



**Legislative Assembly
of Ontario**
Second Session, 37th Parliament

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de l'Ontario**
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**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Monday 28 May 2001

Lundi 28 mai 2001

Speaker
Honourable Gary Carr

Président
L'honorable Gary Carr

Clerk
Claude L. DesRosiers

Greffier
Claude L. DesRosiers

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LEGISLATIVE ASSEMBLY
OF ONTARIO

Monday 28 May 2001

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

Lundi 28 mai 2001

The House met at 1845.

ORDERS OF THE DAY

RESPONSIBLE CHOICES FOR GROWTH
AND ACCOUNTABILITY ACT
(2001 BUDGET), 2001

LOI DE 2001
SUR DES CHOIX RÉFLÉCHIS
FAVORISANT LA CROISSANCE
ET LA RESPONSABILISATION
(BUDGET DE 2001)

Mr Hardeman, on behalf of Mr Flaherty, moved second reading of the following bill:

Bill 45, An Act to implement measures contained in the 2001 Budget and to amend various statutes / Projet de loi 45, Loi mettant en oeuvre des mesures mentionnées dans le budget de 2001 et modifiant diverses lois.

Mr Rick Bartolucci (Sudbury): On a point of order, Mr Speaker: We are beginning debate on a budget bill and I'm wondering, is there a quorum present?

The Acting Speaker (Mr Ted Arnott): I would ask the table to ascertain if there's a quorum present.

Clerk at the Table (Mr Todd Decker): A quorum is not present, Speaker.

The Acting Speaker ordered the bells rung.

Clerk at the Table: A quorum is now present, Speaker.

The Acting Speaker: I wish to recognize the member for Oxford.

Mr Wayne Wettlaufer (Kitchener Centre): On a point of order, Mr Speaker: I was just wondering if it's a point of order to point out that at the time the quorum call was made, there was only one Liberal in the House, and no NDP.

The Acting Speaker: It's not a point of order.

Member for Oxford, you have one hour for your presentation.

Mr Ernie Hardeman (Oxford): I just would like to inform the Speaker that I will be sharing my time with the member from Peterborough and the member from Kitchener Centre.

I'm pleased to speak to second reading of Bill 45, the Responsible Choices for Growth and Accountability Act on the 2001 budget.

The 2001 budget has set a new precedent. For the first time in nearly 100 years, an Ontario government has presented three consecutive balanced budgets. We will continue to implement the policies needed to maintain a balanced budget into the future. This will enable the government to continue to reduce net provincial debt and the burden of interest cost on taxpayers, both now and in the future. This government firmly believes that tax dollars belong to the people of Ontario, not the government. We will continue to provide the hard-working people of Ontario with fiscal responsibility, accountability and sustained economic growth.

The 2001 budget has proposed more personal income tax cuts to complete the 20% personal income tax cut, a pledge that was made to the people of Ontario in 1999 in the election. Bill 45 amends the Income Tax Act to reduce the rates for the lowest and middle tax brackets for taxpayers. The lowest rate will be reduced to 6.5% for the year 2002 and to 5.65% for 2003 and subsequent years. The middle tax rate will be reduced to 9.15% for 2002 and 8.85% for 2003 and subsequent years. Some 95% of taxpayers, virtually everyone earning less than \$100,000 per year, would see at least a 20% income tax reduction.

1850

Mr Wettlaufer: At least?

Mr Hardeman: At least 20%. Some will be considerably more. This means that more than \$4 billion in additional tax savings will be delivered to Ontario's taxpayers.

The tax cut proposed in this budget will bring to 735,000 the number of low-income earners who would no longer pay taxes to the Ontario government. That is 735,000 taxpayers who were paying taxes in 1995 and now are off the provincial tax rolls. However, these same people will be expected to continue to pay taxes to our federal government.

The rates have gone down. Since we started cutting taxes, our tax revenues have increased by more than \$15 billion. Lower tax rates mean higher tax revenues for the government.

Since 1995, our businesses have created more than 846,000 net new jobs in Ontario. Since we started cutting taxes, business investment in this province has increased by a whopping 66%. Tax cuts since 1995 will provide more than \$16 billion in benefits to people in business in Ontario when fully implemented.

The government has also sent a powerful job-creating message to Ontario businesses with Ontario's Edge, a

package of tax-reduction initiatives in transportation and environmental infrastructure projects. The first three components of Ontario's Edge involve Ontario's competitiveness and include tax cuts for corporations. The bill amends the Corporations Tax Act to reduce the general corporate tax rate from 14% to 12.5% on January 1, 2002; to 11% on January 1, 2003; to 9.5% on January 1, 2004; and to 8% on January 1, 2005. This will give this province the lowest combined corporate income tax rate in the United States and all of Canada when completed in the year 2005.

This bill also begins to eliminate the job-killing capital tax by removing it on the first \$5 million of taxable capital. This will eliminate the tax from more than 11,000 small and medium-sized—

Mr Bartolucci: On a point of order, Mr Speaker: It's my understanding that the government is responsible for maintaining a quorum. Is there a quorum present?

The Acting Speaker: Is there a quorum present?

Clerk at the Table: A quorum is not present, Speaker.

The Acting Speaker ordered the bells rung.

Clerk at the Table: Mr Speaker, a quorum is now present.

The Acting Speaker: I recognize again the member for Oxford.

Mr Hardeman: Thank you very much, Mr Speaker. I was mentioning the removal of the capital tax on the first \$5 million, and I just wanted to point out that I've had an opportunity a number of times to speak to some of the farm implement dealers in my community. As all members of the Legislature will be aware, we all had problems last year with farm income, and farm machinery dealers were not able to sell as much equipment as they had stored in their yard. It seems rather ironic that they would be losing money because they couldn't sell equipment and then the capital tax comes along and says that on all the equipment they didn't sell, because it's sitting in their yard, they would then have to pay tax. It seems rather ironic that one would charge tax on their inability to sell their equipment. So I think this is a very good move, not only for all those 11,000 businesses, but particularly in rural Ontario where we had an income problem in the past year.

In addition, the government will undertake a thorough review of all tax initiatives to ensure that they are effective. Just to point out one example of what may or may not be an effective tax, we all know that as we go out to purchase a new car there is a \$75 tax because of the size of the car and the amount of fuel used. When that was put in place quite a number of years ago, it was to encourage people to buy more fuel-efficient cars.

Hon Helen Johns (Minister without Portfolio [Health and Long-Term Care]): By the NDP government.

Mr Hardeman: Yes, as the member from Huron points out, it was the former NDP government that thought this was the right approach to reduce the amount of emissions coming out of cars. Now we hear from the

manufacturers of the automobiles that in fact a car on which we're presently paying what we refer to as the gas-guzzler tax—it takes 22 of those cars today to produce the emissions of one similar-sized car that was produced in the year that the New Democrats put that gas-guzzler tax on. So one might see that as a very inefficient and ineffective tax, and we are proposing in this bill that we look at all taxes in that way, to make sure that they are delivering what they said they were going to deliver when they started or we will have to change them to make sure they are effective and efficient.

The fourth component builds on Ontario's high quality of life, including addressing the gridlock on our highways and roads. The budget provides for half of the \$1-billion SuperBuild Millennium Partnerships initiative to be focused on transportation and environmental issues. Ontario's Edge will ensure that businesses thrive and grow, attract new companies to the province and continue to support a high quality of life in Ontario.

Health care is one of this government's top investment priorities. For the sixth year in a row, the government has increased its investment in Ontario's health care system, funding an additional \$1.2 billion, an increase of 5.4%. Since 1995, we have expanded health care spending by 20% by spending an additional \$6 billion. But these unprecedented increases in health care funding are simply not sustainable. We must and can make the system work better.

One of the first steps in health care reform is accountability. The people of Ontario have a right to know that they are getting value for their money when they invest in health care as well as in any other government service. The government has, and will continue to, improved its own ability to deliver accountable value-for-money services directly to the public. But the time has come to ensure that its transfer partners, who deliver many government programs, do the same.

As everyone in this Legislature might be aware, but maybe not everyone in Ontario, 80 cents of every dollar that is spent on their behalf by the provincial government is spent through other funding agencies. Only 20% of the dollar is actually spent by those of us who are represented here in this House directly. So I think it's very important that we build that accountability in all the money that the taxpayers send to Queen's Park to fund the services they need.

The Public Sector Accountability Act will require all significant public sector institutions funded by the Ontario taxpayer to balance their budgets each year and publicly report their annual business plans. This will promote responsibility and accountability to all taxpayers of Ontario. Again, it's very important that they not only know that they send it to Queen's Park and that we spend it properly here, but that every dollar, wherever it ends up being spent, is spent properly.

In addition, we will be calling on experts in the private sector to form a panel to review the role of government in the 21st century. This panel will start a public discussion on where government does and doesn't belong. We will

undertake a value-for-money review of all government spending. The review will answer common sense questions when assessing any government program or service. The value-for-money review will direct us to wasteful activities that could be eliminated and help in finding the most effective and efficient way of delivering the other services that government is responsible for.

1900

The government firmly believes in a strong public education system. Accordingly, we will increase funding to the public education system by \$360 million this year. But we also understand that some parents may, for religious or cultural reasons, want to send their children to be educated at an independent school. This government respects that choice. The bill adds a new section to the Income Tax Act authorizing a partial tax credit for parents of children in independent schools, promoting our vision of education as one of high standards for students and more accountability for parents' choice. The first year, the tax credit will be 10% of the eligible tuition per child that the parents pay, going up 10% a year over a five-year period to 50%, to a maximum of \$3,500.

The vast majority in my riding, and I would say the vast majority of Ontario, are religious and culturally-oriented schools. In my riding I believe all the independent schools are of a religious and cultural nature. It is not the wealthy who go to those schools; it is primarily moderate- and lower-income people who have decided, for their reasons, that they want to send their children to an independent school. They presently spend the same tax dollars for public education that we all do, and they will now see the benefit of a tax credit on up to half of the tuition in five years to help them along.

Some have suggested, and the education critic from across the way came to Oxford county last Friday and suggested, that this was a program that is going to work only for the wealthy. I can assure you that the people who attend John Knox Christian School in my riding had been doing so for 40 years. In fact, I had the opportunity to be at their 40th anniversary about a year ago. I can tell you that they are looking forward to some assistance with their tuition. But they believe strongly enough in their education system that that's where they are willing to spend that because of the quality of education they want for their children, some at a great detriment to the rest of their family and to other things people do in life. I think that we as a government have an obligation to assist them to make sure they can make that happen.

In the fall of 2003 a record number of students will be enrolled in colleges and universities. This is due to grade 12 and OAC students graduating together for the first time, combined with demographics and participation rates increasing. I would tell those here this evening that one of those will be my daughter. So obviously we really look forward to making sure the opportunities and abilities will be there in the year 2003 for all the students who are graduating that year. We are committing one of the largest investments ever in Ontario's post-secondary education system: \$293 million in operating grants to

colleges and universities over the next three years so they will be ready for that double-cohort year in 2003. This record investment in Ontario's future will provide assurance to each and every student and their parents that there will be a place for them at an Ontario college or university.

There's one other item in this bill that I would like to talk about. As part of the realignment of responsibilities for local services between the province and municipalities, the province transferred responsibility for conducting property assessment to municipalities. The Ontario Property Assessment Corp, or OPAC, was created to deliver assessment services. As it currently stands, the province governs assessment policy and tax policy. OPAC is responsible for the administration of the assessment process, which includes determining assessed values and preparing assessment rolls, and municipalities are responsible for the administration of the property tax system, including billing and collection.

Since the 2001 provincial assessment was the first province-wide assessment for OPAC as a stand-alone corporation, the government felt that a review of its practices was in the best interests of property taxpayers of Ontario to ensure this corporation was meeting the needs of Ontario's property owners, the municipalities and the provincial government. The review was done by my colleague the member for Lambton-Kent-Middlesex, Mr Marcel Beaubien, and I understand he looked at such areas as the operational structure of OPAC, including the composition of the board of directors, the working relationship between OPAC and the provincial government and the regulation which defines property classifications.

