the Environment, with new dollars attached, before we have another catastrophe. What I fear here is that if the government continues on the track that it's on now and refuses to put new resources back into the ministry until we get to the end of the inquiry, God knows when, some more really bad stuff is going to happen. For a long time we've been saying that you can't dissociate health from the environment, and there's nothing more drastic that anybody can think of or say to show very clearly and precisely what that connection is.

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We also know that air pollution is a growing problem. Again, I'm not going to say this problem started under the Tory government. No doubt about it, air pollution has been a problem for a while, but we have a government where we had one environment minister who said people were too reliant on public transportation. They needed to get into their cars more, I guess is what he meant. We have a government that is not committed to doing the things we need to do, absolutely have to do, to do something about the growing problem with smog in our city. We have a government that is refusing to actively participate in the Oak Ridges moraine situation, which will absolutely cause all kinds of water problems. There's a direct connection here that people have been making all along, plus an urban sprawl problem, with more and more people in their cars, transportation all increased.

The government has an opportunity to freeze development on the Oak Ridges moraine until a plan that everybody can live with is put in place. We did that. When we were in government, we spent two years consulting and came up with a plan. It might have to be tinkered with a bit now, but that could be applied. The problem is that the government said: "No, no, no. We've got the OMB. The municipalities have enough tools in their toolbox to be able to do this themselves." Well, they don't. Those tools were taken away from them. The government took all the green out of the Planning Act that the NDP had brought in, and the municipalities have almost no tools left to control this. We've got developers bypassing municipalities completely now and going straight to the OMB. They don't even bother going any more to the municipalities, they're just bypassing them.

What does the government do in terms of the Oak Ridges moraine? It decides—and I'm really puzzled by this—not to freeze it until this plan is put in place; it decides to be one of the parties to the OMB, taking a position that they want to preserve about 1% of the Oak Ridges moraine, which is not nearly enough. But that's the position they've taken.

Look at it this way. Supposing we, our side, lose at the OMB, and the government is now technically in that sense sort of on our side by going to the OMB arguing a tepid position on why 1% should be preserved. Right now that land is zoned for farming. If we lose at the

OMB, then the land is rezoned for development. People here understand what that means. It means the value of that land is going to go to the sky, and then the only way the government, if it's truly committed to saving the Oak Ridges moraine, could do that would then be a planner—I believe it was a planner; it might have even been the mayor. I don't have it in front of me. I believe it was the chief planner in Richmond Hill who said that just in Richmond Hill alone it would cost about \$1 billion to expropriate that land, to save it. That's just the Oak Ridges moraine. Give me a break. Is this government going to spend over \$1 billion to save land that it could save now? It has the power; it can do it. If the government hadn't taken all the green elements out of the Planning Act that we brought in, we wouldn't be in this mess today. The wording was such in that act that most of the Oak Ridges moraine would automatically be protected and would be turned down because of the direct environmental impacts that it would have.

Here we have a government that's determined to let the developers get their way in this. If the OMB rules with the developers, they can say, "We wash our hands of it." They'll say, "Oh, well, the NDP took away the right to appeal to cabinet." That's what Mr Gilchrist says repeatedly. I know when I was in government, and if you go back to many governments before us, you can count on one hand—I'd be surprised if you can't count on one hand how many times a cabinet of any political stripe actually overturns those decisions. With hours and years and millions of dollars and time put into arguing the merits of especially these complex cases, cabinets do not like to sit down and overturn those especially complex decisions, and it's rarely done. But furthermore, if you have a proper Planning Act, then you shouldn't need to have a cabinet make a political decision based on who they're getting the most pressure from.

I just find the argument really silly. It doesn't make any sense, when they can act now to protect the Oak Ridges moraine and yet refuse to do it. Even if they were right about the NDP taking away—and they're right that we did take away that ability to ask for an appeal to the cabinet. But knowing that, if they feel it was wrong, they could have put it back. They could have put it back, right? I don't think they should, because the downside to all of that—I mean, let's face it—is the politics of it. I'd be afraid that this government, supposing the OMB actually ruled for something that's very green and really made the developers mad, in fact would do the opposite and take the appeal and actually grant the developers what they wanted. There's a downside to having cabinet make those decisions when it becomes very political, which is another reason why cabinets of any political stripe really do not want to go there.

It really is at the end of the day the responsibility of the government to make sure that the municipalities really do have good tools, develop good tools, so that they can control the development in their areas. Then it's important for the government to make sure that those decisions aren't made on a political basis, that they're

made on a good planning basis. The proponents have millions of dollars to spend before the OMB, and the citizens who are going to be there to try to fight on the other side have almost no money. They need to make sure that there's intervenor funding in place.

