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**Official Report  
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**Journal  
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**Monday 26 November 2001**

**Lundi 26 novembre 2001**

Speaker  
Honourable Gary Carr

Président  
L'honorable Gary Carr

Clerk  
Claude L. DesRosiers

Greffier  
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LEGISLATIVE ASSEMBLY  
OF ONTARIO

Monday 26 November 2001

ASSEMBLÉE LÉGISLATIVE  
DE L'ONTARIO

Lundi 26 novembre 2001

*The House met at 1845.*

ORDERS OF THE DAY

RESPONSIBLE CHOICES FOR GROWTH  
AND FISCAL RESPONSIBILITY ACT  
(BUDGET MEASURES), 2001

LOI DE 2001 SUR DES CHOIX RÉFLÉCHIS  
FAVORISANT LA CROISSANCE  
ET LA RESPONSABILITÉ FINANCIÈRE  
(MESURES BUDGÉTAIRES)

Resuming the debate adjourned on November 21, 2001, on the motion for second reading of Bill 127, An Act to implement measures contained in the Budget and to implement other initiatives of the Government / Projet de loi 127, Loi mettant en oeuvre certaines mesures énoncées dans le budget de 2001 ainsi que d'autres initiatives du gouvernement.

**The Acting Speaker (Mr Ted Arnott):** I recognize the member for Hamilton West, who had the floor when we were last dealing with this.

**Mr David Christopherson (Hamilton West):** Thank you very much, Mr Speaker. At the outset, let me thank you for taking the time from your House duty to assume the chair for me this evening so I may continue the lead-off speech for my caucus. I appreciate it.

I want to touch on one matter I forget to mention that relates to what I spoke to last time. I spoke to you at great length about Tommy Douglas the last time I spoke. One of the most important things that I think would resonate, particularly with the government members, in addition to all the other things I bragged about, because those of us in the NDP like to feel we have some priority connection with Tommy, is one of the things he did the whole 16 years he was Premier.

In addition to waiting until the very end of his term, about the 15th year, to introduce universal health care, to ensure that it could be afforded and that it would lay down strong roots and not be blown away, like a lot of the policies we brought in from 1990 to 1995 were when you rolled in—I mentioned it was a lesson we should have learned and didn't—he waited that long so that he had the groundwork done, the planning done, so the fiscal climate was such that it would take root and wouldn't, as I say, be blown away by any future right-wing government.

Getting to that point, I would like to bring to the attention of government members the fact that Tommy brought in a balanced budget every year.

*Interjections.*

**Mr Christopherson:** I hear some of the government members saying "federal government" and "the economic times." No question, you can never compare totally, 100%, apples to apples, when you're going through time. However, the point that I think is significant this evening is that, perhaps not you, but some of your colleagues like to suggest, "That's it. If you're an NDPer you have no interest in and no ability to deal with economics." Yet in addition to the first province in the modern economic era to balance its budget being an NDP province, the history of Tommy Douglas, of the first social democratic government in North America, the person who brought in universal health care, is that he did it in the context of balanced budgets every year.

I think that's significant. I think it says a lot about the history and the tradition of making economics an absolutely central part. Without trying to look at life through rose-coloured glasses, I think that had there been maybe different economic times, there might have been a little different outcome, notwithstanding that we made mistakes. It would have been nice to have had some piece of the 1985 to 1990 boom that happened, or the 1995 to 2000-01 that happened. Just a sliver, a little small percentage of some of that money you guys had rolling in would have been nice. Would it have changed the ultimate outcome? I don't know. But maybe it would have given us a chance to prove that the history of being good fiscal managers, as social democrats, is well earned. But that didn't happen so we'll never be sure.

I see my friend from Oxford furiously making notes, so perhaps in his two-minute response he'll be dealing with this and that will give me a chance to deal with it some more. However, onward.

The bill before us is Bill 127, a massive budget bill containing, by and large, benefits for corporations, but that's become pretty much standard fare with this government with everything they bring in. If you've already got a fair bit of money and if you're already fairly comfortable in this province, you can pretty much bet that any budget bill they introduce is going to be beneficial to you. If you've been, as my friend from Trinity-Spadina likes to say, whacked over the years by this government, you can bet there's a good chance that in a budget bill you're going to get whacked again. Indeed, that's the case.

First of all, just to get this out of the way, this budget also deals with the whole question of the \$100. It finds itself in part XIV and others, but primarily in part XIV of this bill, amendments to the Income Tax Act. Of course, what it's going to do is provide \$100 per qualifying dependant to individuals who are eligible, the eligibility being anything except those who are in the greatest need in Ontario. If you're a family that statistically is in the greatest need in Ontario, you won't qualify for this—meaning, if your family income is derived from the Ontario disability support program, you don't qualify; if your family is receiving social assistance, putting you in the ranks of the poorest of the poor, you don't qualify; and if you're one of the over 29,000 people who recently lost their jobs in the province of Ontario, you don't qualify.

**1850**

The government has used—and they may attempt to use it again in their two-minute responses—the argument that, “Well, there's already a clothing allowance for those on social assistance and this wasn't meant to replace that. This is for people who are modest- and middle-income who have been hit unexpectedly by the severity of the downturn in the economy and is meant to help them get through the cold winter and maybe provide a little light at Christmas.”

Fair enough, as far as it goes. But let me assure government members: if you are a single mom with kids at home and you're eligible for the winter clothing allowance, you already know all about the allowance and you've factored that in and built that into your—if I can use the term—family budget just as much as someone who is of modest or middle income has set their budget on income.

So that doesn't wash. To say that you've already got a program in place that deals with winter clothing doesn't cut it because that's not new. It's not like you say, “OK, to offset the fact that this group of the poorest of the poor children won't receive this \$100, we'll provide this other program and, hey, it's going to provide perhaps a little more.” No, no, no. That program was already in place, and dare I say it was in place when this government came into power because if it wasn't, I doubt very much that they'd be the ones to bring it in.

It doesn't cut it. What it's really all about is providing cover for the rest of this bill and to generate some headlines that aren't about “Corporate Tax Cuts Increased.” I have to say that, in large part, it worked. Certainly the leak—and I'm sure it didn't come from anyone officially, but I'm also sure it came unofficially from the government: the well-placed, well-timed leak; fair enough, it's part of the game—generated the headlines you were hoping and is talked about almost as often and as much as the other things that are in this bill; exactly what you were hoping. But I'm going to tell you it's our job here in the opposition, particularly in the NDP caucus, to call it and to bell the cat. That's what this is all about. This is not about helping families with young children during difficult times, although that will be one of the added

benefits, if you will; maybe one of the few benefits that's there for ordinary folk. It's all about providing cover for everything else that you're doing in here.

I have heard and probably will continue this evening to hear government members talk about, brag about what a wonderfully compassionate government this must be for doing that. It's interesting that in this same bill is the provision for up to \$300 million for tax credits for private schools.

Christina Blizzard, who is, by and large, fairly supportive of this government's agenda—certainly, on average, she's more supportive than not—has a column in the Toronto Sun. On November 21 of this year—and she and I will both be blown away by the fact that I'm quoting her, but there you are—Ms Blizzard says, in part, “The first thing that should go is the education tax credit, which will cost \$300 million when fully implemented. How can you credibly cut any other area of government spending when you're giving tax rebates to people who can afford to put their kids in private schools?”

I want to remind the government members that their Chair of Management Board in the last few days has said that it may be necessary to cut up to \$5 billion. It's interesting, I believe, and I'd like to be corrected by someone if I'm wrong, that one of the leadership candidates for the Tory caucus and ultimately the premiership of this province today said—in the name of Chris Stockwell, when he announced, the Minister of Labour—that he didn't think it was such a good idea to be doing tax cuts when it looks like you're going to run a deficit. But this bill is all about keeping the tax cuts, accelerating them from January 1 up to October 1. Somehow that's supposed to help ordinary people deal with the September 11 disaster and the further economic recession, quite frankly, that it has pushed us into. But there you are. There's one of the ministers of the crown finally being released from the shackles of the mantra, acknowledging that the notion of having tax cuts at a time when it looks like you're going to run a deficit makes no sense, especially when it looks like the way you're going to achieve the balanced budget is by cutting \$5 billion.