Mr Beaubien filed his report with the Minister of Finance on April 2 this year. This bill adopts a number of the report's recommendations by amending the Ontario property tax Assessment Act. The board of directors would be restructured to include five taxpayer representatives along with eight municipal and two provincial representatives to ensure that all stakeholders have a voice on the board.

I'm sure all members in the House have had calls from taxpayers when the reassessment was done, expressing some concerns about their assessment, and it seems that in the consultation it became quite evident there was not the ability to deal directly with OPAC that the taxpayers were looking for. It seemed evident that the property assessment corporation operated as the municipalities being their customers, and the actual taxpayers did not seem to have the ability to deal with OPAC. That's why Mr Beaubien recommended, and this bill proposes, putting five taxpayer representatives on the board to make sure the taxpayers' voice is heard.

The review was done, Mr Beaubien filed his report and the board of directors has been changed to make sure everybody has been heard. While it's true the municipalities have a major stake in the operation and the performance of OPAC, taxpayers who pay for OPAC's operation through their municipal taxes also have a stake

in the quality of OPAC's services. This government recognizes that right to be heard.

Also the organization would be required to appoint a quality service commissioner within six months of this legislation receiving royal assent. The commissioner would be responsible for the development and implementation of quality service standards for the corporation as well as ensuring compliance with the policies, procedures and standards established by the Minister of Finance for the provision of assessment services by the corporation. That would provide a place for individual taxpayers to call—shall we say, an ombudsman for the corporation—to make sure their voices are heard.

All municipalities would continue to be members of the assessment corporation. The option to withdraw from OPAC would be eliminated to ensure consistent assessment practices continue to be followed province-wide. Presently, the structure of OPAC allows municipalities, by resolution of council, to provide assessment services other than using the OPAC system. This change in the legislation will change that. All members will be required to be part of the corporation, and we will maintain a uniform assessment system across Ontario.

In any given year, the board of directors may modify the corporation's funding formula by bylaw, and the bylaw must be approved by at least two thirds of the directors. Any proposed modification to the funding formula must ultimately be approved by the Minister of Finance.

Finally, the name of the corporation would be changed to the Municipal Property Assessment Corp to better reflect the organization's status as a municipal corporation.

Ontario's recent fiscal performance has been outstanding, the envy of the G7 industrialized world. These economic statistics clearly indicate our government's economic agenda is on the right track. Ontario's strong fundamentals have laid down a solid foundation for sound economic and fiscal policy that positions us to ride out any slowdown in the US and indeed to even outpace the US in terms of growth.

Through solid fiscal responsibility and government-wide accountability, our government is committed to ensuring the province's future prosperity mirrors the exceptional economic gains Ontario has experienced since we came to power in 1995. Additionally, the government of Ontario will act responsibly in order to guarantee the exceptional quality of life that the people of this province deserve. We will continue to focus on our pledge to make Ontario the best place to live, work and raise a family in the 21st century.

Thank you very much, Mr Speaker, for allowing me these few minutes to speak to this budget bill.

1910

Mr R. Gary Stewart (Peterborough): Thank you very much for allowing me to speak to Bill 45, An Act to implement measures contained in the 2001 Budget and to amend various statutes.

One of the things I have been cognizant of around this Legislature is the fact that so much legislation has been

put through over the years with never a sunset clause in it. I am a great believer in a sunset clause, because what happened and what was OK or what was good legislation 10, 15 or 20 years ago may not necessarily address the situation we find ourselves in today.

If you look at the amendments in that particular act, many of them have to do with taxation. Certainly, there are amendments to the Business Corporations Act, the Capital Investment Plan Act, the Co-operative Corporations Act, the Corporations Tax Act, the Income Tax Act, the Health Insurance Act, the Municipal Act, the Insurance Act—many of the acts that have been in place for a good long time, going back to 1993 and the 1980s. Again, I believe these should be looked at on a regular basis to make sure they are what we need to address the times we are now living in.

I want to talk to and I want to talk about working families in this province. We hear across the way, "Oh, we're going to ask this question or make this comment for the working class, the working families of Ontario." Yet the opposition, the Liberal Party, voted against every tax reduction that we've had in this House in six years and they say they are talking for the working families of Ontario. It just absolutely infuriates me when I hear those words and yet they voted for everything that is applicable to the working families of this province.

I also want to talk about Smart Growth, something that we have to look at. We have to look to the future, to what we see Ontario being in 10, 15 or 20 years. One of the biggest problems, of course, is that the foresight of most elected officials is about as far as their mandate is. That may have been OK in the past, but not in the future. I have no problems with the past. You can look at the past, but don't go back to the past. This is something the opposition seems to want to do.

As I said, I wanted to chat about sunset clauses. I want to make sure that what we're doing in the future, what this budget bill is about, what Bill 45 is about, is the future of this province. I want to talk about cutting your taxes, something that we've done, that we introduced in 1995, that most other provinces in Canada are now doing, and what the federal government is now doing.

Surprise, surprise, opposition. Your buddies in Ottawa figure that if we're going to move this economy ahead and if we're going to move this country ahead, you've got to reduce taxes. Hopefully, some day you guys will get on the same wagon.

I want to talk about building growth and supporting our quality of life, because there is not one of us in this House—and I will give you credit for that—who doesn't want a good quality of life for our people.

I also want to talk about the value for your tax dollars, tax dollars that are not ours. They are tax dollars of the people of this province, that we only borrow to pass on to priority services that are most necessary.

I want to talk about investing in young people—most important; I want to talk about building growth and I want to talk finally, for a few minutes—and I know the member from Oxford did—about Ontario's Edge. Those,

to me, are probably the finest two words we could ever associate with this great province: Ontario's Edge. We want to have an edge. I can tell you that the successful businesses in this province, whether they be large or small, whether they be schools that are dedicated to quality education, whether they are hospitals that are dedicated to the best possible health care, having that leading edge is what does it.

I quote a comment the Minister of Finance made: "I believe the first priority of every business in Ontario should be paying wages," not paying taxes. When the minister announced Ontario's Edge, it was a package of initiatives intended to make Ontario the best place to do business and live in this great country of Canada.

It has been said—and I want to repeat it—that it consists of four components, three of which involve proposals to build on Ontario's tax competitiveness, and I want to emphasize those words, Ontario's tax competitiveness. If you don't have competition, if you don't have competitiveness, I can suggest to you that you won't go very far, whether it be in business, education or whatever. There has to be competition involved if we are to get the best possible product.

Three of the main proposals in Ontario's Edge are legislating the full schedule of corporate income tax cuts each year between now and 2005. It's called Looking Ahead, which when complete, would give Ontario a lower combined corporate income tax rate than any of the 50 US states. No Canadian province would have a lower general corporate income tax rate.

It's interesting; after the budget came out, I overheard a couple of people. Actually they were doing some scrums outside and couldn't figure out why we wanted to be the most competitive jurisdiction and better than any of the 50 US states. I don't understand that. I don't understand why people cannot figure that out. Again, competitive; we want to make sure that Ontario is the best place to live, raise a family and indeed do business.

The second one is beginning to eliminate the job-killing capital tax by removing this tax on the first \$5 million of taxable capital, benefiting all firms paying capital tax and eliminating the tax for more than 11,000 small- and medium-sized Ontario businesses. Maybe the opposition doesn't know that small business happens to be the engine of the economy in this province.

Hon Dan Newman (Minister of Northern Development and Mines): It helps working families.

Mr Stewart: You're right, Minister, it helps working families, which you keep talking about across the way but don't seem to do very much about.

Hon Mrs Johns: All talk.

Mr Stewart: You're right, Minister, all talk, no action. What we want in this budget and what we want in this bill is to be proactive, and indeed we are just that.

When you look at the Corporations Tax Act, the amendments to it are changing the tax deduction for income, manufacturing and processing, mining, logging, farming and fishing. The change reduces the current tax rate on this income from 12%—2.5% for electricity cor-

porations—to 11% on January 1, 2002. It is further reducing to 10% on January 1, 2003, 9% on January 1, 2004, and 8% on January 1, 2005. Again, what I wanted to emphasize is the fact that we are looking to the future. To ensure how we see the province over the next 10 or 15 years, we may have to do things now that will make sure we are creating a solid foundation for economic growth, for jobs and to make sure that we have the funding so that we can again increase the priority items. Of course, the priority items happen to be health care and education.

It was interesting today that the opposition party had 10 questions all on the same subject—all the same questions. They had 10 questions and only one answer. I hope someday that they will finally have an answer for themselves; they don't have, unfortunately, absolutely don't have. It's very unfortunate, because how do you expect to ever lead this great province when you don't have any ideas and you don't have any answers?

1920

Mr Garfield Dunlop (Simcoe North): It's called "Tax them to death," Gary.

Mr Stewart: That's right, and yet the people talk about working for the working families of this province. I just shake my head in amazement, absolute amazement.

You know, when you look at responsible choices and, I believe, a plan for tomorrow, certainly again what has happened over the last four or five years has led to an excess of 800,000 new jobs. When you look at people who have not had employment, who have not had jobs, they are, all of a sudden, now contributing to this great province. When those people were so reliant on welfare and certainly when the opposition was in power back in the late 80s, we had the greatest revenues during those four years with the highest increase in social assistance. When you don't have any answer and you don't have any plan, those are the kinds of things that will happen.

As I mentioned, if we want to invest in the priorities—priorities like health care, priorities like education—we have to have the revenues. You can only do it one way or another. You can only make sure that those services and priorities are sustainable, that is, you either increase revenues or you increase taxes. Our government's agenda is not to increase taxes, as it appears the opposition's is, because they vote against every tax reduction that we've all possibly had.

I've had the privilege in the last week to go to a couple of meetings regarding Smart Growth in this province, and one of the things that has come out very loud and clear is transportation and the infrastructure. I was extremely pleased when I looked at the budget, at the throne speech and at some of the changes in Bill 45. They're going to be looking at the extension of Highway 407 east to Highways 35 and 115—a major accomplishment, a major push for transportation in eastern Ontario. It will have such a tremendous economic ripple effect in eastern Ontario, including the great riding of Peterborough, the great riding of Haliburton-Victoria-Brock and certainly in Northumberland. That's the type of planning, that's

the type of foresight, that's the type of initiative we have to have in this province if we're going to make sure that those jobs are available for the additional working families of Ontario.

The other thing I want to just make one comment on is regarding tax credits for independent schools. When I listened to the comments across the way that we're dealing only for those rich people, those people who are very affluent and can send their kids to private school, I feel very sorry for the opposition because you're very much out of contact with the people.

I look at independent schools in my area—one is Grace Christian Academy; another one is Rhema Elementary Christian School, and Montessori in my riding—and it is the working families of my riding who are going to those schools, and I compliment them for it. All those people are still paying into the public system—absolutely every one of them—and that never comes out in this House. If you're going to ask a question, if you're going to talk about something, for goodness' sake talk about it the way it is.

I think there should be parental choice, and I highly applaud this government for making sure there is the opportunity for those people who choose to send their kids to private school.

Mr John O'Toole (Durham): It's the right thing to do.

Mr Stewart: You're right, the member from Durham. It's the right thing, the right choice. They are working families. They're the families you people seem to be criticizing when you talk about this legislation. They are the working families of this province.

I'm extremely proud to be part of a government that has seen fit to allow choice. I thought that's what democracy was all about. When I was brought up, people said—

Mr O'Toole: Some days they are; some days they aren't.

Mr Stewart: That's right. Of course that's called "flip-flop." But when I was brought up, people had choice. That was your democratic right, and I was proud of the way.

The other funny part of that is you never hear about the \$1.3 billion more that we've put into education. You don't hear about the \$360 million we put in the week before we announced the tax credit. When I listen to people talking across the way and trying to turn this thing into a voucher system, money going into it, I am disgusted because I believe in telling the working families of this province the facts. I would highly recommend to all honourable members in this House that we make sure the facts are accurate.

It looks like my time is nearly over, and it has been my pleasure. The member from Kitchener Centre has a great deal to say, probably much more intelligently than I. But I want to emphasize one thing: that this budget is for the working people of this province, our government is for the working people of this province and I am highly pleased with Bill 45, which is looking at amendments

that are going to make sure changes will address the issues of the day, not address the issues of 10 years ago or of yesterday.