There's absolutely no doubt any more that government cuts to the Ministry of the Environment and the Ministry of Natural Resources are having a profound negative effect on our well-being. The worst example of that is the deaths and the illnesses in Walkerton. But there are all kinds of other areas throughout the Ministry of the Environment and the Ministry of Natural Resources.

Remember the Plastimet fire in Hamilton? There's another example where the response of the ministry was not adequate. There were all kinds of problems. We called for an inquiry then, and the government refused. I think it would have been wise to have had a public inquiry at that time because perhaps we would have learned something then and the mess that we're in now, the terrible tragedy that happened in Walkerton—perhaps the government could have been convinced at that time to put more funds in and to make sure that the resources were there to have properly trained staff able to inspect and enforce and make sure that our land, water and air are kept as safe as possible.

I want to come back to why we pay our taxes. You know, none of us like to pay taxes. The government of Ontario, I believe, plays on the greed in all of us. Let's face it, if you're told that you're going to have a few extra dollars in your pocket, we're all going to say, "That's great," and start thinking about what we're going to be able to do with that money. But when you look at the other side of it, when you look at the public good—and that's why we pay taxes, and supposedly we should be taking more from the rich, who can afford it, and less from the poor. But it's all there for the public collective good, so that we have clean water to drink. Nothing can better describe how important our tax dollars that we pay are than when we talk about clean drinking water, because everybody drinks it.

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I've said there's a war on the poor in this province—and great denials from the other side, even though we have all those statistics about the underbelly, the homeless and the disabled and single parents and kids who can't get child care and our schools falling apart and not enough cleaning staff and kids with asthma. It's the truth. They don't want to hear it. The reports show—the People for Education brought a report to the Minister of Education a few days ago. It's their third report on watching what's happening in our schools since the new funding formula, which completely underfunds our schools. I've seen it myself. I had a letter from a young woman who fell down on dirty, dusty, greasy stairs in her school. This is all new. There's not enough cleaning staff.

Hon Mrs Ecker: Maybe they should go to the Durham board, that's cleaning their schools on less money.

Ms Churley: Maybe the Minister of Education should start listening to what's really happening out there in our

communities. Maybe the Minister of Education should start paying attention instead of trying to yell over me and justify why their cuts and their funding formulas are working. It isn't working. We've got kids with asthma. I worry about this. Not many people are speaking about this, but anybody who has a kid with asthma, as in my family—you go to school and see dust. You worry that that could have a negative impact on the child—little things like that. We know there are not enough counsellors and principals throughout the system, and there is really low morale. Despite the so-called average, class sizes are actually getting larger in many cases.

I have a school, Bruce school, which celebrated its 75th anniversary last year or the year before, which I attended—a tremendous little school in the lower-income area where I live in South Riverdale, a wonderful little school that serves the community well. That school is on the chopping block. Because of the ministry space formula about how many kids per square foot—and you know those old schools have great big halls and basement spaces and high ceilings and auditoriums—this school is slated to close. There are a lot of new immigrant kids, and they have wonderful language programs—this tremendous little school is on the chopping block, and we're doing everything we can to save it.

Two Catholic schools in the general area, one really close to Bruce, closed down as well. They're already gone. It's too late to save those. That's three schools—two of the three, anyway—that served a lower-income population, very important to the vitality of our community. We don't need these schools to close down. Once again, it's one size fits all. The minister came to our communities—

Interjection.

Ms Churley: This is all about taxes, my dear Minister of Culture. This is about \$200. Thank you for reminding me about how ridiculous your \$200 tax rebate is. I can tell you that I want clean water to drink, I want clean air to breathe. That's what I want, and if you ask almost anybody across Ontario whether they'd like that \$200 back in their pockets or whether they would like to see the government reinvest that in water, where do you think they'd tell you to put that money?

I'll ask the people who are watching: Would you rather have clean water or that \$200 in your pockets? Are you going to be able to go out with that \$200 and buy a water treatment plant and hire the staff to make sure it's kept clean? I would tell you that the majority of people—

Interjections.

Ms Churley: Now they're saying, "Tell them to send it back." It doesn't work that way. You shouldn't be sending people the \$200. I started this—

Hon Mrs Ecker: You don't trust them with their own money.

Ms Churley: They still don't get it. The Minister of Education is saying I don't trust them with their own money. Of course I trust people with all their money. That's got nothing to do with this. It shows—

Interjection.