But back to Christina. She goes on to say, “The Tories cannot cut so much as a blackboard eraser in the public system so long as they're paying for children in private schools.” Pretty telling. It's going to be interesting to see where we are on this issue depending on who wins the leadership race. Certainly our old friend Ernie seems to have some different ideas from Mr Flaherty about how the government should move forward on that. Time will tell.

I'd like now to just make reference, because it provides me with a nice segue, actually, to a couple of issues that were raised by members of the government who spoke in the leadoff debate for the government.

One of the things that was said by the member from Parry Sound-Muskoka—and I wrote it down, so if it's not a direct quote from Hansard, I apologize, but I'm sure it's a very close paraphrase—was that one of things this budget's going to do is “put more money in pockets

during these difficult times.” I thought that was an interesting thing to say, given that our leader and our caucus, the NDP caucus, had been promoting the idea that if you’re going to have some kind of tax cut and if you want to really respond to what happened on September 11 and the recession we’re heading into, why not take three months and have a holiday on the provincial sales tax? It twigged me because the member talked about putting money in pockets. Let me tell you, there’s not very much money going in very many individuals’ pockets as a percentage of the population in this budget bill we’re debating this evening, but there’s a lot of money to be found in the pockets of consumers if you have a sales tax holiday.

They wouldn’t do it. They wouldn’t do it for a couple of reasons. One, they wouldn’t even think about it because it was an economic idea that came from the NDP and that alone is enough to have it die of neglect as an idea. But I think also they are not prepared to do anything that diverts the billions of dollars that they have earmarked to go into corporate coffers, and this might have gotten in the way of that.

#### 1900

It has been acknowledged that the only thing that has kept and is currently keeping the US and Canadian economies going is consumer spending. We see that the numbers are starting to come in now from what happened after September 11, where consumer spending just dried up totally. Without that spending there was nothing happening in the economy, because elsewhere in the economy people were pulling back, corporations were pulling back, investors were pulling back, everybody was pulling back. And why not? A lot of the capital wealth across North America had gone into the ditch with the stock market. I can’t call it a crash, but it sure stumbled and fell badly.

What we offered was something that made some sense. If we want to keep people shopping and spending, to keep the economy going, to keep jobs in demand, then why not take action that’s going to put the most amount of money in the greatest number of people’s pockets? That sounds an awful lot to me like common sense, and certainly that’s what the auto industry was doing with their 0% interest rate on loans to buy new cars. The finance minister said, “I don’t want to do that because all it does is take sales from next year and pull them forward and then those sales that were going to happen in January, February and March will have already happened and they won’t be there.”

If it’s such a bad idea, why did the auto industry make decisions to spend billions of dollars in lost profits to have people spending now? Why? Because the notion of sitting around and waiting while everything’s going into the ditch and waiting for the new year to come and find yourself standing in January, February or March wishing and praying and hoping that people will go out and spend money made no sense. And do you know what? It worked: record numbers of auto sales in the last couple of months. It is going to cost them some jobs into the

new year. I’m assuming they’ve got other plans as to how they’re going to offset that and that one step will be followed by the next step, and that they aren’t just sitting down hoping and praying.

That’s what you’re doing. You haven’t even taken the first step. You’ve got no step, nothing. Think about it: all that happened in the world and in the economy in September and October and into November, and the only thing you’ve done is increase corporate tax cuts that were supposed to take effect January 1 and move them up to October 1. Big deal. A big deal to those folks who are part of the formulas and calculations in this bill, but not a big deal to the vast majority of the population, who see nothing being done by their provincial government except, in order to preserve the almighty balanced budget, which is more important in their minds than anything—although again I remember, government members, that if you hadn’t done the tax increases you would have had a balanced budget years before you did, if you hadn’t given away billions of dollars in revenue, notwithstanding—I see the member for Simcoe North furiously writing.

I know you’re going to stand up and give me this nonsense that tax cuts generated all the economic boom. What a load of hogwash. The tax cuts—

*Interjections.*

**The Acting Speaker:** Order.

**Mr Christopherson:** The tax cuts in Ontario had absolutely nothing to do with the decision that people made all across the United States of America to buy new cars, which was where the real demand was, which was why our auto industry was operating at full speed-plus, which was why there were jobs and why there was profit in this province. That’s why it happened. Don’t forget the authors of that brilliant line that you’re about to stand up and spew very shortly are the same folks who said, “If we do the tax cuts and take the pain earlier on”—the last few years—“we will never be in recession. You just follow us and you won’t have recession.”

*Interjections.*

**The Acting Speaker:** I would ask the government members to come to order. The member for Hamilton West has the floor. The government members will have an opportunity to participate later on.

**Mr Christopherson:** Thank you, Speaker. My friend from Sudbury says they just can’t handle the truth, and I guess that’s got to be it. The fact of the matter is that if you had that much control over the economy, then why aren’t we seeing your word being true, and that is, there wouldn’t be a recession if we took all those tax measures. Those tax cuts were going to do everything: boom the economy, create jobs, make us all happy and prevent this province from slipping into recession. Well, guess what? We’re in recession big time and we’re losing jobs, thousands at a time, and this bill is not going to change that one bit, except that because you’ve got \$2 billion of expenditures in here—over \$2 billion—the \$5-billion nightmare scenario that your Chair of Management Board has raised could indeed happen. Now we are talking about something that’s going to affect a lot of people.

There was a leaked document just the other day that suggested the government was looking at cutting by 40% the amount of money that they now budget for regulated child care and family resource programs. There was a huge outcry, led in this House by the NDP caucus. But people out in the community who deal with these programs, both recipients and workers who are involved in them, couldn't believe that there was even such an idea on government paper because of the absolute devastation. If you pulled 40% of the funding for child care—remember, they're the ones you're supposed to care so much about with your \$100, except you forgot to take care of the poorest kids in the province—40% of the funding for kids and families would devastate the ability of the remaining 60% to do what it's supposed to do.

So far, the Minister of Community and Social Services seems to have backpedalled, but I worry that if he's backpedalled on that front it's not because he's changed his mind about agreeing to cut money in his ministry, but rather he got caught out on that one and now he's looking elsewhere in other areas to go and find that money. When we think about the damage that a cut like that could do, I want everybody who's watching this and the government members to keep in mind that that 40% cut in funding represents \$200 million. That's a lot of money. But the total amount of money to be cut from this budget, as suggested by the budget chief for the government, is \$5 billion; \$200 million still leaves \$4.8 billion to come out.

I see it's upsetting some of the government members, because they just can't believe that anybody, especially in the third party, would have the temerity to challenge their brilliance when it comes to managing the economy of Ontario: "How dare they question how we run things?" It's like we pulled back the curtain and there's that little guy with the wheels and the levers and everything going on, and suddenly they got caught out, because you told us we wouldn't be in these times if you were followed. Well, you were followed, reluctantly, and here we are in recession, losing tens of thousands of jobs, and you're going to cut billions of dollars more in public spending. How the hell is that supposed to make a better Ontario? It makes a small number of people a lot richer and I'll bet they're a lot happier in Ontario. I can't imagine why they wouldn't be. But for the vast majority of people there's no win in this. For the government members, because it's the third party raising this, as I've said, it's got to be our not knowing what we're talking about.