The Acting Speaker: Further debate?

Mr Wettlaufer: I could never be more eloquent than the member from Peterborough just has been.

Interjections.

Mr Wettlaufer: And I'm getting agreement from all my colleagues here.

It really gives me a lot of pleasure to take part in the debate on Bill 45. But I noticed this afternoon—we wouldn't be here tonight if it hadn't been for the motion this afternoon by our House leader, who moved that we would sit tonight. I don't know if you were here at that particular moment—I believe you voted for it, Speaker. Do you know that the members of the opposition and the members of the third party voted against that? They had four months off, supposedly to deal with their constituents, from the end of December until the end of April when we came back. Judging by their comments for the last month they obviously didn't know what those four months were for, because they kept accusing us of being off, of being on vacation. Speaker, I know you and all my colleagues on this side of the House spent that time in their ridings dealing with their constituents. We had a myriad of concerns to deal with. I talked with hundreds and hundreds of my constituents during that four-month period, and not one of them at any time indicated to me that they wanted an increase in their taxes. Not one. Not one at any time wanted an increase in their taxes. But the Liberals keep saying we should do this and we should do that. It all costs money, and that would mean an increase in taxes.

1930

Speaker, I'm going to go back to May 9. The finance minister stood in his place in this House and said, "Mr Speaker, the budget is balanced for the third year in a row." For the third year in a row. That hadn't happened in this province in 100 years. In 100 years there hadn't been budgets presented in this House that were balanced for three years consecutively.

What does that mean? It means that in the year just ended, we were able to pay off \$3 billion of the provincial debt—\$3 billion—the largest amount that any provincial government in Ontario's history has ever paid off on a debt.

Applause.

Mr Wettlaufer: Thank you to my colleagues. It has other significance, though. After only two years since the last election, we have already managed to pay off 80% of what we committed on the debt in the 1999 election—80%.

We're going to continue to implement the policies that we said we would. We are going to maintain a balanced budget. We have to, because we passed legislation to that effect. I know that doesn't sit well with the Liberals or the NDP. I know that. But that's a fact of life. That's the way it's going to be.

Interjection: No plan.

Mr Wettlaufer: No, they sure don't have a plan.

What else did we do in the 2001 budget? Do you know that we promised to complete the 20% personal income tax pledge made in 1999? Do you know that's what the people in my riding want? The people in my riding are indicative of the people of Ontario.

Mr Dunlop: No, they want to pay more taxes.

Mr Wettlaufer: Oh yes, they want to pay more taxes. That's what the Liberals think they want to do. That's what the Liberals think. The people in my riding don't want to pay another 20% in taxes.

At the end of this fiscal year, 95% of all taxpayers in the province of Ontario who earn less than \$100,000 a year will have seen a 20% personal income tax cut. That's not bad. That's not bad at all. I know that really sticks in the craw of the Liberals. We always know where the NDP are; the Liberals we're not too sure about. But I know it sticks in their craw.

I just had a note handed to me. The federal Liberals have just introduced a motion that they are going to increase the salaries of the members of Parliament to a minimum of \$125,000 to \$130,000 a year. We're not sure exactly how that's going to play, but it will be between \$125,000 and \$130,000. We know that it's just going to climb, because all those members get a little stipend in addition to that base salary. So it'll go up to \$140,000 or \$150,000. How does that make these Liberals feel over here? I know, you're all going to run federally next time.

Anyway, since we introduced our tax cuts in 1995, 846,500 net new jobs have been created by Ontario businesses. Get this again: 846,500 net new jobs have been created by Ontario businesses.

Mr O'Toole: That's bigger than Durham.

Mr Wettlaufer: That's bigger than Prince Edward Island. Forget bigger than Durham, I say to the member from Durham, it's bigger than Prince Edward Island.

Do you remember, Mr Speaker—I believe it was 1997 or 1998—when the member from Agincourt would stand in this House and preach to the members of the government caucus. He'd say, "You are not on-stream. You are never going to create that 725,000 net new jobs that you said would be created in your mandate. It will never happen." The sky is falling, Chicken Little—member from Scarborough-Agincourt. Well, 846,500 have been created.

It doesn't matter what the legislation is, the Liberals always say, "The worst possible scenario is going to take place if you do this. If the government does this, the world is going to come to an end. The sun is going to stop shining tomorrow." That's what the Liberals say. That's their view. I had a young fellow come up to me last week when I was in my riding, and he said—

Interjection.

Mr Wettlaufer: No, he's in my riding. He said, "Mr Wettlaufer, why do the Liberals always oppose everything you government members propose?" I said, "Well, that's what it's like to be a Liberal." He said, "I don't understand." I said, "When they were in government, they said they were balancing the budget, but they added

to the debt." He said, "Yes." I said, "Now that they're in opposition, they say they're in favour of tax cuts, but, on the other hand, they always vote against them. Then they stand up in the House and always ask questions like, 'Why don't we provide more funding for this item, and why don't we provide more funding for that item?' That just adds money, money, money. It would present a tremendous strain on our resources if we were going to do everything the Liberals told us to do." He said, "I still don't understand why they would want to be Liberals," and I said, "Neither do I."

Hon David H. Tsubouchi (Chair of the Management Board of Cabinet): Spend-o-meter.

Mr Wettlaufer: That's right: spend-o-meter.

Since we started cutting taxes, business investment in this province has increased by 66%. What does that mean? On Thursday morning last week, I believe—and there was another morning last week, but I can't remember; I was so busy last week that I can't remember what mornings they were. Maybe Tuesday morning and Thursday morning or Wednesday morning and Thursday morning. I opened up a couple of businesses in my riding. One of them was a drug store. At that particular store opening—it was a Shoppers Drug Mart; Liz Mutton at the corner of Stanley Park and River Road runs a very good shop—I said to the people gathered, "I wonder if you would permit me just a small, small mention of political intent here." You know me: I would never be political, but in this particular instance it seemed to apply. I said, "Here we have an individual who is putting everything, all her personal resources, into opening this business and providing jobs for all these people in this store. Then we get criticized by the members of the official opposition, the Liberals, and the real opposition, the NDP, for providing tax cuts for these small businesses which create 80% of the jobs in this province. They don't want us to provide these tax cuts for these businesses under this budget so that more jobs can be created, more benefits can be provided to these employees." That's what this is all about, and that's what we're doing.

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I do have to comment on something else that's really near and dear to my heart because I worked on this for a couple of years, did research on it, spoke with individuals and spoke with a lot of people in my riding who are the beneficiaries of this proposal in the budget, and that is the tax credit for independent schools—I really can't help it. We've had letters to our government from the fair funding—Tony Kamphuis. His address is 108 Edward Court in Smithville, Ontario, and the postal code is L0R 2A0. Tony wrote to us urging swift passage of the bill. The Orangeville Christian School, at PO Box 176, Orangeville, L9W 2Z6—you can tell I'm older; I think the students are now saying "zee"—wrote to us urging swift passage of the bill. We've had a letter from the Ontario Alliance of Christian Schools, 617 Garner Road East, Ancaster, Ontario, L9G 3K9. The person there who wrote to us was Tena Boven, the administrative assistant to the Ontario Alliance of Christian Schools. I believe

that is located in Ted McMeekin's riding, so I'm sure he's very interested in that. All these people are urging swift passage of the bill allowing tax credits for independent schools. We have another letter here from Barbara A. Bierman, again from the Ontario Alliance of Christian Schools, and she has sent a number of petitions from people who support Holland Marsh District Christian School in Newmarket.

Right now, we are having an influx of petitions. We are receiving hundreds of petitions with thousands of names on them, urging us to pass this bill swiftly. A couple of my colleagues right here are handing up some. I've got a whole bunch in my desk here. I just can't keep up with it, we're getting so many.

Mr Steve Gilchrist (Scarborough East): Would you like to read from it?

Mr Wettlaufer: If I could, please. Steve Gilchrist—where are you the member from?

Mr Gilchrist: Scarborough East.

Mr Wettlaufer: In the petition, she's talking about wide parental and student choice being the best possible education for students and she talks about education with a strong faith component, be it Christian, Muslim, Jewish, Hindu or another religion. I can tell you that in my own riding we have a strong contingent of Mennonites. We have Rockway Mennonite school, which is an extremely good secondary institution, and the parents and students are going to benefit, as are many students and parents of St Jude's School-Scholar's Hall and a number of Christian schools in my riding.

Mr Gilchrist, you can have this back. Thank you very much.

It just goes on and on. Even more important, I think, is that in the past couple of weeks there have been a number of letters written to the editor, as well as—

Mr O'Toole: You're on TV.

Mr Wettlaufer: Yes, I'm on TV and I forgot I didn't have these out. Annita Boer from Kitchener writes to the editor of the Kitchener-Waterloo Record: "It's not just for the rich. Regarding the provincial tax credit for private schools, my family is neither financially wealthy nor elite. We are hard-working Canadians who desire a Christian education for our children. I am a graduate of the Christian school system and am thankful for the financial sacrifices my parents made to make this possible. We are excited about this proposed tax credit."

I want to point out to the members of the Liberal Party, and the members of the NDP, for that matter—but the Liberals are the ones who are the most vociferous about this—that these people are paying taxes. They pay the full education tax, as does every other Ontario citizen, and these people are asking for a bit of a credit to pay for a part of the tuition they pay to have their children educated in a religious institution because they value that religious education. I know there are a lot of members in that Liberal caucus who do not agree with the position that has been espoused by the member of the Liberal Party.

Interjection: Which position?

Mr Wettlaufer: I know—which position? That is so true. On this day he says, "I am opposed to it," and another day he says, "I think we'll provide it, but it's just a matter of when." We would like to know when, and we would like to know how the Liberal leader proposes to give some kind of funding for those students or their parents who are going to these independent schools. For him to say that this Ontario tax credit for independent schools is equivalent to a charter or to a voucher system is absolutely unconscionable. I take deep offence at that, as do the people from my riding.

I have another one, and this is written by Vivian Walker. She's from Waterloo. I'm only going to quote in part, and you can have a copy of this article. She says, "St John's-Kilmarnock in Waterloo region, for example, was listed as independent. In fact, despite the religious diversity of its students, the school has a strong Anglican heritage and the curriculum includes an excellent grounding in the Anglican faith, as well as exposure to different religious traditions.... When we moved here, the decision to have our children attend was cemented by its strong Christian values and teachings."

But you in the Liberal Party would deny these people any financial contribution, in spite of the fact that the United Nations ruled two years ago that they should have some consideration. How unconscionable.

Hon Mr Tsubouchi: What do they have against Jewish schools?

Mr Wettlaufer: That's true; that's a really good point, I say to the minister—to the Chair of Management Board. I should know his exact title; I'm his parliamentary assistant. I should know. He says, "What do the Liberals have against Jewish schools?" What do the Liberals have against other faith-based schools: Muslim, Asian, Christian schools? What is your problem?

Interjection: Montessori schools.

Mr Wettlaufer: What do you have against Montessori schools or Waldorf schools? You cannot bulk them all into Upper Canada College, as the leader of the Liberal Party would like to do.

I have here some other letters. I do have some trouble reading some of the signatures, but this one here is quite easy to read. It's from Grace Buisman of RR 4, Bradford, Ontario. Her postal code is L3Z 2A6. She says:

"Congratulations to the PC government. Thank you for representing those of us in your riding who send children to independent schools. You have the guts to do what is fair for all parents in the province. The equity and education tax credit unveiled during the presentation of the budget on May 9 is an appropriate way to support parents who choose to send their children to independent schools. You have now moved from supporting these parents' choices to empowering their choices, and for that I wish to say thank you.

"I have supported Christian independent schools for some time now. The parents making these choices do so because they seek a certain religious framework for their children, one that supports the values and beliefs held in the home. These parents simply cannot find what they

need in the publicly funded system. Anyone desiring a Christian perspective in their child's education is welcome in these schools, provided they can support the philosophy and mission of the schools. These schools do provide education which meets or exceeds the government's standards for literacy, numeracy and civic-mindedness.