Ms Churley: I'm incredulous that these supposedly smart ministers—they're not. They don't get it. That they could make a comment—that the Minister of Education could make a comment, in response to what I'm saying, that I don't trust people with their own money. That's got nothing to do with it.

Interjection.

Ms Churley: She did say it. What we're talking about here is tax dollars and the collective good, and how there are certain things governments have to fund. That \$200 in your pocket is not going to guarantee that your water is safe. It's as simple as that.

I started tonight talking about the letter I saw in the Toronto Star from the guy who would agree with the Tories here, saying he doesn't understand the outrage about this \$200 giveaway, that the government had said it spent all the money it was going to spend and that it wanted to spend on health, education etc and it had all this money left over so they were going to give it back. Did the government look to see the areas where they have so drastically cut that our systems are falling down around us? No, they continue with their so-called red-tape reduction, which is eliminating very important environmental laws and regulations. That's what it's doing. Did the government decide they were going to take a look, now that they've spent all they wanted to in health and education, at the other areas where they should be investing?

I don't know how many times I have heard people from that side say, when asked about their cuts to the Ministry of the Environment: "Well, you know, we had to get our books in order first, because the NDP left us in such a terrible mess. We have to find a balance, and we can't deal with the environment now because we've got to do something about the books." Well, the books have been balanced and I'm getting sick of this nonsense. The books have been balanced, and what did the government do in the last budget when they're giving away another \$8 billion in tax cuts? What did they do? They cut another \$16 million from the Ministry of the Environment. I am getting so sick of these excuses and silliness about it. You can no longer use the excuse—silly as it was—that you couldn't do anything about environmental protection while you're trying to balance the books. That can't even be used as an excuse any more. The books have been balanced, and you continue to give away tax cuts, over \$8 billion, and you cut another \$16 million out of the Ministry of the Environment. So don't give me that claptrap.

I would like to see one Tory over there, just one Tory, stand up and say, "We believe that the time has come to reinvest in environmental protection in this province," instead of sitting there and laughing and yelling and hooting and doing the usual stuff and not listening to the reality that there have been cuts, that they've cut far too deep, they've deregulated far too much, they've down-loaded far too much, they've amalgamated far too much, they've privatized far too much, and it has hurt environ-

mental protection in this province. When is one person over there going to stand up and admit it?

I'm going to remind people again, when I get upset about environmental protection—and I'm sure others have stories too—that I come from a riding where kids were brain-damaged by lead pollution. I come from a riding where kids got learning disabilities from lead pollution from a lead plant in south Riverdale, where citizens and parents tried for years to get federal and provincial governments to listen, that their kids were being damaged. Governments wouldn't listen until finally David Reville, I believe, who was in the NDP opposition then—I can't remember if it was a Tory government or a Liberal government. Finally we got some attention paid to it after years. It was too late for a lot of those kids. They came in and did all these blood tests. I remember it. It was horrible: all these mobile trailers coming by and little kids lining up having their blood tested. Many of them were way over and they were brain-damaged and learning disabled. We had a massive multi-million dollar soil and housing cleanup. It was just an awful situation.

When government members have an opportunity to look around and see what they're doing, when there's so much overwhelming evidence now, not just from me—I know you're not going to take me, as an opposition member, seriously. I know that. It doesn't matter what I say, you just see it as me doing what opposition members do. But it's not just me: the former Environmental Commissioner, the OMA, the auditor, CELA, CIELAP, Pollution Probe, Greenpeace, TEA, the Toronto Environmental Alliance, all of those folks, over and over—and I'm leaving out some, and I'm sorry, because they have been extremely vigilant—OPSEU itself, the workers. But when we get internal documents telling the ministry that there are going to be big problems, not only if the cuts don't stop but if reinvestment doesn't happen, and the government continues to deny, continues to blame, continues to misrepresent the facts, continues on and on and on without—

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Interjections.

Ms Churley: They're worried that I said "misrepresent the facts."

Hon Mrs Ecker: On a point of order, Mr Speaker: I do believe that the honourable member in her comments made a claim, which I believe should be withdrawn, about misrepresenting the facts. It is certainly not what this government has been doing in Walkerton. We are doing everything we can to get to the bottom—

The Acting Speaker: Order.

Ms Churley: I won't withdraw. This government—

The Acting Speaker: Order. I think perhaps the member would want to rethink her position and withdraw.

Ms Churley: I withdraw, Mr Speaker.

I would say to the government members that it's extremely disconcerting to stand here and try to point out some of the problems that this government has to deal with and be yelled at and laughed at and watch a gov-

ernment in denial day after day on this issue. It has got to stop.

The Acting Speaker: Further debate?