**1910**

Let me just introduce one more opinion on this. On November 21 there was an editorial in the *Hamilton Spectator*, by and large, self-admittedly, supportive of the government's program—with exceptions. This is one of those exceptions and it's a rather crucial time in our history, Speaker, wouldn't you say? The headline of the editorial says, and I especially draw it to the attention of the member from Simcoe North who seems to be leading the chorus of outcries here this evening: "Tax Breaks Must Be Stalled as Well as Spending Hikes." I won't

read the whole thing, because I've only got 10 minutes left, but in part they say:

"If Finance Minister Jim Flaherty has his way, plans to reduce corporate taxes and offer a tax credit to parents whose children attend private schools will proceed regardless of the extra strain on next year's budget. Seemingly more concerned about offering tax breaks than safeguarding services, he's ordering every ministry to tighten its belt.

Further, "Why is the government adding to its fiscal woes with more tax cuts? The corporate tax breaks will cost \$2.2 billion a year when fully implemented by 2005, while the private school tax credit will ultimately drain revenues by at least another \$300 million a year. It would be prudent to postpone, if not scrap, both measures.

"Flaherty's concern about returning to a deficit should not be taken lightly, but the cure threatens to be worse than the disease. The Tories face a hard task in convincing people that health, education and the environment have not eroded under their watch. They can ill afford to risk further cutbacks in those areas while treating tax reductions as sacred. The government also needs to worry about the damage to a fragile economy entailed by a \$5-billion spending cut."

Mr McNulty, who is the author of this editorial, ends it by saying on behalf of the editorial board, "Is Flaherty using the economic downturn as an excuse to subject Ontario to a neo-conservative double whammy of program cuts and lower taxes? If so, the cabinet voices who don't share his agenda should draw a line in the sand before it's too late."

I want to say to the member from Simcoe North that if he's one of the members who responds—if my calculations are right, you'll get two two-minute responses—I want you to bear in mind that it's not just the NDP. You can't stand up and try your stereotyping answer this time around. It's not just us; there are a whole lot of people in this province.

As a matter of fact, in the *Globe and Mail* on November 22, we have Don Drummond, who is the chief economist of the Toronto-Dominion Bank, talking about the fact that any stimulus the federal government may inject could be negatively offset by the spending cuts you're proposing. As most of you should know, when you cut spending, while it's good for your bottom line, there is a drag on the economy, on the economic activity. There is a negative impact. That's why I believe the *Hamilton Spectator* editorial has talked about the double whammy of what it means to the government, to the coffers and the economy to see a double whammy of tax cuts, which affect services, and cutting spending, which not only cuts services but puts an economic drag on the economy.

Now we have the chief economist, Mr Drummond, from the Toronto Dominion Bank, and I'll read the quotes just to put them on the record: "... for any net stimulus overall from the government sector, because anything that happens at the federal level is going to be offset at the provincial level. You're seeing this play out right across the country. I'm not so sure it's a great time

to actively withdraw all that spending." The plot thickens.

I say to my friend from Simcoe North, it's no longer the way you want the world to be: the NDP all alone by itself, speaking in the darkness, and you over there with all the shining light and wisdom of the ages past to pronounce how things will be. No, it's not quite that way at all. In fact, it may indeed be turning to quite the opposite, where you're left all alone defending your hard-right ideological agenda in the face of experts and the common sense of most people. Politics, making for interesting bedfellows, also brings into this, to complicate it even further, that the Canadian Centre for Policy Alternatives has suggested that Ottawa introduce an \$11-billion stimulus package for this fiscal year. So far, the right, the left and the middle are saying you're wrong, and you're all alone.

Now, you have the one argument that Tories like best. And with a majority government, you get to exercise it. What's the thing they like best? Might makes right. You have the might to pass through this bill tonight, and every other measure that you want. You have the power and the might to implement the \$5 billion in tax cuts, but it is not going to be positive for this province and you are not enjoying the support of the entire economic spectrum when you do that. Indeed, quite the opposite. There is quite an alliance of people—dare I use that term?—who are rallying around the argument that your approach is absolutely dead wrong. It worked for your politics. I'm sure that the people who are cutting the cheques or nudging the treasurers of certain boards of directors to cut cheques to the leadership hopefuls are all very happy. But for the overwhelming number of working middle-class people, and certainly those that are in poverty, you're doing nothing except making it worse. It's hard to believe that things could get worse under these guys, but that's exactly where we are, given your continuing blinkered approach and the way the world has changed around you.

In the moments that I have left, I want to touch on at least one other item that's in the bill. By the way, just before I do that, one of the members also talked about—I thought this was important—the fact that small business, they said, is "more important than ever." The word they used was that small business is "vital" to the economy. I see some of the government members nodding their heads like the little doggy in the car, doing what they should do, yes, that's right. But there again, words, action. Those were words; what are the actions? Myself, the member for Hamilton Mountain, the member for Kitchener Centre and certainly the member for Sault Ste Marie have raised and tried to make an issue out of what's happening to the Grand and Toy owners, the franchise owners. I won't be putting you on the spot. But you did raise it, and I give you full marks for doing that. There was an opportunity, ministers here tonight, to do something about it. Does it involve retroactive legislation? How much legislation now could help this situation? I don't know. I'd want to hear from the lawyers

too. There may be very little, but I'll tell you, they should have had a lot more encouragement from this government, when the crunch was on for small business, to say, "Yes, we know that you're getting screwed here, and you're getting screwed by a big corporation that's winning. And, yes, we knew it could happen because we were warned by Mr Tony Martin and others during the hearings on the bill that's in place now that this could happen, but we're going to do what we can to fix it." None of that happened. The best the minister said was, "Well, if there are things that need to happen, we'll maybe take a look at it."

#### 1920

Well, they are happening. These people are losing their jobs. They're losing their life savings. They are terrified. How would you like to have your business taken out from under you on January 1 in the kind of economy we've got right now? That's small business. Where were you? Where are you? Just words.

The last thing I want to raise, in the one minute and 35 seconds I have left, is that one of the members referred to it as repatriation of GO Transit. Somebody is getting well paid, and deservedly so. They went on to say, "It showed leadership to have that in here, that we were taking it over," and it was going to be a benefit—you should have heard them: it was a benefit to public transit; it was a benefit to the economy; it was a benefit to the environment. It was such a wonderful idea, you wonder why you did it in the first place.

How about just a little bit of humility, a little bit of mea culpa, a little bit of, "We screwed up. We heard from municipalities, we took another look at it and we decided we made a mistake"? No. No such utterance could come from this government because, frankly, I think they're just too collectively arrogant. The truth is, you did screw up big time on GO and a lot of the other things you're downloading on to municipalities. You've been told about it over and over.

There's a major series in the Hamilton Spectator about what they're finding in the restaurants. I know we went through this in Toronto. One of the reasons there haven't been the number of inspections in restaurants that there should have been in the past was because our council was trying to deal with all the downloading.

Why don't you admit that it's not just GO Transit? There's a whole host of issues you have downloaded and underfunded that is putting tremendous pressure on municipal government, and we know how close they are to the quality of life of all our citizens.

**The Acting Speaker:** Questions and comments?

**Mr Garfield Dunlop (Simcoe North):** It's always a pleasure to listen to my colleague from Hamilton West. I'll tell you, that was a lesson. We just got a real lesson tonight from the NDP. I think that's the most astounding argument I have ever heard put forth by any opposition party that I've seen here this evening. It's astounding. It's absolutely unbelievable, some of the things that came out of his mouth tonight.

“Tax cuts and cuts in spending put a drag on the economy.” I know what he would rather have said. Let’s listen to what they did. They increased taxes, they increased spending and they drove this province into the worst condition it’s ever been in in the history of the province. There was an \$11.5-billion deficit in 1995.

How can you possibly stand over there and complain about someone like Minister Flaherty—who, by the way, would make an excellent Premier, as would any of the five. I know you don’t want to hear that. The man’s trying to balance the budget. He’s trying to operate this province like a business. Is there anything wrong with that? We’ve seen how you operated it: a joke. You destroyed the province. And you stand here tonight and talk about his policies.

You know what you didn’t say tonight? You never mentioned September 11 once.