"I am not wealthy or elite. I am part of a hard-working, middle-class family who struggles and sacrifices to pay both taxes to the publicly funded system and tuition to the school of my choosing. The proposed tax credit will be welcome breathing space."

She goes on, but suffice it to say I am receiving letters like this, I am receiving phone calls. I have received hundreds of letters and phone calls in my riding. I cannot begin to tell you how well received this is in the province of Ontario.

The Acting Speaker: Further debate?

Mr Bartolucci: The members for Oxford, Peterborough and Kitchener Centre forgot to inform the people of Ontario that in the 60 minutes they spoke the people of Ontario paid out \$218,000 on interest on the debt Mike Harris has created over the course of the last six years. In their own budget document, on page 69, it clearly shows that \$24 billion has been added to the debt. I won't go over the two minutes, Speaker.

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He's added \$24 billion to the provincial debt, which was at \$90 billion in 1994-95, and presently, according to this document, in actual 1999-2000, it was approximately \$114 billion. Translated in real figures, that means that every hour we spend taxpayers' dollars to the tune of \$218,000 on the debt Mike Harris created. That's just interest. Imagine what that \$218,000 would do to the hospitals across this province every hour? So the speakers forgot to mention that.

They also forgot to mention that the budget provides for \$2.2 billion in corporate tax relief—a tax cut—for corporations. That's why we believe that this budget fails the working families of Ontario: because it puts corporations before the working families of Ontario. And certainly we cannot believe that they didn't mention that this government is investing \$300 million less in post-secondary institutions than they did five years ago, than we did five years ago.

They also forgot to tell the people of Ontario that this government is taking out—they say \$300 million. We know now it's closer to \$500 million. In fact, some on the government side have estimated it's going to be \$700 million out of the public system to fund their private school voucher system. Leave no mistaken impression in the minds of the people of Ontario, this is a private school voucher system that this government is talking about. That's why—

The Acting Speaker: Thank you very much. Further questions or comments?

Mr O'Toole: I'm simply overwhelmed by the comments from the member for Peterborough and the

member for Kitchener Centre that I'm almost speechless, but I will draw a deep breath here and persevere.

I really think they covered most of the salient issues, and I think they did respectfully read into the record—some of the people—I can only speak in my riding—have overwhelmingly supported the education tax credit. To focus on the main thing here of parent responsibility—and I think that there are other measures. I'm certain we'll hear some of them later on tonight.

I was going to ask the member for Sudbury—and I know he's a former teacher—if he's collecting the pension yet, because I know he was a teacher for a number of years.

Interjection: He left.

Mr O'Toole: I hate to say that, but he's leaving the House now. He could easily be collecting the pension. I wouldn't know, but it would be fair if in his comments that he—but that doesn't disqualify him from participating in the debate.

I really think in education we need to make sure that we support public education strongly, as we have—an additional \$360 million. It appears that Jim Smith, the president of OECTA, has somewhat made it a bit clearer that perhaps there will be extracurricular, perhaps there won't.

But what puzzles me at the end of the day is when I look at Dalton McGuinty every day, 11 or 12 questions a day, and I see sitting behind him Monte Kwinter and Mr Bryant. They don't seem to have it. They say one thing to one group and a completely different thing to another group. It's typical of the development of their policy. They're populists and their values are rooted very shallowly. I think that this opportunity—parents today are clearly paying twice. They're already paying all of the taxes. What they're looking for is a meagre tax break, and I think that it's important.

The Acting Speaker: Thank you. I want to once again caution all members that you are in contravention of the Speaker's ruling if you refer to another member's absence.

Further questions and comments?

Mr Gerry Phillips (Scarborough-Agincourt): I'm pleased to respond to the members for Oxford, Peterborough and Kitchener. In particular, the members for Peterborough and Kitchener seem to be extremely agitated that anyone would be opposed to the policy of extending public funding to private and to religious schools. Well, I remind you it was Minister Ecker and Premier Harris who couldn't have been clearer, saying they were totally against it. This is a letter that's about a year old now, and it goes on to say, "As set out in this submission, extending funding to religious private schools would result in fragmentation of the educational system in Ontario and undermine the goal of universal access to education. We trust that the government of Ontario's position as outlined in this letter is clear." So it was Ms Ecker, the Minister of Education, who spelled it out clearly. So if you're mad at somebody, be mad at her.

The Premier actually went on to say, “Complying with the demand to extend funding would remove from our existing public education system at least \$300 million with some estimates as high as \$700 million. Obviously such an action would run directly counter to Ontario’s long-standing commitment to public education.” So when the member for Peterborough gets angry at someone who says they are opposed to this plan, remember that it was Minister Ecker and the Premier of the province who said, “We are totally opposed to this. Do you understand our policy? We will not do it.”

The member for Peterborough said he objects to calling it a voucher system. It is a voucher system. If you submit a bill for \$7,000, you get back a cheque for \$3,500. It’s that clear. That’s exactly how it works. You submit the bill and say, “I paid \$7,000 tuition,” and you get back a cheque for \$3,500 from the government of Ontario. That is a voucher system. So you can get angry, but get angry at your own minister.

Mr Gilles Bisson (Timmins-James Bay): I want to be quite clear in the two-minute response I have that I and the rest of New Democrats here in our caucus and across the province disagree entirely with the direction the government is taking when it comes to providing for what is a voucher for people to opt out of the public system into private schools.

First of all, the government tries to make out that this is not a voucher. The only difference is that rather than getting your voucher up front in September, you’re going to be getting it by way of a tax credit in the month of May when your tax return comes in. So let’s be clear: at the end of the day this is a voucher system.

I personally disagree with this on a number of bases. I, as a taxpayer and a citizen of this province, am very worried about what this is going to do to our system of public education, taking away much-needed resources from a system that’s already been gutted by almost \$2 billion by the provincial government since 1995.

The other issue—and I’m surprised the Tories aren’t worried about this when they talk about accountability—is that we’re prepared to allow parents to pull their children out of the public system, put them into a private system, use public dollars to subsidize that and then we as taxpayers and as citizens of this province ask for no accountability for what happens in those schools. I for one disagree with that.

If people want to have their children educated in a religious belief, that’s fine. I understand that, I accept it and I think that’s great. But if we want to institute some sort of public policy to make that happen, then make it happen within our public system of education. There’s no reason we can’t allow for religious tolerance within our public system in a way that’s supervised, in a way that makes sure children are still getting what is the basis of the curriculum that is supposed to be taught in our public system. But for parents to opt out and say, “I’m going to send my child to a private school,” and say, “I like private schools, but, by the way, give me some tax dollars,” I think is a bit of a contradiction. Second, there

is no accountability for what those children will learn outside the religious curriculum when it comes to the academic, and that scares me deeply.

The Acting Speaker: The member from the government side has two minutes to reply.

Mr Hardeman: I’d like to thank the members from Durham, Sudbury, Scarborough-Agincourt and Timmins-James Bay for their comments.

I want to say to the members opposite that I’m not surprised they are not in agreement with the presentations that were made or the budget bill and the budget itself. Obviously they have not been supportive of any past tax cuts or any fairness we have tried to bring to the tax system. They have opposed each and every one of those initiatives, so I think it’s not surprising that they’ve also decided to oppose this budget, which of course implements further tax fairness and support for parents in the education system. Not only that, but it puts in some certainty for businesses in our community to increase investment, create jobs and build an economic climate that can support all the services—the health care services, the education services and the social services—we require in our society to build the kind of community we want here.

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One of those areas, of course, is the part of Ontario’s Edge which enshrines in law the tax reduction for business investment. Obviously, if someone is going to invest in our community, they can’t do that, based on what the tax is today, not knowing that it will be favourable next year and the following year when they actually get into production from their investment. I think it’s very important that the corporate tax reduction we’ve put in place in this bill is now going to be in law for the five-year period to make sure that if someone comes in and invests in our economy, they will put that investment in, be able to employ and pay people who will pay taxes and be guaranteed that tax rate over the long period of time. I think that’s one of the most important parts of this budget bill.

The Deputy Speaker (Mr Michael A. Brown): Thank you. Further debate?

Mr Phillips: I’m pleased to join the debate and would like to say I’ll be sharing my time with our members from Brant and from Sarnia-Lambton.

I’m pleased to begin the debate for our party on Bill 45. I think everyone in Ontario should recognize that it’s quite a large bill. It amends 22 different acts in the province of Ontario, some with some very wide-ranging impact.

My leader, Dalton McGuinty, tried several times today to get the government to agree that particularly the portion dealing with tax credits—the vouchers to private and religious schools—be separated from this bill and there be some significant public hearings.

I would say that, in my opinion, this particular aspect of the legislation has the potential to fundamentally change the province of Ontario. I truly believe that. I think most of the people of Ontario are probably aware of what it does. When it’s implemented it will essentially

provide a voucher for people who pay tuition to private schools or to religious private schools. You submit your tuition bill, up to \$7,000, to the province of Ontario, and you will get half of that back in the form of a cheque.

In my opinion, that is a voucher. That's exactly what it is. You submit the bill, you get a cheque back from the province of Ontario, from the taxpayers. The government has said this is a matter of fairness. They said the Roman Catholic separate schools in Ontario get it, so why shouldn't other religious communities get it?

There are a couple of things I'd like to say. One is that I took the Minister of Education at her word, because I agree with her, when she said that doing this—and I realize this is an enormously sensitive issue for the province of Ontario. She said that were we to do this, were we to extend funding, “extending funding to religious private schools would result in fragmentation of the educational system in Ontario and undermine the goal of universal access to education.”

I personally believe that. I believe that this extension, providing \$3,500 per student, will have a very substantial impact on enrolment. Enrolment in our private and religious schools has been going up quite substantially in the last five years, I think for understandable reasons. In my opinion, the government has dramatically undermined public confidence in public education, and so the public has decided, in an unfortunate number of instances, to go to private schools. The government has said, “We are now going to accelerate that.” There can be no other result than an acceleration of the move out of our public schools and into private schools.

I met with the leadership of the Jewish community. For them this is a huge issue, and I understand that. I said, “Here's my concern. I represent an area in Scarborough. I've lived there for 35 years. It has undergone an enormous change over those 35 years, and it's undergone that change with an enormous amount of goodwill. Our schools now are multilingual, they are multireligious and they represent students who have come from literally around the world.

I use a school in my area as a metaphor for myself; it's a school called L'Amoreaux Collegiate. Around the meeting hall in L'Amoreaux Collegiate there are flags from I think 81 countries, representing the place of birth of the students in that school. That is a school that's symbolic of what the other schools have done. They have been able to bring young people together from, believe me, many faiths, many backgrounds, and with goodwill we have seen this change. I don't like the term “visible,” but probably the community I represent has gone from 85% white to probably 80% visible, and it's gone through that change with enormous goodwill.

One of the key reasons is our schools—there's no doubt in my mind—particularly I might say our secondary schools, because it is the young people who in my belief should be together, and they are in those schools. I have no doubt that if this policy proceeds there will be a substantial increase in the establishment of new religious schools and the expansion of others.

I realize many people in my community may be supportive of that, but it tears at another fundamentally important thing to me, and that is a school where our students come together. That's why I nodded in agreement when I saw Ms Ecker's letter several months ago. I truly believe that. In my community, in my opinion, if this goes ahead, there will be a substantial number of new religious schools start up and there will be a fragmentation. The Conservatives may very well get a lot of votes among those people—and so be it—but it will fundamentally change.

I would just say that the government of Ontario just recently published its projections of population over the next 10 years and the next 25 years. They have published a variety of different estimates. The least indicated that 80% of our population growth will come through immigration, and it goes up to 90% on different assumptions. A million people every decade will come to Ontario from other countries, and here we are about to tear apart the fabric of one of the essential elements that have made this province and this country work.

Mr Wettlaufer: The sky is falling.

Mr Phillips: The member for Kitchener may want to listen to this a bit, because I think it's going to fundamentally change our education system.