Mr R. Gary Stewart (Peterborough): I have to chuckle when I listen to the two opposition parties talking about how bad things have been for the last five years when the economy has increased tenfold. I was in municipal politics when these two parties were involved. That's why my hair turned white. It was a total horror story.

Anyway, it's my pleasure to speak to Bill 72, and I actually am going to talk about the Tax Dividend Act. This act is about giving money back to taxpayers. What is unique about that process is that it is their own money that we are giving back, money that they can spend on their families or indeed on themselves. What a tremendous impact and ripple effect it will have on the economy of this province.

This act gives every eligible Ontario taxpayer a dividend of up to \$200 based on their 1999 Ontario personal income tax. This is a dividend for those Ontarians who paid income tax, those who have been and are working, a bonus thanks to all Ontarians who have contributed to creating a strong and viable economy, working men and women who have helped us eliminate the deficit one year earlier than we had promised. It has been indicated that the surging Ontario economy has allowed this revenue to exceed the 1999 budget forecast. Should we not reward those who have contributed, those who have worked hard to help our government turn this province around?

Our 2000 budget will go down in the annals of history: a budget that sets a course, our course, the province's course, for the future; a budget that will make Ontario a leader on the world stage; a budget that cuts taxes; a budget that invests in infrastructure and reduces debt.

Talk about starting the century off on the right foot. Our economy is booming. I suggest to you that the taxpayers, who have been part of that economic solution, should join in the windfall; to be able to give this dividend after increasing health and education funding.

It was interesting to hear the member earlier make a comment about how we are going to do it in the future. We'll do it the same way that we have this past five years, by increasing revenues, by increasing jobs, to make sure that we have the dollars to put into those two areas.

The Liberal opposition, Mr Phillips, seemed to be upset that we are asking his federal cousins for our money back. Isn't that a parallel situation? We're giving the taxpayers of Ontario their money back. I would suggest hopefully that the Liberal opposition would maybe work with us to get our money, to get the Ontario taxpayers' money back from the feds so that we can reinvest and continue to invest in health care and education.

I am extremely proud to be part of this very proactive government. Some will say from that comment that I'm a bit biased, and maybe I am, but let me offer you some quotes from those who know how the economy works.

This dividend will do many things. “Overall, this is a very investor-friendly budget”—Ontario budget analysis, Nesbitt Burns. “Ontario is on a real roll after a very difficult start in the 1990s”—Mary Webb, senior economist, Bank of Nova Scotia. “Going forward I think is a pretty responsible mix for debt reduction and tax relief, so I’d say the budget is, in general, quite positive.” Another one: “I applaud the government for finally bringing down a budget that puts Ontario’s fiscal house in order”—Toronto Board of Trade. These are some of the quotes that came from people who are out in the everyday world, working towards helping us to increase the economy and to move it forward.

I want to quote a comment about the dividend that will be given back: “It will be nice to knock a few bills down. We’ll turn around and spend the money on something family-related. It’s money we can spend and not save. It will go back into the economy.” Another: “At the end of the day, I bet this budget is going to keep probably \$600 in my pocket.” Finally, let me say this—and I can relate it to my own family—my son’s family, my daughter’s family, could have up to \$400 back into their top pockets to spend on the economy of this province, to spend on family things that maybe they need. The ripple effect that this money will have on the economy is unbelievable.

We have those naysayers who say they don’t want the money, and I have absolutely no problem with that. I can tell you where they can spend the money. In Peterborough we are in the process of, hopefully, being able to build a new hospital. The \$200 that people have, if they don’t wish it, they can donate it to the foundation—an ideal way to put it back into the economy and help hundreds and hundreds of people.

It was interesting to note that when the first tax reduction came in back in 1995, we had all kinds of people saying—and you’ve heard it tonight—“I don’t want the money.” So we set up an account so they could send it back to the government, and I think they got something like \$11,000 back. So don’t tell me that people don’t want it. I’ve got the solution. Put it into our hospital, put it into our foundation or put it towards charitable endeavours within the community that you’re involved with.

Mr Young: You get a tax receipt.

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Mr Stewart: Absolutely. You will get a tax receipt. There are a lot of ways to overcome this.

The other thing about it is, if it is put into charitable donations, it certainly will help those folks who are vulnerable, who are less fortunate, and it will indeed benefit the people of this province. When you get those kinds of dollars back, not only will it help the retail and wholesale business communities, as I said, but it will benefit those who are less fortunate. There could be donations to schools, colleges and universities. There are all kinds of programs set up for those who feel they would like to put it back into the economy.