**Mr Christopherson:** Yes, I did.

**Mr Dunlop:** You did not.

**Mr Christopherson:** I did.

**Mr Dunlop:** Well, Hansard will say that. I tried to listen to you for as long as I could possibly stand it and I didn’t hear September 11. But you never had a September 11. You had a fairly decent economy and you still drove the province into the worst shape in its entire history. It’ll be interesting to hear the other comments tonight, but I hope everyone in the province understands Minister Flaherty and why we support Bill 127.

Mr Speaker, I think you’re doing an excellent job here tonight. I hope you can stay here for the rest of the evening because I think someone else might kick us out later on if that’s the case.

**Mr Michael Gravelle (Thunder Bay-Superior North):** I’m very happy to comment on the member for Hamilton West’s remarks. He certainly does speak passionately and with great vigour about a number of issues. It’s difficult for you to deny, it seems to me, that he made some really important points. The fact is that this government’s determination to forge ahead with tax cuts, and in particular right now the corporate tax cut agenda, is pretty astonishing. He told the truth. It’s pretty astonishing in light of everything that’s going on that there would be still this determination, when it’s very clear that we’re going through a recessionary period, that we may be in really great trouble.

What’s interesting is that this bill was introduced just before the economic statement, and at that time we were talking about the potential of a \$1.5-billion or a \$2-billion deficit, and within 10 days or two weeks after that, suddenly the Management Board Chair, Mr Tsubouchi, was talking about \$5 billion. Yet there has been no adjustment at all. All we’ve seen here on this side of the House—and may I say the Conservative members have seen it as well—is an extraordinary brutal cutback of the home care sector in our province, which is just devastating people all across the province. The fact is, as long as you’re going to hang on to your tax cut agenda in terms of the corporate tax cuts, I guess you can’t afford

to provide the home care that you need to provide. Those are the issues people care about.

I see the minister shaking his head, but the fact is, it’s very hard to argue against the need for more home care support. It’s very hard to argue against something that is actually saving—

*Interjection.*

**Mr Gravelle:** That’s it, the lame duck Premier. That’s right. Absolutely. Shaking his head. It’s just so upsetting to all of us.

So I want to compliment the member for Hamilton West. He told the truth and he made the government members deal with it. They don’t like to hear it. I know the member for Simcoe North was very upset about it, but the fact is you’re not dealing with reality yourselves and you need to do that. You need to understand we want our home care support returned to where it should be.

**Mr Gilles Bisson (Timmins-James Bay):** I want to congratulate our critic on finance for what was a great speech, and I’ll tell you why. I was just so pleased to see how agitated the member from Simcoe North was. I thought to myself, obviously our finance critic, Mr Christopherson, made some excellent points because on the government side of the House they were quite agitated. When they’re agitated, that tells me you hit a button.

The member is perfectly right. It makes absolutely no sense for the government to go ahead with a corporate tax cut that’s going to mean the province of Ontario is going to lose \$2.4 billion in revenue at the very time we’re heading into this recession. It makes no sense.

Now the government is saying that because we’re going into a recession and because we’ve got some problems with revenue, we’re going to have to go in and cut program spending by 5% across all line ministries, including health care and education. I say to the member that our critic for finance, Mr Christopherson, is 100% right. He’s bang on. It makes no sense. It is not responsible for government to move ahead with a corporate tax cut of \$2.4 billion to the wealthiest businesses in this province at the time we’re going into a recession.

You know what is really warming my heart? It’s not just the NDP that’s saying this. We finally have members on the government bench who agree with us. The latest candidate for the Conservative leadership, Mr Stockwell, today agrees with us. Mr Stockwell is saying, to his credit, it makes no sense to give a reduction in taxes of \$2.4 billion to corporations at the time we’re going into a recession. It’s not prudent, it is not fiscally responsible and Mr David Christopherson is 100% right. We should be utilizing that money to make sure we can maintain services that are important to people, and if the economy turns around, and it will, at that point we start thinking about reduction of taxes, not before.

**Mr Wayne Wettlaufer (Kitchener Centre):** It’s really wonderful listening to these ideologues on the other side, and they’re both socialists.

I was in private business. I was that small business person you people were talking about. I used to insure a lot of these small businesses on Main Street, in the malls,

and I heard what they said about your government. Let me tell you, they weren't your friends. You doggone near put them out of business. In fact, in many cases you did put them out of business. I lost 40% of my commercial clientele in the five years you guys were in government. In five years you destroyed 40% of my commercial clientele. And in the five years you guys were in government, I lost 20% of my commercial clientele. You didn't do a doggone thing for small business, so don't you come into the House and start talking about what you've done for small business. You didn't do anything for small business. You did everything you could to ruin it.

*Interjections.*

**The Acting Speaker:** Order. Opposition members, come to order. Kitchener Centre has the floor.

**Mr Wettlaufer:** Thank you, Speaker.

For them to then come along and talk about \$2.4 billion in tax cuts—you don't even have your figures right. It's \$2.2 billion, and it's over five years. It's not next year. Boy, you are out of it. And you guys talk about, "Oh, yeah, we need improved health care." Yes, we do. We need improved health care. Why the heck don't you go to your federal cousins, the Liberals in Ottawa, and ask them to increase their spending to what they were spending in Ontario in 1994? No, you don't have the intestinal fortitude to do that. You guys like to talk out of one side of your mouth and you do something else. That's the Liberal way. You want it both ways. Oh, it's wonderful for Liberals. They can be all things to all people. They can say one thing and do another—

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**The Acting Speaker:** The time is up. The member for Hamilton West has two minutes to reply.

**Mr Christopherson:** I think, based on the performance of the member for Kitchener Centre, that from now on we on this side of the House want what you had for dinner. We want to share.

Let me say to the honourable member that there are two ways to look at his business woes. One of them is the way he described them. The other way to look at it is that the only time your business was in serious trouble was when you were hands-on running it, and when it started to do OK was when you left the business and came here every day. So I think maybe it's you that's the problem, rather than the rest of the world.

Let me say to my friends from Timmins-James Bay and Thunder Bay-Superior North, who both talked about the damage that's going to be done by this, as the Spectator calls it, double whammy of doing the tax cuts at the same time you're going to do all these spending cuts, we're all trying to figure out when we get back the things that you took away from public service as it was. To think about what it's going to take now, with you digging even deeper—it boggles the mind to think of the kind of Ontario you're creating.

Let me say to the member for Simcoe North, first of all, I'm relying on your traditional personality and performance in this House to provide me with the opportunity to throw you out, as opposed to me suddenly

becoming very biased and unfair. But I would say to him that if he checks the Hansard, I think he will find that I did make reference to it. The reason I didn't emphasize it as much as you would like is for the very reason I think you raised it. I think you want to use September 11 as a scapegoat. You want to say, "September 11, something extraordinary, beyond our expectations, happened, and that's why we're here." That's not the case. The economy was already going into the ditch. That just made things a whole lot worse.

**The Acting Speaker:** Further debate?

**Mr Ernie Hardeman (Oxford):** I'm pleased to rise today in support of Bill 127, the Responsible Choices for Growth and Fiscal Responsibility Act. I want to assure you, Mr Speaker, that because of not having been to my medical practitioner in recent weeks and having my blood pressure checked, I will not be performing as some of the other presenters have this evening, at the risk of having to be carried out. It seems the debate is getting rather lively, and although it's very interesting, it's not much more productive than doing it in a quiet manner, to say the least.

Furthermore, the member opposite, in speaking to my colleague from Simcoe North—we all may get picked on if the time arises, so I will be very quiet and dignified in my presentation.

We all recognize the impacts and the effects of the events of the last few months, not only in Ontario and in Canada but indeed around the world. I think it's very important that we commend the Minister of Finance, the Honourable Jim Flaherty, for bringing in the economic statement to tell us where the finances and the economy of the province are at and what he deems the appropriate things to do in order to keep a strong economy and create jobs and generate enough money to fund all the infrastructure and the things that we need in our society, such as health care and education.