When the leadership of the Jewish community came in to see me, they said the reason they believe in this is because it's a matter of religious discrimination. That's a very challenging argument, particularly from the Jewish community, which has suffered from discrimination for 3,000 years. But I therefore believe that you can't stop half-way. If you say that we are moving down this road because there has been religious discrimination, you can't discriminate half-way; you have to say the inevitable, final point in this road is full funding for these schools. They've indicated that, and I understand that. That is their core belief, that there has been religious discrimination and therefore there should be full funding for the religious schools.

At that point, we have a totally fragmented system. The government has said they estimate the cost of this to be \$300 million. That's the cost assuming that the enrolment in private schools stays exactly as it was last year, doesn't increase at all. Well, we know two things: we know that it has been increasing quite substantially, and we know that with at least \$300 million being spent on it there will be a further expansion. So the first wave will be over the next few years, a very substantial increase in enrolment in these schools and away from our public schools. The second thing will be, without doubt, pressure for full funding, and it will be relentless and completely understandable.

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So I say, as we step off down this road, there is an inevitability to the road we're going down. It isn't this proposal—this is the first step. Every single community that has spoken in favour of it has said, “This is a good first step.” I think we should be looking at this as leading to full funding for private schools and for private

religious schools. In my opinion, that will tear apart our public schools. I dare say that many of our challenging students will be left in our public schools.

The symbol I love in the communities I represent is those children from diverse backgrounds heading together, and the symbol and the vision I now see is that they're heading apart. The faith community will say, "That's what we want," but for me it fundamentally changes the province of Ontario. You don't have to accept my language. I would say you can go back to the language Ms Ecker used just a few months ago when there was some thought that the United Nations might influence Ontario to have to change its policy. She spelled out clearly what I believe, and I'd just like to re-read it again: "Extending funding to religious private schools would result in fragmentation of the education system in Ontario and undermine the goal of universal access. We trust that the government of Ontario's position as outlined in this letter is clear."

If you choose to accept my belief and that of the Liberal caucus that this is a major step down an inevitable road, surely we should have legitimate debate. Surely the public of Ontario, who have embraced public education for decades and decades, should have a say in this step.

I see it being not a force that will pull communities together; in the area I represent, it will be something that will divide. I go back: I recognize that the future of Canada will continue to rely on immigration. We are the country in the world that relies the most on immigration. The bulk of it, as we all know, comes to Ontario—I represent a riding in the Toronto area—and the majority of that comes to Toronto. This move will have a profound impact on education.

It was instructive when we asked the ministry staff what studies had been done on this, what's going to happen to the enrolment, and the answer was, "We've checked the Internet, looked at what was on the Internet, and we estimate it will have no impact on the enrolment. Furthermore, the costing that's been done suggests that not only will there be no increase in the enrolment but it will freeze the enrolment." If that's the depth of analysis that's been done, surely now is the time to pause, before we step off this major step.

I call it a voucher system, because in my opinion it is a voucher system. You submit your bill and you get a cheque back for \$3,500; and as I say, that's just a step.

Having said all that, I can understand the depth of feeling in the communities that want to send their young people to religious schools, and I understand the emotion this will cause, but there is an argument on the other side, where I am, and that is that the damage that will be done by this to the province of Ontario is enormous and tears apart one of the absolute fundamentals.

On to other parts of the legislation. I will just comment briefly on the personal income tax cut, to say that—I say it with a bit of a smile—two years ago the government said, "We're going to cut personal income tax rates the equivalent of 20% and that will result in a

\$4-billion cut in taxes." Well, they didn't do it. The cuts in rates represent about \$3 billion. I don't fault them for that, because I think they're starting to run into financial problems, they're starting to run into difficulties in making sure there's revenue. So I didn't fault them on breaking the promise, but they did break the promise. They said that they would implement it all this budget year, and they've phased it over the next two years. I'm not faulting them for breaking the promise. I think it was wise to break the promise, and so I almost salute them for doing that, but the Conservatives may not want to let everybody back in their own ridings know that they did that.

I want to talk about the corporate tax cut because this is, in my opinion, a substantial mistake on the tax front. What this essentially does is commit Ontario to corporate tax rates 25% lower than the US. I say that is a foolish long-term way for us to have a strong economy.

Virtually every single business person I talked to, and certainly the government's documents that they put out on why you should do business in Ontario, say, "You should come to Ontario because we will have competitive tax rates, but we will give you, we will assure you, that you will have an education system here second to none; a well-trained workforce second to none; a universally accessible health care system that is publicly funded, that will save employers substantial amounts of money; and a quality of life here that is second to none." This is the way that jurisdictions build long-term economic strength, a long-term economic plan and a viable, sustainable economy.

I've been watching television recently and watching the ads for the state of Pennsylvania. They come on and say, "Where can you find 5,000 engineers and 4,500 technologists and the best educated workforce? Come to Pennsylvania." It's all about the quality of their education system. And here we are embarking on a tax policy that says, "Come to Ontario because you're going to find your corporate taxes 25% lower than you'd have in Michigan or New York state or Pennsylvania."

There are two problems with that. One is, how do we then fund the very things that the government says are the reasons you should locate in Ontario? "Ontario workers are well educated and well trained. Sixty per cent of the 1998 workforce have attended university or college; 20% graduated from university; 30% earned diplomas...." It goes on to say, "Nearly half of all Canadians in the 25 to 64 age group are university and college grads, by far the highest proportion in the OECD." "Canada spent 7% of its gross domestic product on education in 1995." "Ontario's highly accessible system of 25 community colleges of applied arts and technology has developed a substantial reputation."

It goes on. This is important. It says, "US manufacturers pay, on average, more than \$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, there's about a \$2,500 cost advantage. But this legislation commits

Ontario to corporate taxes 25% lower than the US. In my opinion, it's a policy mistake. We should be saying, "Come to Ontario. We will guarantee you competitive taxes." In fact, the member for Peterborough used that term. Competitive taxes? This is not competitive taxes. We've now decided we're going to be 25% lower. Believe me, when you get into a match with a US state on this basis, we are not going to be able to compete long-term with that. They will keep forcing our taxes down and down and down.

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How do we then afford those things the government says: a universally accessible health care system, an affordable education system? I think in here they talk about tuition fees being substantially lower in Canada than they are in the US. Well, we have two choices: we cut services below where they are in the US, or we decide we're going to fund them from different sources. It would appear that what's going to happen is that the government will move to sourcing these things more and more from consumption taxes. That will be the way in which we will inevitably move in the province of Ontario: away from corporate income taxes and on to consumption taxes. I say, how are we going to be able in the future to fund the essential things that have been the reason corporations have chosen to locate in Ontario?

In my opinion, this particular tax policy is wrong. Frankly, I've been urging for some time that this be looked at by our legislative committee. For a tax policy to be long-term 25% below the US, we are dooming ourselves to defeat on the economic front.

I am convinced that the way we will build our economy is by saying to companies, "Expand in Ontario, come to Ontario, grow in Ontario, because we will continue to have a first-class quality education system"—in my opinion, we're heading dramatically in the wrong direction with this voucher system, moving away from our public system, taking at least \$500 million out of our public system. Secondly, in terms of our post-secondary, the budget provides funding for our universities and colleges \$300 million lower than when Premier Harris became Premier. We're the only jurisdiction in North America that has done that. Every single US state and every single province has increased support for post-secondary education. We're the only jurisdiction that has cut public support for post-secondary education. If you talk to the business community, they will tell you, as they tell us, that that is a true, major long-term investment. In this budget, if you look at it, the amount provided for post-secondary education in the upcoming school year is \$300 million less than when Premier Harris became Premier.

Even, I might add, on the elementary and secondary, the minister talks about extra funding for elementary and secondary. I think the provincial support for education is up, but not by even as much as—they say they have provided increased funding to replace cuts in education property tax and to provide for the principal and interest

on new schools. It isn't even up that much. So in elementary and secondary we are not investing.

Several of the members who spoke earlier talked about the need for infrastructure investment. This budget has the lowest level of investment in capital going back 20 years. In Ontario, we have never spent less than \$2 billion on our capital budget, the investment in our infrastructure. This budget, for the first time in 20 years, provides less than \$2 billion in capital. There it is: \$1.944 billion, the first time Ontario has been under \$2 billion in capital investment in at least 20 years.

When we think about a long-term economic strategy for Ontario, how will we have a long-term sustainable economy, with quality jobs and competitive with the US? We're blessed. We now are the most export-oriented jurisdiction in the world. Nobody relies on exports like Ontario does. Exports are now the equivalent of 55% of our gross domestic product, 93% to the US.

We can compete with the US, but it is not by offering corporate taxes 25% lower than the US; it is by doing the things that the government's own document said: investing in our post-secondary education, ensuring that all of our talent has an opportunity to get a post-secondary education; making sure that our publicly funded elementary and secondary education gives all of our young people an opportunity; and certainly, investing in our health care and making sure we have our publicly funded, universally accessible health care system.

This document points out that it saves every single employer \$2,500 per employee for health care. That doesn't happen out of the air. It happens because we, as a province, have chosen for many years, under various governments, to invest in those things. For the first time we have decided that we're going to compete by having corporate taxes 25% lower. I think that's a losing long-term strategy.

We decided we're going to compete by investing \$300 million less in post-secondary education than we did six years ago. We decided we're going to compete by investing less in infrastructure than we've done in at least the last 20 years. I smiled when one of the Conservative members earlier talked about the SuperBuild Millennium Partnerships fund. That's the \$1-billion fund. The government announced the \$1-billion fund last year. They said, "This is a high priority for us and we're going to spend \$1 billion on this SuperBuild Millennium Partnerships fund." Last year they said they're going to start it off with \$200 million for all these important projects.

Guess what? At the end of the year, they'd spent \$4 million. They budgeted \$200 million and spent \$4 million. No one advocates, because you have the money budgeted, going out and spending it, but I assumed that when they trumpeted this SuperBuild Millennium Partnerships fund last year, they had an idea that this was a good idea and they budgeted \$200 million because they had an idea that that's what is required. Well, nothing happened. One of the members just a few minutes ago talked about this SuperBuild Millennium Partnerships

fund as a big deal. This year they've budgeted \$100 million and they may spend \$2 million.

My point is this: if we want a long-term, sustainable, strong economy in Ontario, we will not get it by saying, "Come to Ontario because corporate taxes are 25% lower." Arkansas will beat us every day of the week on that one. It's, "Come to Ontario because we have competitive taxes. We will compete with anybody on taxes. Come here because of the quality of our education system, the quality of our health care system, the quality of our post-secondary education, the quality of life in the province of Ontario."

My regret is that this budget bill, as I say, amends 22 different acts, and it contains this huge impact on public education. I do not for a moment underestimate the importance of that. To those who say, "It's just a little something for some groups out there that deserve it," I say it is a significant move. It will dramatically impact our public education system. In the short term it will represent a substantial loss in students out of our public system. In the long term, if the groups say, "The reason we got the funding in the first place was because of discrimination. We're only getting half the funding the other schools are. You're still discriminating," it's a difficult argument to argue against. We're heading down that road, in my opinion, to full funding, and that will fundamentally change the province of Ontario.

Here we are, after we've been able to prove that the things we've invested in for the last 20 years—because you don't invest in a young person for two years; it's a 20-year investment—have paid off. Our businesses in Ontario have been able to compete with the US. We are now, as I say, the most export-oriented jurisdiction. We have been successful in all those things, and here we are deciding that we're going to fundamentally undermine the very things that have got us to where we are.

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Perhaps nothing could be more stark than the way we're going to compete in the future is with 25% lower taxes. That's why you should be in Ontario—that's not a winning strategy. What we're going to do to our public education system is encourage a substantial number of young people to move out of our public education system, which has been the cornerstone, in my opinion, of much of our success.

For those reasons, we obviously have some grave concerns about the direction of this budget bill.

Mr Dave Levac (Brant): Before I move to my comments on an individual basis, I want to compliment the member for Scarborough-Agincourt, who always provides us with rational and very sound arguments for or against an issue when given. He took the time to analyze the circumstances and took a good hard look at the budget and offered us some observations that we should be heeding very clearly and making sure that when we do make comments they're based on the information. He took his information right out of the budget, so I trust what he is saying and I thank him for that.