We’re dealing with the two priorities that this province has: education and health. The folks from my area could

put it into the possibility of a new hospital. They could also put it into things like the challenge fund with the universities. There are a million things they can do. They can form those partnerships with the public sector to make this province as good as it possibly can be.

As I mentioned to you, if the money goes into schools, colleges and the various foundations—we did hear that we’ve taken money out of health care, we’ve taken money out of education, and what are we doing about mental health? We just put a great deal of money a couple of weeks ago into mental health, additional dollars into health, \$263 million more the other day into education. In my own community, R and D support for Trent University and Sir Sandford Fleming College has been unbelievable over the last few years. Social housing—those things are happening now. As well, we’re able to give dollars back to those people we believe need it.

I believe the economy of this province is absolutely unbelievable at the moment: 700,000 jobs, 500,000 off social assistance, more money into health care, more money into education, more money into children’s initiatives like Healthy Babies, Healthy Children; Healthy Futures. We’re doing all those things. For the life of me, Mr Chrétien yesterday said, “Well, we’ve got to find a plan before we’re going to give you any money for health,” and yet our opposition over here does not want to support us to go to Mr Chrétien—

Interjections.

Mr Stewart: My voice was a little lower; I didn’t mean to mimic him.

Interjection: It wasn’t very good.

Mr Stewart: It wasn’t very good, but I had to suggest something. I could do more John Wayne. We could maybe have somebody coming over on a white horse who could knock a little bit of sense into some of these people.

Anyway, we are doing those things. I’m very proud of the fact that we have that ability and we will continue to go that way. The future is very bright in this province, and it’s because of the initiatives we have taken. I listen to the other side of the House and all the Chicken Littles over there who suggest that the sky is going to fall. It isn’t falling. It’s very blue, it’s very, very bright, and it will continue to be that way in the future if we keep moving the way we have in the last five years and we will in the next three years. The mandate that we got one year ago said, “Folks, keep doing what you’re doing, because this province is finally moving ahead.”

The Acting Speaker: Further debate?

Mr Michael Bryant (St Paul’s): I listened closely to the member opposite’s comments and I have to say what an incredible indictment of this government’s fiscal management to rise in this House and suggest that people take their dividends and reinvest them in health care and education through fundraising efforts. That’s what the government is supposed to do. That’s what the treasury is supposed to do. They take the taxpayers’ money and they allocate it in a way that they believe is just, and they have to do it in a way that they believe is efficient.

Let's just deal with the efficiency argument. We collect taxpayers' money at no small expense. We then give it back, says the government, at a cost of millions of dollars via a dividend and a gimmick, and I'll speak to that in a moment. And now you're asking them to give the money back again, in this case to a hospital foundation to try and fund the health care system.

How on earth could anybody have devised such an inefficient system, efficiency presumably being one of the proposed cornerstones, as I understand it, of the neo-conservative philosophy of this government? Of course, efficiency is the ultimate utilitarian argument and it can lead to absurdities. The ultimate satire in this is Swift's satire on utilitarian arguments with respect to the treatment of children.

But leaving that and the problem with utilitarian arguments aside for the moment, the idea that the government—not the opposition but the government—would promote the idea that taxpayers take their dividend, this gimmick, and give it back to the public purse to pay for the services which they so desperately need is an extraordinary indictment of this bill and an extraordinary indictment of this Conservative ideology.

Interjection.

Mr Bryant: I didn't hear the member opposite. But even without going into the ridiculous inefficiencies of this position, we know that this debate is about the costs and the benefits of the Common Sense Revolution. That's what we're really here talking about over the next few weeks, the final weeks in which this House is sitting. This government is going to try and take full credit for economic prosperity, at least short-term, in Ontario, and of course the opposition is going to accuse them of being the rooster taking credit for the sun rising. We know the public is probably going to, rightly or wrongly, give some credit to Alan Greenspan, and they may give some credit to the government as well. That's the benefit of the Common Sense Revolution, the argument goes: "Here's your benefit; here's your \$200 cheque. Please give it back to us now because we need it."

Let's talk about the allocation and priorities of those benefits for a moment. Any benefit with respect to affordable housing? Is the dividend coming from this bill going towards affordable housing? The answer, of course, is in the negative. I can tell you that my office, the constituency office in St Paul's, is deluged with calls about housing. Sixty-eight per cent of the people who live in my riding are renters, the second highest proportion of tenants in the province. They bear the brunt of the Tenant Protection Act, so called, in a macabre way, in an Orwellian way. Every day many people call our office and say, "I can't pay the rent any more because my rent has been increased," and rents have increased in the city of Toronto on an average of 9% a year. People have to make a choice, quite literally—for those on fixed incomes in particular, those on a pension—between paying the rent and paying for food. So they have to leave, and where are they going to go?