It is important now more than ever for the government to provide stability, to ensure confidence not only in consumers but in the businesses that provide the goods and services that we all want and need. The initiatives in this bill are an essential step forward in that goal. The most obvious, of course, is the acceleration of the promised corporate and personal income tax cuts. This will take tax reductions that were to be implemented on January 1, 2002, and implement them starting October 1, 2001.

Reducing the lowest personal income tax rate to 6.05% and the middle personal income tax rate to 9.15% means more money in consumers' pockets to spend as they see fit, which, Mr Speaker, you will know will help our economy. Cuts made to Ontario's personal income tax have already removed 325,000 lower-income earners from Ontario's income tax rolls since 1995. Nonetheless, we understand that an economic slowdown can be particularly hard on low- and middle-income working families with young children. The bill proposes to provide eligible families with \$100 for each child under the age of seven as a tax-free, one-time payment to help offset

costs, to help them do what they do best: care for their children. It's the responsible thing to do.

Also, reducing the general corporate income tax rate to 12.5%, the rate on income from manufacturing and processing, mining, logging, and farming and fishing to 11%, small business rates to 6%, and the surtax rate to 4.333%, along with the \$5-million deduction from paid-up capital for all corporations for capital tax purposes, means that Ontario businesses are in a better position in the downturn economy they are currently experiencing. That will put \$116 million primarily into the pockets of small and medium-sized businesses.

I know the Leader of the Opposition and in fact the opposition party in total think that we should cancel these promised tax cuts. I can presume from that, since they have voted against every tax reduction that we've had in the province since 1995, they would suggest that we should put all that back and increase taxes to where they would have been if none of those tax cuts had taken place. He says that he supports Ontario's working families and that these cuts would be detrimental to them, but I can assure the members opposite that the tax cuts have been beneficial to all the people of Ontario. Perhaps they could explain to the people of Ontario where they think working families earn their income. If businesses can't grow and hire more employees, or have to downsize or even close their doors because of the fiscal situation, how are these people supposed to work and support their families? We have just recently seen that happen in my community, where a plant closed, and it's devastating to those people who work there.

This government believes the best way to help working families is to ensure that they have a job. To do that, we must ensure that the business community in Ontario is vibrant and competitive. We must provide an environment that encourages new businesses to invest here and existing businesses to grow.

This bill also deals with some other areas that are necessary to encourage growth and prosperity in Ontario. Investment in infrastructure sustains our quality of life. It helps keep our economy stable and provides the basis for future economic growth. I'd like to address the strong commitment our government has made to the infrastructure in Ontario and to explain the important measures included in this bill that would go far in supporting these commitments.

Our government created the Ontario SuperBuild Corp to provide the kind of visionary, leading-edge thinking needed to meet the infrastructure challenges of the 21st century. SuperBuild's mandate is to plan for the province's long-term capital needs and to make strategic investments and developments.

In 1999's Blueprint, we told the people of Ontario as we went door to door that we were going to create just such a body. In fact, we said it would be a body that would generate and build \$20 billion worth of infrastructure over the term of the next government if we were to be given the opportunity to be that government, and we are moving along in that.

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As I said, the government has committed to a five-year investment of \$20 billion in infrastructure through the Ontario SuperBuild Corp, including \$10 billion of partner contributions. This is the biggest infrastructure building program in the history of Ontario. SuperBuild is investing in the essential infrastructure we use every day: transit systems, hospitals, colleges and universities, and water treatment facilities. By the end of this fiscal year, the government will have invested nearly \$9 billion through the SuperBuild Corp and committed further funding to municipal infrastructure. Through public and private sector partnerships, the total investment by the year-end will be over \$13 billion. This infrastructure is needed to create jobs and to maintain our prosperity and improve our quality of life. But the provincial government cannot do this alone. We are relying on partnerships that help produce the right infrastructure where and when we need it.

SuperBuild's projects help ensure that Ontario's infrastructure investment commitments will position the province for long-term economic success. Rebuilding and expanding the province's transportation system is one of the government's key capital investment priorities. Ontario's economy has grown so quickly in the past six years that highway congestion has become a problem, especially in large urban centres and on major trade routes. I'm sure, Mr Speaker, you and I travel the same stretch of the 401 coming here to Queen's Park. If you do not pick the exact right time to come, like somewhere in the middle of the night, it takes twice as long to get here as it would when you did take the middle of the night.

### *Interjection.*

**Mr Hardeman:** No, we don't get to travel through Hamilton. We take the other route; it's not quite as busy.

To keep the people and goods moving freely and to meet Ontario's Smart Growth objectives, the government committed to a balanced strategic approach to unlocking gridlock through our major SuperBuild investments over the next 10 years. This approach will include a balance of investments in both highway and transit. Last September, our government announced a bold 10-year, \$3.25-billion provincial transit investment plan. Partnerships with the federal government and municipalities will be encouraged to reach a \$9-billion total investment target.

The province's transit investment plan is made up of three key components.

First is providing up to \$1.5 billion over 10 years to support new computer rail, light rail and bus transitway expansion in the Golden Horseshoe and in Ontario's large cities. This commitment builds on the \$250-million Golden Horseshoe transit investment partnership initiative announced in the 2001 budget.

Second, we are committing approximately \$750 million over 10 years to support one third of municipal transit fleet replacement costs. The Minister of Transportation is consulting with municipalities to identify transit replacement funding needs and allocations.

Third is taking back provincial responsibility for GO Transit base capital funding and operations effective January 1, 2002. The GTA municipalities will be encouraged to reinvest their \$100 million per year savings back into their local and regional transit priorities.

If passed, the Responsible Choices for Growth and Fiscal Responsibility Act, 2001, would legislate our commitment to run GO Transit so that come January 1, 2002, we would indeed be in a position to relieve municipalities of this financial responsibility.

We want to make good on our 2001 budget promise to address traffic gridlock and protect the environment through improvements in transit services. The bold new transit plan we announced in September of this year will keep Ontario's people moving quickly, safely and efficiently. By investing in transit, the Ontario government is helping people spend less time stuck in traffic and more time where it really counts: at home with their families. Now is the time to start putting this plan in place.

In addition to providing support to transit systems, the province has also committed \$10 billion over the next 10 years for highways to ensure the highway system will be able to serve a growing population and economy. A strong transit and transportation system is essential to improve the quality of life and ensure the economic competitiveness of Ontario's businesses. The province needs 21st-century infrastructure that can deliver 21st-century services—all services, but particularly services important to the people of Ontario, like health care. Since 1996-97, Ontario has invested \$2.2 billion to modernize and upgrade hospitals in 22 communities across the province, including \$1.4 billion in SuperBuild investments.

Together with the contribution of our partners, this multi-year investment will provide over \$3 billion in new hospital construction and renovation. Many of these projects are currently underway or will start in the near future, including Hotel-Dieu Grace Hospital in Windsor. We invested \$52.1 million to support the construction of a new wing, with an expanded emergency room and new diagnostic imaging department. This \$76.6-million project will be completed by late 2002. For the new state-of-the-art Grand River Regional Cancer Centre, SuperBuild provided \$36.7 million in capital funding toward the cost of \$52.5 million. Completion is expected in September 2002.

In the 2000 budget the government announced three major SuperBuild partnership initiatives designed to strengthen the economies and the quality of life in communities throughout Ontario. SuperBuild will invest \$1.9 billion toward improvements in municipal water and sewer systems, roads, bridges, sports, tourism and culture facilities and a variety of other important local projects, including the revitalization of the Toronto waterfront.