Members on the other side, when entering into this debate, were talking about—of course, the first round of words that come out of their mouths—the tax cuts. What I want to put on the record for you today is that I've been doing a little bit of homework on this issue. I took a look at the total number of tax cuts the members on the other side keep referring to and I will, for the record, finally tell you that I've been taking this record and that is the number of user fees that have been inflicted on the people of Ontario as a result of some of the trade-offs. In a comparison, for the tax cuts that the members on the other side so proudly display—at one time it was 65 or 66 tax cuts and with this budget it's going to be up into around 110, I believe they're going to start telling us. We are now in the field of accepting in the province of Ontario over 327 user fees since this government has come into power—

Interjection.

Mr Levac: That's right. It's unbelievable to talk about that. And who is receiving these user fees? Let's talk about these user fees, the user fees that this government is responsible for in a downloading sense between the provincial government and the municipal governments. Unfortunately, because of the tricky downloading that happened to them, our senior citizens have been hit with user fees, people on ODSP have been hit with user fees, people who require medical services in this province are now being hit with user fees and school boards and school trustees and schools themselves on an individual basis are now getting hit with user fees.

This is an amazing revelation, if people care to keep track. I'll guarantee to you that as this government continues its threshold and its acceptance for the continual downloading of this tax cut issue, we are going to see even more and more and more user fees for the people of the province of Ontario. At one time, the government boasted and stood up proudly and said, "Our senior citizens don't mind paying extra money for their medical uses. They like to pay extra money for the drugs they need." As a matter of fact, what we're finding out now—and I know the members on this side have heard the horror stories—is that some of them are choosing between paying the dispensing fees and all those extra fees they're being charged and not taking their medication because they can't afford it. How unfortunate that this debate had to evolve around user fees versus this glorious tax cut regime this government has been talking about for such a long time.

As well, we hear about the technical issues around Bill 45. I want to make mention of these for the record as well. We did do our homework and we found some avenues they went down in this particular budget where they needed to do some cleaning up. But unfortunately, we're going to have to talk about the ones that didn't do the job. Bill 45 is called the Responsible Choices for Growth and Accountability Act, 2001. It's actually the 2001 budget. It includes a number of technical amendments, and those are the Business Corporations Act—and I am absolutely sure that the lawyers, doctors and

accountants who are now permitted to practise through a professional corporation will not be able to avoid liability for professional negligence through corporations. It's the Co-operative Corporations Act. These are 13 amendments that are intended to streamline the regulatory requirements for co-ops. These amendments include removing the requirement that co-ops have a corporate seal, removing the \$100 ceiling on a par value of shares and adding provisions for jointly held memberships. I guess the expression is that the devil will be in the detail, because I'm sure we're going to hear from these people once they realize that maybe some of these amendments are going to affect not their ability to perform their jobs properly, but the ease in which they may not have to comply with regulations that once existed.

The Health Insurance Act, the Law Society Act, the related Health Professions Act, the Social Work and Social Service Work Act and the Veterinarians Act: we'll be waiting with bated breath to see how these people are affected and whether they'll come forward to indicate whether or not the government's on the right track.

I'd like to quote an editorial from a famous Toronto newspaper:

"Latter-day Tory rhetoric about [tax credits] being a further extension of school 'choice' is absurd. No one is denying parents the 'choice' of putting their children into private schools. But what the Harris Tories are now saying (although they used to say the opposite) is that parents who choose to do this have the right to the funding by the state. Why?

"This government has plenty of work to do in fixing the public education system—which must accept every child, unlike any other system, and is the glue that holds a multicultural society together. We say this as supporters of many Tory education reforms, in areas such as toughening the curriculum, enforcing academic standards and demanding accountability from teachers. But these are all big enough tasks without opening up a new ideological war over tax credits.

"Finally, that the Tories plan to allow such a precedent-setting move to proceed as part of an omnibus budget bill—without separate public hearings and a separate bill—is arrogant. Then again, the whole idea is wrong, the rationale is wrong and the implementation is wrong. Apparently, Tories who do not learn from the mistakes of the past are doomed to repeat them."

What paper? The Toronto Sun, obviously a Liberal-leaning newspaper.

I will proceed. Let's use the words of somebody who's respected on that side.

"As our provincial Minister of Education has made clear, our government is committed to preserving and improving our public education system by upholding our constitutional obligation to fully fund public and separate schools. Complying with the UN's demand as the federal Liberal government would have us do would remove from our existing public education system at least \$300 million per year and with some estimates as high as \$700 million. Obviously such action would run directly

counter to Ontario's long-standing commitment to public education."

Guess who said it? Michael Harris, Premier of Ontario. I found another letter.

"We believe that our commitment and resources must continue to focus on preserving and improving the quality of our publicly funded system. While the government of Ontario recognizes the right of parents to choose alternative forms of education for their children, it continues to have no plans to provide funding to private religious schools or to parents of children that attend such schools. As was set out in the submission to the UNHRC, extending funding to religious private schools would result in fragmentation of the education system in Ontario and undermine the goal of universal access to education."

Who said this? Janet Ecker, Minister of Education. Interesting.

I want to provide another piece of written literature from a constituent:

"On behalf of all concerned citizens in Ontario, I strongly urge that you persuade other members of your party to demand that the Conservative Party hold public hearings into the tax credit for private schools using public money. I ask that you demand that it be removed from ... Bill 45 and not decide the fate of education in this province in terms of money, but rather on sound ideology and on the history of public education which has served its people very well over the decades since it came into being.

"Even the Premier and the Minister of Education have been opposed to these credits" in the past. To quote the Globe and Mail ..., Premier Harris 'predicted that extending government aid to private religious schools would remove from our existing public system at least \$300 million per year, with some estimates as high as \$700 million.' You continued by saying, 'Obviously such an action would run directly counter to Ontario's long-standing commitment to public education.'"

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There are questions this constituent wants to ask, and here are some of them that I believe this government is failing to even allow us, through public consultations, to answer. So I'm going to try to put these on the record for my constituent:

"What numbers of students have been forecast to switch from the public to the private system in five years? in 10 years?

"What impact will this have on the amount of funding for the public system over these particular time periods?"

How much and "what amount of funding will be lost?"

"What checks are there in place to make sure that all schools, private and public, are teaching a common curriculum in all grades and students graduating from these schools, either at the elementary or secondary levels, will have received the same level and quality of teaching of these curricula? In other words, will there be ministry superintendents that visit and keep in constant contact with all schools ensuring that what is being demanded by

the government, through the Ministry of Education, is being followed?

“In what ways will the rather lax method of applying for a private school change? It seems that anyone can obtain the right to set up a private school (ie, \$250 with application, some background checks etc)” and bingo, bango, you’ve got a private school.

“What will the government do with the money that is not credited to the parent of a child now in the private system? If it takes approximately \$6,900 to educate a student per year in the public system and if you credit the parent who has moved their child to the private system to the maximum of \$3,500, what will happen to the remaining \$3,400?” A rather interesting challenge for the government to answer.

“My list of questions could go on and on.”

My constituent hopes that the opposition continues to ask the pertinent questions of the Conservatives so that they demand the answers before they implement such a plan.

“I ask that you pay attention to the rights of all citizens under any government and demand that public hearings be set up immediately to discuss this issue so that all of us can make informed decisions.”

When I phoned her and asked her if she would also agree to the fact that maybe we could remove this section from the bill and have it debated as a private bill, she enthusiastically said, “Absolutely. I think it’s the most just and democratic thing to do.”

These are coming from all different sides. I want to make sure, unlike what’s been happening on the other side, that I acknowledge that I have received some e-mails and some regular mail from constituents who are happy that they’re getting the tax credit. I want to assure them that I am there to listen to their concerns. I have indicated to them that I have supported and I will continue to support public education.

Interjections.

Mr Levac: Unlike what some of the members on the other side are heckling about, indicating that we’re trying to ignore them altogether, the fact is that they have ignored public education altogether. The fact is that \$350 million, up to \$700 million, of public money will be taken away. That means that \$700 million has not been invested into the public education system. So it far outcries the fact that we will listen to their concerns.

As has been indicated before by our leader and by the Liberal Party, we believe there’s a fairness issue involved here, but our first and foremost crisis that we have to fight—it’s a crusade we’re on now—is to make sure that the public system gets back to where it should be, unlike the disaster that’s been happening for the last six years.

Mr Ted McMeekin (Ancaster-Dundas-Flamborough-Aldershot): Put the \$2 billion back in.

Mr Levac: Yes, we need to put back in again the \$2 billion that was taken out.

Slowly but surely—I want to make this point very clear. In 1995, when this government first was elected, \$800 million was taken out by a government that decided

at that time, under the social contract, that they would remove it, with the intent of putting it back in again once the fiscal house was in order. At that time, immediately upon getting elected, this government decided to immediately freeze that and say, “It’s gone forever.” So we’ve got \$800 million that was removed altogether in 1995.

Then what happened was that we found out, through a little bit of detective work, that one of the minister’s staff was going to be paid a big, big bonus—hundreds of thousands of dollars—to take out another \$400 million. That caused a very large uproar and all of a sudden we lost \$1.6 billion from our education system. From that point on, we’ve been trying to recover, and today we still have yet to do that.

We ask this question of the public: what about your libraries? What about your librarians? What about your music programs? What about your English-as-a-second-language programs? What about your arts programs? What about your phys ed programs? And I would like to ask this question with a very high emphasis on this point: what about your special education programs in your schools?

The fact remains that the government has been able to say they’ve been putting a little bit more money in. I’ve alluded to this many, many times in this House and I will allude to it outside the House. Because I was in education, I, as a principal, had to go through the process that the government created, the ISA grant. What happened was that they raised the bar and made it almost impossible for anybody who was receiving educational assistance at that time; those students who were receiving that special help didn’t qualify to get that help any more the following year when this government found out that they couldn’t afford it because they couldn’t keep putting money in, so they had to keep cutting.

Under the guise of putting more money into the special education silo, they didn’t tell anybody that it was out of the ISA grants and over to the SEPPA grants, but once the SEPPA grants were applied for, you didn’t have the student to get the equipment for it. So, quite frankly, they didn’t spend the money. It was a really neat trick, how they tried to tell everybody they’d put more money into special education.

I want to refer to a special circumstance in my riding. The Grand Erie District School Board, after amalgamating, received people from the county and from the city. We had an urban and rural mix. We had one of those school boards that had that unenviable position of trying to balance off what was going on between the urban and rural situations.

We have a school in our riding, BCI, which celebrated 90 years of education. We’ve had people with great potential graduate from there. We had inventors—the electron microscope—former Premiers, Olympians. By the way, in that school, guess what? They have to seriously consider closing it down. A \$25-million retrofit is necessary. If they close the school, the two schools that would feed it would be overflowing. If they don’t close the school, they can’t afford it because there’s no money

in the grant because they're going to have to close other schools in the counties.

Mr McMeekin: Why don't we invest in it, then?

Mr Levac: Why don't we invest in that school? I challenge the government to come up with the money for BCI and make it survive another 90 years.

Speaker, I've got too much more to say, but I have to relinquish my time. I appreciate that offer.

The Deputy Speaker: Further debate?

Ms Caroline Di Cocco (Sarnia-Lambton): I'm pleased to rise to speak on the budget of 2001 and this bill that's before us.

First of all, I want to clarify. At the very beginning of the last budget that was brought down in the House by Minister Eves, it stated that the budget is the foundation that shapes societal and economic direction. The fact that it shapes societal direction is very indicative of what is happening, particularly with the budget aspect of the bill that is talking about education.

The words "responsible choices" are, in my view, an oxymoron when we consider the agenda that Mike Harris has had, because it was anything but responsible. The choices being made in this budget are radical, extreme choices. You can see lots of evidence of very poor management and less accountability. It's a reactionary policy rather than one with a long-term vision.

If we want to talk about a long-term vision, one of the emphases about sustainable economic development is our education. That's our primary, secondary and post-secondary education. If we're not able to invest in that base in our society, we fail society.