They say: "I need some assistance. Is there any affordable housing being built?" The answer, of course, is no. Lots of luxury condos are popping up as a result of the legislation. Affordable housing such as on Tweedsmuir and St Clair and Russell Hill is being demolished and replaced with these luxury condos and these people are being thrown out on to the streets, many of them seniors and elderly people.

Is there anything in the Common Sense Revolution which assists them? Is there a benefit in that? There is none. There is nothing for them. There is no assistance offered by the government. There is no dividend for tenants, as it were. That \$200 cheque, I can assure you, will not even cover their annual rent increase. But of course this government would have you give back that dividend to try and fund the basic primary services that most of us have taken for granted here in the province of Ontario.

The Harris dividend: a \$645-million gift to individuals and corporations that play the stock market, a point made ably by the official opposition finance critic earlier. At the same time, spending on the poor, the weak, the elderly has been cut; we know that. Of course the government is going to say no, and we will say yes. There are the cuts to education, among other things, \$1.6 billion. Every time it's said, the government goes bananas. Don't believe me; believe the Ombudsman. Talk about another indictment, the latest Ombudsman's report summed it up. "The fact is"—these are the costs of the Common Sense Revolution, not the benefits—"a demonstrable lack of resources has led to an inability to provide acceptable levels of service and senior government officials have failed to take adequate steps to address the problems," says the Ombudsman in her latest report.

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Why is there a lack of resources? We know. It's because of these enormous tax cuts. It's because \$1 billion has been given back by way of a dividend—the \$200 cheque to everybody with the enormous inefficiencies therein—and as a result there are no resources to pay for these basic services. Incredibly, the member opposite, the member for Peterborough, decided that people should give that \$1 billion back to the government because the money is needed. Why? As the Ombudsman said, we don't have a resource base to deal with the services.

Spending on transportation is down \$480 million since 1996-97. The TTC: We live in the only city not funded provincially, the only metropolis in the world in which 100% of the tax base comes from the municipal level. The province is unwilling to make any investment whatsoever. Could some of those tax cuts have been better spent on that? You bet. If only for reasons of efficiencies, you could make a purely economic argument why that would be the better approach. And of course there is the \$1-billion tax rebate, a gimmick taken from Governor Ventura, and what a gimmick it was.

I'll say with all honesty to this House that I have received a number of calls and e-mails on this, and unlike the member opposite who had a number of stories con-

trary to what I'm about to suggest, not a single person said they thought this was anywhere near an appropriate measure to be undertaken by the government of Ontario. I've already discussed the lunacy of the thinking whereby the Treasurer gives up money at great expense only to ask for it back.

Here's what one constituent of St Paul's said:

"With all the tax cuts, we've now found out what we, the average citizens, are worth—\$200. The Conservatives believe they can throw \$200 at all Ontario residents and because of this we will forget the fact that they are an incompetent government. Please, what an insult. They believe that the people will ignore that they did not address the need for affordable housing, affordable tuition and education and homelessness." He asks that I mention his name. Ryan Bissonette is his name.

Also, there's a synagogue in my riding—I'm not going to name it only because there may be many other synagogues and churches which are doing the same thing, exactly what the member for Peterborough is suggesting—and they are actually sending a letter to the members of their congregation and they are expressing the will of the congregation. The two senior rabbis at this synagogue said: "A number of members of the congregation have come to us and said: 'We don't want this \$200 dividend. We want it spent in a more charitable way.'" So this synagogue has to play the role of the treasury. They have to figure out and spend money in a way to donate to services and provide those services that the government of Ontario is supposed to provide.

It's interesting. Just today in the newspaper we see that evolution of the government's ideology is not happening. They are stuck back in some Charles Dickens era where the gap between wealth and poverty was so shocking that we thought it was behind us.

Here's what one of George Bush's senior domestic advisers, Myron Magnet, said in reference to tax cuts, "Weren't dizzying contrasts of wealth and poverty supposed to have gone out with Dickensian London?" Mr Goldsmith, his domestic political adviser, said this: "If you go back to 1996, the Republicans' message was that government had been harmful. Therefore, eliminate government, and people in tough circumstances will suddenly be better off. Both the public and many Republican mayors said that's naive. Merely the absence of bad action is not going to be sufficient."

This is coming from neo-conservatives. This government has missed the boat on this front. The legacy of benefits is not one that I think a government can be proud of, given these inefficiencies, and the cost—in a word: Walkerton. What is the legacy of this government in terms of the costs and benefits? We're going to debate it over the next two weeks and I look forward to hearing from the environment critic on this point.