The following four strategic investments are recent examples of those initiatives that will enhance the quality of life and ensure the economic competitiveness of Ontario's businesses: a \$70-million provincial contribution toward a package of transportation and tourism investments in the city of Ottawa that will improve access

to business parks, promote local tourism and support the city's Smart Growth plans; \$32 million toward a \$96-million plan that will invest in priority projects to enable the city of London to take advantage of its strategic location on the Highway 401 trade corridor, such as widening Airport Road and the servicing of Skyway Industrial Park; \$13.4 million toward a \$214-million research and technology park located on the campus of the University of Waterloo to provide high-tech firms and research companies with space to grow; and \$6.6 million toward a \$20-million upgrade to the David Street water treatment plant, ensuring that 40,000 residents of Sudbury can count on clean, safe drinking water.

SuperBuild is currently investing at least \$240 million to help small-town and rural centres renew infrastructures and bring their water systems into compliance with the new drinking water standards. The province places a high priority on helping small towns and rural centres protect the health and safety of their residents through essential infrastructure programs. SuperBuild is working with partners what include the federal government, municipalities and private sector investors to ensure the people of Ontario have safe and modern public infrastructure in their communities.

This is only the first round. More funding will be provided to ensure that the municipal drinking water systems comply with the new drinking water protection regulations established last year.

In closing, SuperBuild's investments have helped to renew municipal infrastructure across Ontario. During the coming weeks, the government will be making a series of announcements throughout the province as part of its commitment to fast-track project funding commitments. Announcements of hundreds of SuperBuild projects are being made now, and others will soon be made.

In the coming months, SuperBuild's investment in hospitals, highways, universities, colleges, water treatment plants and other municipal projects will stimulate local economies and provide construction jobs in every area of the province. Furthermore, SuperBuild's publicly funded strategic investments, along with private sector partnerships, will help build Ontario's future together, increasing both the province's quality of life and economic competitiveness.

Right now, we can take a giant step toward fulfilling our commitment to Ontario's transportation needs by supporting the Responsible Choices for Growth and Fiscal Responsibility Act, 2001. The Responsible Choices for Growth and Responsibility Act, 2001, would benefit a broad range of taxpayers of all income levels, all business sectors and all regions of this province.

Other measures proposed in the bill include encouraging the restoration and preservation of heritage buildings by providing property tax relief to owners of heritage properties; providing venture capital for small business by extending the deadline for registration of new community small business investment funds to December 31, 2002; reducing red tape for Ontario's small businesses by allowing businesses with corporate

tax payable of at least \$2,000 and less than \$10,000 to remit their tax instalments quarterly instead of monthly; restoring support for research and development by suspending the R&D super allowance and allowing corporations to exclude from Ontario taxable income the portion of the federal investment tax credit that relates to the Ontario R&D expenditures.

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This government will not surrender the hard-won gains that have restored Ontario to prosperity. This bill will help ensure Ontario remains well-positioned to withstand economic challenges. We intend to stick to the key principles that have guided our economic and fiscal policy since 1995, including a commitment to economic growth to create jobs, fiscal responsibility, making responsible choices, and planning for the future. We intend to stay the course. I thank you very much for allowing me these few moments to speak to the bill.

**The Deputy Speaker (Mr David Christopherson):** It is now time for questions and comments.

**Mr Dominic Agostino (Hamilton East):** What I find interesting about this debate that's happening tonight is that, first of all, I'm a little confused. I'm trying to understand if we're to believe the current finance minister, as he tells us what the state of the economy is in Ontario in the future, or if we're to believe the Chair of Management Board. It's interesting. When we debate this, I'm not sure what credibility we have to give to the numbers of that party.

It's amazing to see this great, once-proud party totally implode and tear itself apart in a leadership race. You have the current Minister of Finance, who a couple of months ago blindsided the Minister of Education, who then was a candidate, with the tax credit. Then you have Ernie Eves announcing, the former minister. Then the current finance minister, who was yet to announce, called Mr Eves a free-spending career politician and then the next day said he was sorry. Then you have Mr Flaherty announcing. He starts sprinting to the middle to try to beat Witmer and Eves to that middle ground, and he talks about a social conscience, which I guess this party has missed the last five years. Then a couple of days later the Chair of Management Board, who is backing Mr Eves, blindsides the current finance minister by talking about a \$5-billion debt.

It gets better. You have the Minister of the Environment announcing, trying to get all warm and fuzzy and make it up with teachers, nurses and all these people they've bashed the last six years. She says she doesn't agree with all the decisions, but she's not quite sure which of the decisions she doesn't agree with. She thinks maybe they've done some things wrong and she's not sure which ones they are. Then you have, today, the Minister of Labour announcing, who says, "Well, maybe we don't need the tax cuts. Maybe we've seen the light and tax cuts in the future are not a good idea, would run up a deficit."

I look at all this and I don't know what to believe any more. You've got five or six positions within this caucus,

you've got cabinet ministers fighting with each other, you've got a party in disarray, you've got an economy that's hurting in this province, and all the Tories are doing is trying to out-muscle, out-manoeuvre each other for this upcoming leadership. The Premier's resignation has thrown this party into chaos and, frankly, in a year and half we're going to take care of that problem no matter who wins that race across the floor.

**Mr Bisson:** I listened intently to my friend Mr Harde-man, the former Minister of Agriculture—I forget his title. He talked about the Tories being fiscally responsible and laid out a great agenda of how responsible they are. I've got to say to myself that I think they need to get back to school and understand what the word "responsible" is. I just want to use one example in the two minutes I have.

The government says—the parliamentary assistant—that it is responsible and it listed in the assembly tonight GO Transit as one of the examples. I remember what happened with GO Transit. It used to be a provincially controlled service that provided transportation services to the people in the greater Toronto area. It was a service that was funded by the province and was run by the province.

The government said in 1996 that it was going to download those services on to the municipalities, so they transferred, they downloaded GO service to the municipalities and basically kicked all the financial responsibilities downwards. At the end what happened was exactly what we in the NDP said: they can't do it on their own and the province itself has to run it. The service has basically been in disarray since it was transferred. They're not able to do the kinds of investments they need to do to provide transportation to the people in the area. So now we're having to upload the service back on to the province. It seems to me that the government goofed when they downloaded it. It wasn't able to do it properly when it got it there and, finally, they're having to go in and take that back. So I say to myself, how responsible are you when it comes to that?

The same thing when it comes to downloading the highways. You've downloaded highways in this province to municipalities, and those highways are no longer maintained to the standard that they need to be to remain the type of infrastructure this province needs to do business.

**Mr Bert Johnson (Perth-Middlesex):** Higher standards.

**Mr Bisson:** I only say a much lower standard. In my constituency I drive more in a week than you guys drive in a year. I can tell you that there is no way in heck that the highways are maintained to the standard to which they were before. They are not. We are having highways closed now because of road conditions, something that we've never seen before. So you're certainly not very responsible when it comes to providing services.

**Mr James J. Bradley (St Catharines):** I did notice that the member forgot to mention that the community care access centres are under great financial stress at this time. I know that in my area the kind of service they were

able to provide just a few months ago is not available today. When some of the people who work for the community care access centre in our area and other areas of the province began to reveal that to the local news media, all of a sudden the government brought in a bill to, in effect, close them down; that is, to mute the criticism by intimidating the people who have been volunteers with community care access centres. So that's one problem that seniors face in our area.

The member also did not mention in his speech the need for increased funding for nursing homes and seniors' homes. I think of one which has served us in our community so very well over the years, called Linhaven. Linhaven has had a residents' council, which is a council that advocates on behalf of the residents who are there. What they're finding is that it's increasingly difficult for the home to provide the kind of services that were once available. I feel bad for seniors, who have given so much to our community, who now find themselves in a very difficult situation. The services aren't there that were once there, and that makes me extremely sad. It's certainly something we need.

Last, I want to touch on the fact that the member was extolling the virtues of the Common Sense Revolution. What he doesn't mention, and I haven't heard anybody on the government side mention, is that by borrowing money for the tax cut, from 1995 to 1999, they ran the province into a debt of some \$22 billion in addition to what it was before they came in.