You can have tax cuts. That's part of the equation. The other part of the equation is a well-educated and a highly skilled society. That is our competitive edge. It isn't the race to the bottom only, because inevitably we'll always find another jurisdiction which is going to be able to beat us at the lowest taxes. You can try to compete if you want against Mexico on that level, or you can compete against other developing countries. I don't think that's what we want in Ontario. In Ontario we want a quality of life that's developed through competitiveness based on a well-educated, highly skilled society. All they want is to cut taxes. Quality of life doesn't enter into the equation, it appears.

2050

Whether you're talking about good management or good government, each should make an evaluation at the end of each fiscal year and you should ask, "Do we meet the needs of the people we serve, and is the money being spent effectively?" When you don't provide funding for the textbooks for students for next year, you cut it in half, when the students are the same number as the year before and they all need new textbooks, when you are not doing that, it's very poor management because you're not meeting the needs of the students.

Is money being spent effectively? Well, when I decided to take a look at if money was being spent effectively, I decided to take a look at how Mike Harris was controlling his own costs in cabinet. I decided to see if govern-

ment cabinet offices were also being held to the same standard as all the other ministries: the environment ministry, for example, the money that has been cut out of education. I can go on and on to all the other sectors. What did I find? I found that the cabinet offices had more than doubled.

You talk about a balanced budget as if that is be-all, end-all. That is such simplistic thinking that it indicates to me exactly that the point is that the government bases its policy on totally simplistic equations. For example, when we talk about this tax credit for education, do they have any evidence—

Interjection.

The Deputy Speaker: Order. Excuse me. The member for Oxford will find his seat or will find a place out of here.

Ms Di Cocco: The government ran on a platform in 1999. Nowhere in that platform was there a paradigm shift of its education policy. They're attempting to put this education policy in the budget document without any consultation, without any public hearings. As a matter of fact, they're not even, because of its long-term impact, taking it out of the budget and debating it on its own merit. I think they underestimate the intelligence of the people in this province. They believe that if they do it quickly and in this manner, without public consultation, they're going to be able to get away with it.

Long term, I believe this tax credit and the intent of the tax credit is going to undermine the very fabric of who we are as a society in Ontario. One of the things the government has done, and they have a great track record on this, is consistently talk about efficiencies without understanding what it is to be effective. You can be very efficient and totally ineffective, and I will show you how, OK? You have cut the ministry staff at the Ministry of the Environment. I'm going to speak to a submission that was made at the Walkerton inquiry, and this tells you exactly how cutting costs has rendered a department dysfunctional.

Interjections.

Ms Di Cocco: The level of rudeness tends to be quite high in this chamber with some of the members.

First of all, the Ministry of the Environment has been cut. As I said, I'll read this from the document that was presented at Walkerton. It says, "Ministry staff described the challenges they face each day. They illustrated the weaknesses, and among many other examples, described how staffing cuts have limited the capacity to protect the environment. This means that they have been rendered ineffective. They also described how the ministry squanders resources on avoidable crises because it will not develop preventive, proactive programs."

It also says, "How stripped of resources is the ministry? Examples raised at every workshop included 25-year-old lab equipment, poorly equipped field inspectors, teams that have to rent a truck before they can get to the site of a spill. More fundamentally, members described the loss of human resources such as scientific experts. Experienced staff retire without ministry plans to transfer

their knowledge to other staff or to hire new experts. Ministry of the Environment staff want the Ontario public to know that the ministry has been cut past the point where staff can effectively protect the environment. They work hard every day, but every day they know they don't have the resources they need."

Mr Bill Murdoch (Bruce-Grey-Owen Sound): Who told you that?

Ms Di Cocco: What I'm trying to say, for the government members who don't understand the concept, is that you can be efficient, but you are not—

Interjection.

The Deputy Speaker: The member for Bruce-Grey-Owen Sound knows that the member for Sarnia-Lambton has the floor. Happy now?

Ms Di Cocco: Thank you, Speaker. Another aspect that troubles me and alarms me is the fact—I see the Mike Harris agenda as a train that's out of control; this is another issue of accountability—that private schools don't have to hire certified teachers, don't have to follow the provincial curriculum. In other words, this is a government that uses the word "accountability" over and over, but whose zeal is to put public funds into private service providers. That's what it's doing.

The Provincial Auditor commented on this. At present, \$30 billion, public dollars, is put into outsourcing of our services. It's going to private service providers. What does that mean? It means public funds are paying for these services. It isn't private in the sense that the private sector is putting money into it. Public funds are paying for it. What does the Provincial Auditor say about this type of accountability? His report says, "About half of the province's annual expenditures, approximately \$30 billion, are spent by the government as transfer payments to government service delivery agents. The Audit Act ... does not permit my office to access on a discretionary basis all the information necessary to report to the Legislature the extent to which these agents achieve intended results and whether or not taxpayers are receiving value for money spent."

Nothing has changed in that regard with this government. It hasn't provided more accountability in the system. It just keeps using a bigger hammer. I have to say what I've found incredibly disturbing is that the government believes it doesn't need to justify its changes in policy direction.

One of its past members, David Boushy—he was in my riding—said, "The provincial government practises tough policies." He also says, "They don't spend much time explaining the need and rationale for such policies between elections." That says it all. They bring in a major piece of legislation that's going to change the way we deal with our education system in this province, and what happens? They put it in a budget bill, a budget bill that's probably going to be passed in very short order. No public hearings. The public hasn't had a chance even to digest the magnitude of what you are doing.

You yourselves have been on record as opposed to this kind of policy over and over. I know there have got to be

some rational members across the floor there, and I don't know why you can't give some critical thought to the damage that you are actually doing to our vision in this province.

2100

Mr Rosario Marchese (Trinity-Spadina): I want to say, because I have a short—oh, my two minutes, are they coming up? It doesn't matter.

The member for Brant spoke; the members for Scarborough-Agincourt and Sarnia-Lambton. I've got to say that I happen to agree with almost everything they said. This is where it becomes problematic, because often the public watching says, "Hmmm, they sound very much like New Democrats." Right? So how do you sort all this out?

Interjection.

Mr Marchese: I think the member from Sarnia-Lambton said, "Oh, I don't know about that." But it's true. We sound the same often enough, and it's scary.

The member for Scarborough-Agincourt says that he is against the tax cut, and for good reason. He argues, similarly to New Democrats, that it's a bad thing. I do too. In fact, I'm one of the few New Democrats who say tax cuts have been devastating and wrong. I argued against the federal government doing it, provincial governments doing it, because I think it's wrong.

I know the Tories love this stuff, but it's taking \$10 billion to \$12 billion out of the economy. I've got to say, who is happy out there with all the cuts they have made to education, our health care system, our social services, our environment, labour, culture? Who is happy with this government out there? Well, I know there are a number of people who are happy. I'm saying they haven't seen the benefits of your wonderful tax cuts.

To the Liberals, I've got to tell you, New Democrats at least had argued in the 1999 election that tax cuts are bad. We, as New Democrats, were prepared to take off the top 10% of the people who earn a whole lot of money, a whole lot of cash here that they don't need. We said, as New Democrats, they would be taken off. If you're earning over 80,000 bucks, taxable, you're earning a pretty buck. We said they would go, and we were hoping the Liberals would join us in that regard.

My question to you is, where are you going to find the money to put back in education if you don't take the money out of the tax cuts? What are you going to do?

Mr O'Toole: It's always a pleasure to respond and actually shed some light on Bill 45, which we're debating tonight. I do respect the member from Scarborough-Agincourt, and I did listen respectfully to the members from Brant and Sarnia-Lambton.

I think for the viewer tonight it's important, although it is late—you haven't been getting much substance with in the bill. This bill here is An Act to implement measures contained in the 2001 Budget and to amend various statutes. So there have been measures with respect to expenditures as well as expenditure changes.

There are actually 22 sections in the bill that are amending statutes like the Business Corporations Act, the

Capital Investment Plan Act, Co-operative Corporations Act, Corporations Tax Act, Credit Unions and Caisses Populaires Act, Health Insurance Act, Income Tax Act, Insurance Act, Law Society Act, Loan and Trust Corporations Act, Ministry of Training, Colleges and Universities Act, Mortgage Brokers Act, Municipal Act, Ontario Property Assessment Corporation Act, Public Accountancy Act, Registered Insurance Brokers Act, Regulated Health Professions Act, Social Work and Social Service Work Act, Succession Duty Act Supplementary Provisions Act, Tobacco Act, and Veterinarians Act.

I think what I'm hearing tonight are the sort of canned messages that they've all been given to read dutifully, and, I might comment, they've read them fairly well. But as far as actually reading the 22 different sections here, I'm surprised, and certainly I know we'll likely hear from the member for Trinity-Spadina—

Mr Marchese: I'm coming, John.

Mr O'Toole: I am waiting for it, because he's a very entertaining speaker and he'll probably be a lot more lucid in terms of touching on some of these different bills, besides the simple education debate.

There are those on the other side who are opposed to giving hard-working families an education tax credit. We understand that. There are differences within your own caucus, but I am waiting for—

The Deputy Speaker: Thank you.

Mr Mario Sergio (York West): My congratulations to the members for Scarborough-Agincourt, Brant and Sarnia-Lambton for bringing out the best of what is not in the last budget.

With the recent budget, I guess both the Minister of Finance and the Premier wanted to be like baseball players; they want to steal second base while still holding a foot on first base. You just cannot do that. What they have done is to keep the peace with the Bay Street people, with big businesses and industries, giving away \$2.2 billion.

Mr Marchese: What about Caroline?

Mr Sergio: What about Caroline? I'm sorry. I said Sarnia-Lambton. That's the member for Sarnia-Lambton. By name, that's Caroline Di Cocco.

So that is \$2.2 billion which this budget does not give to the rest of the people in Ontario.

I think it's shameful for this government that they are going to such a huge extent to keep the large businesses afloat, if you will, because \$2.2 billion is a lot of money. But when you consider the inequity that exists with this particular government when it comes to injured workers in Ontario, it is just appalling. In 1998-99, they received some 0.25% increase. Can you believe it? And in the year 2000, they will be receiving some 0.5% increase, if the previous year's inflation rate exceeded 3%. Where's the fairness of this government? This is an area they should have tackled with the last budget, and they failed miserably. They failed the people of Ontario.

Mr Michael Gravelle (Thunder Bay-Superior North): I also want to congratulate the members for Scarborough-Agincourt, Brant and Sarnia-Lambton for

their extremely cogent and very helpful remarks. I think the government would do well to be listening to the member for Scarborough-Agincourt in terms of his advice, and certainly my colleagues have spoken about the fact of the corporate tax cut of \$2.2 billion. Nobody argues with the fact that we need to be competitive. I think it was mentioned by the members from the government side that we need to be competitive. But to bring the tax rates 25% below what the rates are in the States is a dangerous game that can ultimately end in a race to the bottom, and I think that's something they need to be concerned with.

I was also particularly taken by the comments by the member for Brant when he was explaining to the House and reminding the people of the province that indeed while this government brags about all their tax cuts and the number of tax cuts they've put in place, the way they've dealt with a great deal of this is by stealth and kind of sneaking it in through the inclusion of user fees on the system. How many?

Mr Levac: Some 397.

Mr Gravelle: Some 397 user fees have been put in place since this government came into power. They don't talk about those very much. You never hear in the speeches over there about the user fees.

Interjection.

Mr Gravelle: Well, you don't, and you should. They really are just another form of taxation. I can tell you, as a northerner, we're pretty upset about the vehicle registration fee being re-imposed on northerners, something that was taken off and should have been taken off because of the difference in gas prices. You should know about that. The member for Durham knows all about that one.

The point is, there are all these user fees—

Interjection.

Mr Gravelle: Well, you do. You were up in Thunder Bay; we were glad you heard us. But those are concerns that we have. Those are all lessons that need to be learned, and it's important that the people of Ontario understand, recall, realize that user fees have been a great counterbalance to tax cuts anyway.

The fact is there are so many other issues. The whole tax credit for private education, independent schools, is one that should certainly be taken out of this particular budget. The least this government should be doing is giving the people of this province an opportunity to consult with them in a real way through a legislative committee. We demand that that happen. We asked for it today; they said no. We still demand—

The Deputy Speaker: Thank you. Response?