Mr James J. Bradley (St Catharines): I think that if you put this bill in context of the general debate that's going on in our society today, you would recognize that there is a fundamental position on one side and a fundamental position on the other side. Government members

have enunciated the other side: First, there should be massive tax cuts, huge tax cuts, which would go to the corporations in this country, to the point where we would be substantially below that in adjacent jurisdictions; second, there would be further massive income tax cuts provincially; third, there would be tax cuts for people who are involved with capital gains.

What this does is place us in a vulnerable position for the delivery of public services. I understand the other side of the issue. I don't agree with it but I understand it. I think when people make their decisions they should know the consequences of those decisions.

We have seen massive cuts in the budgets of the Ministry of the Environment, the Ministry of Natural Resources and other ministries, but these are two ministries which are there to protect the public interest. The government made a decision to cut over 40% of the budget of the Ministry of the Environment and turf one third of the staff out the door. The Ministry of Natural Resources made similar cuts. The result is that the drinking water in our province is placed at far greater risk as a result of those cuts and we are vulnerable to the unfortunate and tragic events that happened in Walkerton, and we are vulnerable in other municipalities and jurisdictions as a result.

It is my view, one which I have enunciated for my length of time in this Legislature, and before that, that government is there to provide essential services for people. Government does not make vehicles. Government is not involved in the manufacturing process. But it does have a role to protect people in this province, particularly those who are at the lower end of the economic echelon. It is true that very wealthy people, people of privilege, are able to buy a lot of their own services. They might even be able to set up a system within their household to be able to purify their water in an extensive way. They may be able to have their own security force within a gated subdivision. They may be able to buy better health care services than others. That is certainly the way it is in the United States. The United States is a great place to live if you have money. If you do not have a lot of money, you are vulnerable in many different ways.

My friend the Liberal critic in the field of finance expressed a grave concern that with these massive tax cuts, these further tax cuts and those that are being pressed upon the federal government and which the federal government appears to be moving forward with, we are placing in jeopardy public services to which people in this country are entitled and which reduce the risks of unfortunate consequences.

The \$200 represents a very fundamental argument. If you were to ask the people of Walkerton today, "Would you rather that \$200 had been applied to services that would reduce the risk of water which ended up killing some people and making about 2,000 people ill, or take it in a cheque from the government?"—which I would call a public relations trick learned from some American governors—I suspect the overwhelming number of people in Walkerton would have chosen to have that

money invested in protecting the health care system and of course the environment in Walkerton and other communities.

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That is what has happened. I hope the public recognizes today that this is what the so-called Common Sense Revolution was about. It was about dismantling the public sector. It was about discrediting and creating a crisis in confidence for public institutions such as the Ministry of the Environment and education and health care, so that people would accept a solution which they might not otherwise accept. I hope when that debate is out there that people at least know the consequences. There were some who voted for tax cuts and getting the government out of their faces because that was a popular suggestion at the time from the government.

I suspect many did not recognize down the line what those consequences were. We have seen them in the field of the environment, in so many different areas, we've seen them in health care and we've seen them in education and other important fields of endeavour, things such as winter maintenance on the highway system of this province. All of these increase risk so we can put more money in the pockets of the wealthiest people in the province. Yes, others get a tax cut as well, but of course with the imposition of user fees, which weigh heavily upon people of modest income, we find that those individuals are not better off—they're probably worse off—but the very wealthy can afford those user fees and do not have to share their wealth with others in the province.

I look at the abandonment of the public transit system, for instance. The people who use public transit are often people of modest income. This province has made a decision—a very bad environmental decision and I think a very bad transportation decision—to totally abandon, in a funding sense, public transportation. I would like to see, for instance, the GO train extended to St Catharines and Niagara Falls, if I can for at least one moment be a bit parochial, but into other areas of this province as well. I would like to see a well-funded public system of transportation so that we can avoid having individuals take their vehicles everywhere they must go and contributing immensely to the smog problem in this province.

I think of the Red Tape Commission. It was re-established, ironically, the same week as events were breaking in Walkerton. What was the purpose of that? To get the government out of your face. You see, I think we should have a green tape commission in this province, one that looks at regulations which are necessary to protect the environment and the public health of people in this province. I know it's very popular to say, when you're talking to the business person—not the progressive business people who are prepared to be good corporate citizens when it comes to the environment, but those who want to cut corners—"We're going to get the government out of your face; we're going to get the Ministry of the Environment out of your face."