**The Deputy Speaker:** The member for Simcoe North.

**Mr Dunlop:** Thank you very much, Mr Speaker. It's good to see you back in the chair.

**The Deputy Speaker:** Now you want to be friends.

**Mr Dunlop:** Yes. I want to congratulate my colleague from Oxford for his comments here this evening on Bill 127. I particularly thought it was important that the parliamentary assistant to the Minister of Finance spoke on our SuperBuild investments in the province. I know that a number of municipalities have already seen the benefits of that. I think the investment to date is \$9 billion in the SuperBuild program.

I also congratulate the minister and the staff at the ministries for allowing our colleagues in Ottawa to become involved in some of the SuperBuild projects with the Canada-Ontario infrastructure program. I think those are important things for the province to be involved in, with municipalities and with the federal government.

We don't always get along with the feds. We know that. We know how they're shortchanging all the provinces in Canada on health care. That's a known fact. The fact of the matter is, though, this is a good opportunity. I congratulate Brian Tobin and Minister Flaherty for getting together on this very interesting project and seeing these sewer and water projects completed across our province. Hopefully we can get them involved in some of the recreational projects as well. These are important to the municipalities in our province. It shows a real partnership when you have federal, provincial and municipal governments all involved in programs. There

is only one taxpayer, so we have to do the best we can with those dollars.

Again, I want to congratulate the member, and I look forward to making some comments later on.

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**The Deputy Speaker:** The member for Oxford now has up to two minutes to respond.

**Mr Hardeman:** I want to thank the members from Hamilton East, Timmins-James Bay, St Catharines and my colleague from Simcoe North for their comments, and thank you to the member from Simcoe North for his compliments on making the presentation.

Going through the other three members, I would just point out to the member from Hamilton East that I thought these were comments and questions to the presentation. I noticed that he didn't speak to the presentation at all, so there's really not much help in that.

I want to speak to the member from Timmins-James Bay, who spoke of GO Transit. I had the opportunity to work with municipalities during the time that the transfer was originally made and I just wanted to point out to the member that in the discussions of the realignment of services between provincial and municipal governments, the one thing everyone agreed on at the start of the debate was that transportation issues were better left at the local level, and that's where the program went. A number of highways were transferred to local responsibility and GO Transit was put at the local responsibility, in return for the education tax that was being charged on properties through the municipality to help pay for education. That was moved to the upper tier.

To the member from St Catharines, I just want to say I appreciate the comments about the community care access centre and the nursing home and the needs that arise there and the monies that are needed to fund those services. I can assure the member that we recognize as a government that the only way we can provide those services in our community is by having a strong economy, having people working, by generating money that will pay for those essential services in our community. That's why the proposals and recommendations in the document are that way, to build that strong economy, to make sure we can provide those services that particularly our elderly people have a right to expect from us.

**The Deputy Speaker:** The floor is now open for further debate.

**Mr Dave Levac (Brant):** I appreciate the opportunity and I shall be sharing my time with the member from Kingston and the Islands.

I want to point out to the people who are listening and watching, and to the members on that side, that we're talking about Bill 127, An Act to implement measures contained in the Budget and to implement other initiatives of the Government. Inside that, I would respectfully suggest we are going to take a look at some of the issues outside the budget and even inside the budget that deserve some questions, some analysis and maybe some questions by the public of the government about what they're trying to do.

I will show somewhere down the line that I think delay tactics are now starting to happen in order to get us to the spring and get us over this leadership stuff that's going on, and possibly the hope that, "People will still see September 11 as the only and singular reason we had to do what we've done," while nothing could be further from the truth when we start to talk about the economy that was starting to slide down before September 11. I want to go through some of the issues in the bill and make sure the public is aware of the types of changes that are being proposed by this government.

Let's take a look at part I, the Assessment Act. In the Assessment Act we're going to start taking a look at some changes; and in part II, the Business Corporations Act is going to be changed. The Commodity Futures Act is going to be changed. The Community Small Business Investment Funds Act is going to be changed. The Corporations Tax Act is going to be changed. The Education Act, again, is going to be changed. The Electricity Act is going to be changed again. The Employer Health Tax Act, again, is going to be changed. The Estate Administration Tax Act is going to be changed. The Fuel Tax Act is going to be changed. The Gasoline Tax Act is going to be changed. The GO Transit Act, 2001, and the Greater Toronto Services Board Act are going to be changed. The Highway 407 East Completion Act is going to be changed. The Income Tax Act is going to be changed. The Land Transfer Tax Act is going to be changed. The Mining Tax Act is going to be changed. The Municipal Act is going to be changed. The Municipal Property Assessment Corporation Act is going to be changed. The Ontario Guaranteed Annual Income Act is going to be changed. The Ontario Northland Transportation Commission Act is going to be changed. The Provincial Land Tax Act is going to be changed. The Race Tracks Tax Act is going to be changed—I make a point to you now that I will be coming back to that one specifically, so we can show people who think that casinos are gone that they're coming back to haunt us. The Retail Sales Tax Act is going to be changed. The Securities Act is going to be changed. And the Tobacco Tax Act is going to be changed.

Why did I go through that? Because as much as I would like to say that all of it was positive, there are pieces in that 180-page bill that we had to go through and make out where are they going to be making the changes that are actually going to benefit the people of the province of Ontario, those hardworking families out there who have come to rely on governments to do the right thing—not the political thing, the right thing.

Let me talk about this: the right thing. What we now have is a \$22-billion debt. We have a \$22-billion debt from 1995 to 1999; \$10 billion was actually borrowed to make sure that that debt was added on to. This government stands up to say, "We've done this, and this is fiscal responsibility." We now have a \$22-billion increase in our debt by this government. That translates into a very simple form: \$800 million a year to service that debt. A \$2.2-billion corporate tax cut over five years by this

government is going to solve that problem? Up to \$500 million is going to go to private schools. I tell you, it's very simple to say that there are other choices to be made and they should have been made for the hardworking families of Ontario.

Let's take a look at this omnibus bill that's before us. The bill continues a longstanding Tory trend whereby measures that formerly required statutory amendments can now be altered by regulation with absolutely no scrutiny by the public. They've gone to that little trick they've used since 1995: "Let's make it a regulatory change." This centralizes power into the hands of a minister and removes key regulatory changes from direct legislative oversight.

One of the examples I might give you is the Education Act. I want to read the single sentence in this bill that changes the Education Act. Alarm bells went off immediately because it gets through this little trick that they put on by saying, "We'll never raise taxes without a referendum." Here's the sentence. It's under the heading of Part VI, Education Act, section 65:

"Retroactivity

"(1.2) A regulation made under this section is, if it so provides, effective with reference to a period before it is filed."

What a convoluted way of saying, "We're going to leapfrog over our tax rules. We're going to be able to go backwards in time and start applying the education tax and collect from municipalities money that's already been earmarked in their municipalities to try to protect their citizens." Now they can go backwards in time and pick up that money and say very clearly, "You owe us some more money from taxes that you previously paid."

If you really read this, it says it very clearly. That's retroactivity. They're going to leapfrog over their own tax rules, which they trumpeted as being the most fiscally responsible around. They're going to say, "You can't raise taxes in this province." So what did they do? They found a way to get over it by simply saying, "We're going to apply retroactivity. We're going to be able to go backwards in time and collect taxes from municipalities (a) that have already been collected so (b) we can get some more money out of the municipalities."

The problem is that this government has downloaded that massive problem they've had across our province with our municipalities, which have fiscal responsibilities themselves; now they're in fiscal debt. They're talking about the possibility of having to raise taxes at the municipal level to make up for the shortfall of them downloading that problem. By the way, that's their favourite hymn from the hymnal: "It's the federal government's downloading problem that we've got." They've just passed it on to the municipalities. So now what they're going to do is even worse than what the federal government could have possibly done. What they're saying now is, "Not only are we downloading to you but we're going to pick the piggybank clean backwards; we're going to go back in time."