Ms Di Cocco: I have to say that I don't think the government gets it. I really don't think the Harris government gets it.

I'll say it one more time: sustainable economic development is more than just tax cuts. That's a part of it, but it's more than that. It's called people development and people development is where it's at globally except for the Ontario government. They don't understand that

people development is where the future is. It's innovation, it's creativity, it's the human capital. The human capital is what a good economic base is all about. This budget does nothing to do that. All it does is fragment our education system more. It doesn't develop it.

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Ninety six per cent of the student population go to publicly funded schools. Those schools have been consistently eroded, they have been beaten up, they have been demoralized. Is that the way to build our human capital in this province?

Our universities are facing deficits. They have to ration the work they're doing. Do you know what? These people don't work with evidence. These people don't work with critical thought. It's like this very extreme ideology that says, "We cut taxes. It's going to solve all the problems."

The human capital is where it's at. Sustainable development is about people development and not just for businesses.

Mr Marchese: I am happy to speak to Bill 45. I'm happy to welcome the Ontario citizens to this public debate, this Ontario public political forum. It's 9:12. We've got 20 minutes left and then you can go back to your regular lives. This is a good program. It's the only opportunity most people get to be consulted. The only consultation people get is this political program because the government doesn't consult any more, because, you see, "Democracy is such a waste of time," right? You got elected in 1999 and you can do what you want. Democracy happens every four or five years. There is no consultation any more. The only consultation you get, good public listeners, both taxpayers and citizens alike, is this debate.

I know you've got to sit through a whole lot of boring speeches. I know that. It's not my fault. But I've got to say to you, I'm participating and I know you're participating with me as we debate these issues. You know, good citizens and good taxpayers—because there are a lot of good taxpayers out there and a whole lot of good citizens—that I have excoriated this government on the tax cuts and have flagellated these people from one end of the room to the other, but they don't listen, they just don't listen. They say, "Oh, tax cuts, are you kidding? Look at all the jobs we have created with this tax cut. All these young people, middle-aged people, women, men—jobs galore because of the tax cut."

They are very hush about the American economy. You don't know how they quake in their little boots at the notion that this poor American economy could somehow dwindle a little bit and fade away. I've got to tell you, they're really worried, these Tories, because in the last month or two they haven't spoken very much about the tax cuts. They've been so preoccupied about the American economy going down because then they would have to admit that we are so dependent on the Americans, that it was they who contributed the wealth of our economy and not their tax cuts. So God bless that this economy should continue because they can continue to say, "Jobs

equal tax cuts." But if that economy in the US sinks a little more than it has, we in Ontario inevitably, as we are so closely interlinked with each other, would fall with the big elephant. We would fall down.

What would this government and the member for Durham say then? What would he say then? He would still say, "Tax cuts create jobs," as he crumbles to the ground with the weight of the American economy going down. "Tax cuts create jobs," the member from Durham would say. Can you picture him as he plays Atlas, trying to hold the world up with the tax cut kind of politics? I can see that world just crushing him with the weight. Poor John, member from Durham. I can just see him; he's disappearing.

Speaker and good citizens, I have excoriated these people in a way I believe you understand, because I don't believe in tax cuts; I don't, while I know that many of you do.

I have asked you repeatedly in this House, first, "Have you seen the benefits of the tax cuts in your pocket?" and second, "Have you seen the benefits of the tax cuts as they relate to social or cultural life? Have you seen them?" I know that you have not seen any of those benefits. I know that 50% of you working Ontarians earn less than \$30,000, and what do you get back from this tax cut, this—eventually—\$12 billion—

Mr Murdoch: They don't pay tax.

Mr Marchese: "They don't pay anything, so they don't get anything back." Is that what you're saying? So, 50% of Ontarians don't pay any taxes, therefore they don't get any tax cuts back. Who gets it?

Mr Murdoch: Now you've got it right.

Mr Marchese: Billy, hold on, because I've got the floor. If 50% don't get anything because they don't pay any taxes, who gets it? The poor working man and woman doesn't get it. Once again it is the ones who earn the big bucks: the corporate welfare bums, the bankers.

Mr Murdoch: All the people who employ those people.

Mr Marchese: I'm looking at you, Mr Former Banker. Yes, you.

Mr Murdoch: You need someone to employ those people.

Mr Marchese: Billy, hold on, please. I've got the floor. Do engage me from time to time, but not every second.

Some \$12 billion taken out of our economy, out of our provincial coffers, for what? To please whom except that very special interest group that is so closely leeching to their bodies that they refuse to disappear. You've got to burn that leech from your arm, from your head, from your body, but it is not going to go away, that very special interest group that leeches and drills inside your body and controls your mind.

Those poor bankers are so unhappy because they can never make enough money, so they come to the Conservative bankers in the ranks—we've got one in this Conservative caucus—and they say, "We need more." Because this government says, "We don't make money,"

I say to you good citizens, but they collect money from the taxpayers. Whom do you give it to? You collect it and you give it back to the wealthy. Why would you do that? What kind of a government exists to satisfy the needs of the very wealthy?

You're either there as a government or you're not. But you shouldn't be there to satisfy the predatory—

Interjections.

Mr Marchese: —yes, they are predatory—those moneyed needs of these few special interest friends of yours who can never get enough from you, because they want more and more. No matter how much you reduce their taxes, they say, “It's not enough.”

Hon Rob Sampson (Minister of Correctional Services): Are you talking about Buzz?

Mr Marchese: I'm talking about you, Mr Banker. Mr Sampson, I'm talking about you, member for Mississauga Centre.

Hon Mr Sampson: What happened to Buzz?

Mr Marchese: He's not a banker; you are. The problem with you guys is that you listen to these leeches, these corporate welfare bums who can never get enough from you. They're saying, “The only way to create jobs is, of course, to continue to cut our corporate taxes.” Until when? Until they pay no more? Is that it, member for Mississauga Centre, former banker? Is that what it's all about, so you eliminate taxes altogether from the corporate sector? What kind of society do we have then? Who pays taxes then? If the corporate sector doesn't want to pay any more, who is left to pay?

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Hon Mr Sampson: The way you guys were going, nobody was going to be paying taxes.

Mr Marchese: Nobody is going to pay. You're right. That's why I often refer to this society that has been formulated, constructed by the Tories, as a Darwinian society.

Interjection.

Mr Marchese: Darwinian, a dog-eat-dog kind of world. Survival of the fittest.

Interjection.

Mr Marchese: You are there to support whom? Those who need—

The Deputy Speaker: Order. The member for Etobicoke North will find his seat or find his way out.

The member for Trinity-Spadina.

Mr Marchese: The member for Etobicoke North wasn't so bad. I kind of like John.

Mr John Hastings (Etobicoke North): Always picking on me.

Mr Marchese: It's the Speaker.

I say to myself, what purpose do you serve as a government? Traditionally, governments are there to serve those whom the market fails. You understand that the market isn't there for everybody. Some people fall through the cracks. You understand that, right? It's again Darwinian; the market economy is Darwinian. You do well, and sometimes people do not, so the purpose of government is to control that particular problem. You

offer a safety valve as a government. But you people have forgotten what governments existed for.

In the 1940s, after the Second World War, governments, in order to protect themselves from class war, created a whole lot of social programs as safety valves so that the poor wouldn't battle the very wealthy. We gave them unemployment insurance. We gave them some modest pension—not too much—because you don't want to make people lazy. We gave them the Workers' Compensation Board. Why? Because insurance companies said, “Ha, there's a cheaper way to do it.” We gave them so many social programs. We gave a little welfare to those little people who might otherwise steal, who might otherwise rebel some day and possibly become revolutionary in their fervour to attack those who have and those who do not.

Conservative governments all over the industrial world understood that, but you people are forgetting, and the young ones there are forgetting faster than those who ought not to have forgotten. So both youngies and oldies have forgotten. There is no more collective consciousness, no more collective memory, no historical understanding of why the Conservative governments even of that time understood that you've got to give the little people—the rabble, the working man and woman, those who work hard for a living and get so little back and those who fall through the cracks—a few crumbs so that their revolutionary fervour is tamed, dissipated. That's why it was there, and you people are forgetting.

I've got to tell you, boys and girls, the class war is going to reappear, because inequality has reappeared under you fine people.

Interjection.

Mr Marchese: How lovely it is; isn't it? Class war must be good.

Bill 45 gives \$2.4 billion, or \$4 billion, really—it's within that range—to the corporate sector at a time, member for Etobicoke North, when the corporate sector has done so well, and you guys give them another gift. Why would you do that? They don't need the money. They don't create jobs. In this place I've often said, “Show me the evidence.” Where are the economists who say that the 10 billion bucks you people have put forward are creating the 700,000 jobs that have been created in this economy? Show me the economists. Bring them in this place. Except that they simply say they create jobs; they just say it. You don't have to listen to any other economists; you just have to say it, because by the strange alchemy of the 21st century, we are able to just magically reproduce it.

I've got to tell you, good citizens, the reason why tax cuts have been destructive is because they take money out of our coffers, and in order to make up for 10 to 12—

Mr Dunlop: Are you still babbling about that?

Interjection.

Mr Marchese: Yes, I know. Where's my good buddy here from? Simcoe North, and Oxford. You can't argue with the facts. The member from Simcoe North asks, “Are you still talking about tax cuts?” Yes.

Mr Dunlop: Yes, we are. Revenues are up \$15 billion. Figure it out.

Mr Marchese: Figure what out, member from Simcoe North?

Interjections.

The Deputy Speaker: Order.

Mr Marchese: Figure what out, member from Simcoe North? Get a pencil and do what? Get a pencil and tell you that you've had to devastate our health care system and our education system, where we say that you took out \$2 billion and the minister says, "Oh no, the facts are we put in \$2 billion"? You guys are beautiful, right? You take \$2 billion out. They say, "Uh, uh, we put it in." And those are the facts. Why? Because the member from Simcoe North says, "Those are the facts." He got his calculator out and he said, "There's \$2 billion popped right in." There he goes. What are you talking about, member from Simcoe North?

Mr Dunlop: The revenues are up with the tax cuts. Figure it out.

Mr Marchese: Revenues are up. I said to the member from Simcoe North that he is lucky. We are lucky that the American economy has been good. I know how you laugh at that. You guys always laugh at that.

Hon Mrs Johns: —every American state. How did their—

The Deputy Speaker: OK. The associate Minister of Health may find her way out of here shortly.

Mr Marchese: You understand, good citizens, this is the only dialogue I get with the members, right? There's no other debate. If I don't debate them in this manner, we don't have a debate in this place. You understand. Bills are not debated any longer because, through the fine wisdom of these people, they don't have to consult with

you because they consulted you in 1999. I've got to engage them in this way. It is the only little debate I get from them.

The Speaker understands this, although he's got to control them to some extent. But I've got to do my best to try to squeeze something out of you, because I won't be able to squeeze anything out of the Minister of Education. When I say to the minister, "Minister, we need public hearings," she says, "Blah, blah, blah." What I wanted from the Minister of Education was to say, "Yes." I wanted her to go to the Minister of Finance and say, "Look, you got me into this mess. Now we need hearings."

I feel bad for Janet, I really do, because she had nothing to do with this tax credit. Flaherty, through his arrogance as the Minister of Finance, left Janet Ecker, the Minister of Education, on her own. La pauvre Janet. Toute seule. Abandonnée par le ministre. She's got to defend every day the decision of the Minister of Finance. Every day she's got to circumvent; she's got to circle around questions over and over. She can never answer directly why it is that she said six months ago, "We cannot take \$3 million out of our public system to give it to religious schools." When asked, she doesn't answer that question. I said to the Minister of Education, "You've been quoted. You're on paper. You can't deny what you said." She refuses to say, "You're right, Rosario Marchese."

Interjections.

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

The House adjourned at 2130.

LEGISLATIVE ASSEMBLY OF ONTARIO
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Clerk Assistant / Greffière adjointe: Deborah Deller

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		York West / -Ouest	Sergio, Mario (L)
		Vaughan-King-Aurora	Vacant

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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Michael Bryant, Carl DeFaria,
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Caroline Di Cocco, Jean-Marc Lalonde,
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