You see the consequences of that. You see the consequences of having four different Ministers of the Environment, one who was part-time and others who have been shuffled in and out of the ministry. You see the consequences of telling your ministry officials that they must be business-friendly—in other words, to look the other way unless there's a really pressing matter before them. Look at our regional offices, our district offices and our area offices and you'll find the staff is virtually gone in those areas. They simply cannot respond. They're turning over to municipalities a lot of the roles and responsibilities the Ministry of the Environment once had.

The water division of the Ministry of the Environment has been virtually obliterated. They cannot possibly conduct the kind of inspections the minister is talking about today, because those staff are gone. If they're going to get them, they're going to have to hire back people they fired out the door, and they're going to charge as much as they can, justifiably, of the government for those services. We have fewer scientists, technicians, investigators, inspectors, clerical staff, legal staff—the list goes on—within the Ministry of the Environment and the Ministry of Natural Resources.

We can no longer conduct a drinking water surveillance program in this province because we don't have the staff to conduct it and to report to the people what the problems are so action can be taken at the local and provincial levels. We have a planning approach, an environmental assessment approach, which has been weakened considerably. In fact, the Premier brags of this in the booklets he puts out to businesses which might wish to invest in Ontario. It's very short-sighted to do that. I know it was tedious, I know it was difficult sometimes, but it was essential to avoid mistakes.

Air pollution: I was in the city of Buffalo today and in an embarrassing situation where Ontario was justifiably being criticized for the huge problem that exists with the Nanticoke coal-fired plant. The emissions of the plant go over the Niagara Peninsula. It has very poor emission controls on it and that toxic soup goes over Lake Erie, sometimes over Lake Ontario and over farmland in the Niagara region. There we were, as Canadians, dumping not only on ourselves but on people in New York State, who now, by the way, have much tougher rules for power plants which are coal-fired than we in Ontario have.

We have huge corporate cuts, then, we have capital gains reductions, we have income tax reductions, but we have public services which are very vulnerable. I think people in this province are going to have to look at that carefully. Even people who initially thought tax cuts were a good idea, even people who see themselves as small-c conservatives are saying to me today that they believe this government made a dramatic and drastic error by cutting back the Ministry of the Environment, as happened.

It is my request of the government that it put back into the Ministry of the Environment and back into the Ministry of Natural Resources the staff and the budget that is

necessary to carry out the responsibilities; that they take that \$200 and spend it on the protection of public health and the environment in this province.

The Acting Speaker: Pursuant to the order of the House dated May 15, 2000, I am required to interrupt the proceedings and put the question on the motion.

Mr Young has moved third reading of Bill 72. Is it the pleasure of the House that the motion carry?

All in favour will say "aye."

All opposed will say "nay."

In my opinion, the ayes have it.

Mr Mario Sergio (York West): On division.

The Acting Speaker: On division, carried.

Be it resolved that the bill do now pass and be entitled as in the motion.

It being 9:30 of the clock, this House stands adjourned until 1:30 of the clock tomorrow afternoon.

The House adjourned at 2127.

LEGISLATIVE ASSEMBLY OF ONTARIO
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		York Centre / -Centre	Kwinter, Monte (L)
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		York South-Weston / York-Sud-Weston	Cordiano, Joseph (L)
		York West / -Ouest	Sergio, Mario (L)

A list arranged by members' surnames and including all responsibilities of each member appears in the first and last issues of each session and on the first Monday of each month.

Une liste alphabétique des noms des députés, comprenant toutes les responsabilités de chaque député, figure dans les premier et dernier numéros de chaque session et le premier lundi de chaque mois.

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Clerk / Greffière: Susan Sourial

Legislative Assembly / Assemblée législative

Chair / Président: R. Gary Stewart
Vice-Chair / Vice-Président: Brad Clark
Marilyn Churley, Brad Clark, Caroline Di Cocco,
Jean-Marc Lalonde, Jerry J. Ouellette, R. Gary Stewart, Joseph N.
Tasca, Wayne Wettlaufer
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Public accounts / Comptes publics

Chair / Président: John Gerretsen
Vice-Chair / Vice-Président: John C. Cleary
John C. Cleary, John Gerretsen, John Hastings,
Shelley Martel, Bart Maves, Julia Munro,
Marilyn Mushinski, Richard Patten
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**Regulations and private bills /
Règlements et projets de loi privés**

Chair / Présidente: Frances Lankin
Vice-Chair / Vice-Président: Garfield Dunlop
Gilles Bisson, Claudette Boyer, Brian Coburn,
Garfield Dunlop, Raminder Gill, Pat Hoy,
Frances Lankin, Bill Murdoch
Clerk / Greffière: Anne Stokes

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