This is in the Education Act. So I want those directors of education out there and those business administrators to go over that sentence—over and over again—and ask themselves, how are they going to take that? They're going to get that money out of the municipalities, they're going to get that money out of that simply by saying, "We're going to leapfrog over our tax increase. So no, we're not going to increase taxes, we're simply going to go back to the future, go back in time and form a retroactive bill." That's exactly what they did with this sentence.

**2010**

I'll read it one more to make sure that those legalese people out there can understand exactly what they're saying. Retroactivity: "A regulation made under this section is, if it so provides, effective with reference to a period before it is filed." Unbelievable. First of all, it took me a while to figure out what the heck it was and then when I started asking some questions about it, it basically said it allows them to go backwards in time and add retroactivity to these taxes. They're going to collect taxes on monies that have already been paid for our education and take the money out of their pockets a second time. I am absolutely appalled at this and I am very frustrated with the fact that no one has been able to pick up on that to the strongest point.

I would suggest to the people out there, the education community out there, the parents who have lobbied so hard and strong and have been watching for their children who are not getting textbooks, who are getting less special education help, what you need to do is go out there, get on the horse again—I know it's frustrating—and say, "You can't do this to our municipalities, you can't do this to our education system and, for Pete's sake, you can't do this to our children." Don't go backwards in time and take more money out of the pot when you've already downloaded that responsibility to the municipalities.

I know I've got way more notes and I could go through a lot more, but I'm going to make sure that the member for Kingston and the Islands has plenty of time because I know he's going to springboard from what I've laid down as a foundation and he's going to go crazy on these guys. I know the member. He's pumped and primed and he's ready to rock and roll, so I'll give my time to the member.

**The Deputy Speaker:** Everybody fasten their seatbelts and we'll call the member for Kingston and the Islands.

**Mr John Gerretsen (Kingston and the Islands):** Yes, I do get passionate from time to time, as we all do in this House, but I think the people of Ontario understand that the fundamental difference of opinion about how to deal with government finances is the fact that the government really and truly believes that it's better for the people of Ontario to give them a \$2.2-billion corporate tax cut than to actually save some of that money and start putting it into some much-needed services for this province. One of those services is in community care

access centres and long-term care. I want to spend just a few minutes on that, because over the past three months we, in our family, have had a very close involvement with both of these institutions.

First of all, in the area of long-term care, I know the government will say that they have promised X number of new beds and new facilities for the people of this province. We all know that there really haven't been any long-term-care beds added to the supply in the province for the last four to five years, until the more recent announcement. But the fact of the matter is that if you're actually involved in looking for a long-term-care bed for an individual in this province on a day-to-day basis for somebody who, for whatever reason, can no longer stay at home, you have no idea of the difficulties that people have in doing that.

Let me give you just one example. In Kingston, we have a hospital, the Kingston General Hospital, which is closely associated with Queen's University, which is one of the five medical science complexes in the province of Ontario. If I were to tell you that in that hospital there are two floors set aside for long-term-care beds, you would say that's happening in a lot of our communities and maybe it's even good use of some of the hospital beds that were closed down, so that we're at least putting them up for long-term-care and making some use of it. But what I didn't realize until our recent involvement in the process is that some of the people who are waiting for long-term care beds in my part of Ontario—and it's my understanding the same thing applies throughout the province—wait for as long as two years. Two years.

I think that in a modern society in which we are so well endowed in so many different ways, as we are in this province, surely this is totally, totally unacceptable. That there are people in this province waiting that long, who need the beds now—not people who are living in their own homes, but people who are actually in hospitals and have been downsized from an acute care situation to a long-term-care situation—that they actually wait for two years in order to get into a long-term-care bed in an institution in that capacity, I find totally, totally unacceptable and I think most people in Ontario would feel exactly the same.

So I say to the government, why don't you put some money into that? Why don't you expand the beds? Quite frankly, I personally don't care whether they're in the public or the private sector. A good argument can be made that they should be in the public sector. But, you know, the beds just aren't there in any sector whatsoever in many parts of Ontario.

The other issue, of course, is the community care access centres. You talk about all the cynical moves that a government can possibly get involved in. All the community care access centres across the province basically want is the same level of funding that the province actually gave them last year. That's all they want. They don't want more money; they want the same level that they were given last year—not what they budgeted for last year and then were topped up, but what they were

actually given last year. There's a shortfall of \$187 million.

We know that community care access centres across the province have all cried out on behalf of their patients, on behalf of their clients, on behalf of their sick and elderly who need services on a day-to-day basis. We've all met these people; we've all heard from them in our constituency offices. Rather than dealing with that problem, rather than saying, "Yes, we want to live up to the commitment that we gave to the people of Ontario when we said five years ago, 'We're going to have hospital restructuring, we're going to close beds, but we are going to make sure that if people are released from hospitals quicker and sicker, the services are there for those people in their own homes,'" what has happened of course is that it hasn't happened. There isn't enough money in that system to take care of the people who need the help.

To be quite blunt about it, many of these elderly people do not have people speaking up on their behalves. Yes, they may call their local MPP, but they certainly don't have that family member who can keep pushing the system in order to get those services. I feel very, very sorry for those individuals. And \$187 million could have solved that problem. That is just a drop in the bucket when you compare it to the \$2.2 billion in corporate tax cuts that in effect are being given out.

What does the government do to deal with that situation? They do the most cynical thing, in my opinion, that one could possibly do. They're basically saying to the community boards, "You're no longer relevant. You're the guys who got us into this situation and we are now going to appoint our own boards through orders in council." Quite frankly, I would hazard to guess that in most communities you are probably going to get maybe not exactly the same people, but people who are just as dedicated to working in that area, except that these people are now going to be beholden to the government of the day for having appointed them in the first place. It really doesn't deal with the problem. It doesn't deal with the problem one iota. But I don't know what they're trying to do, whether they're trying to make the people of Ontario somehow believe that if we just get rid of the community boards, which function in most communities quite well, and put in our own government-appointed boards—that's not going to change anything. The resources are still lacking.

So I say to the government, I don't know what your game plan is, but to my way of thinking, just to change the board and who appoints these people in the hopes of you getting greater control over the situation because you're appointing the individuals—you are not going to deal with the real issue, and that is making sure the services are there for the people who need them. That, after all, is the bottom line: to get the services to those individuals that we have released from hospitals quicker and sicker and to make sure that they have the necessary services there for them—the nursing services, the home

care services, whatever they need—and we've all heard that.

But to add something on top of that, we not only have the government insisting that they have to have this \$2.2-billion tax cut that one of the leadership candidates for the Premiership right now is already denouncing as being a ridiculous thing, especially since we're in a recessionary mode—and by the way, the Conference Board of Canada today said, "Look, this recession started six months ago." It didn't start on September 11; they said it started in March of this year. It was already going down, to a certain extent. To add insult to injury, what they've done is they've speeded up the tax cuts.

#### 2020

What's really interesting about that is that the personal income tax cut that was supposed to come in on January 1, that now has been pushed forward to October 1—people aren't actually going to get that until some time in the new year because the payment systems haven't been set up, particularly within large corporations, to do that. So I have absolutely no idea how that is going to help the economy today. By in effect bringing that tax cut forward, all you're doing is losing more revenue for the much-needed services in health care and in education.

Finally, I would just implore the government: we've heard about your SuperBuild fund, and everybody knows that all you've really done is put together the capital budgets of all the ministries into one fund. Ironically, the ministers no longer control that fund. I can remember in estimates questioning the Minister of the Environment on that and she openly admitted that she has little or no say as to how the capital money in her budget is going to be allocated. She can make a recommendation to the SuperBuild fund, but ultimately it's SuperBuild that is going to decide how and when that money is going to flow. It's a pretty sad commentary that the ministers of the crown, whom everybody believes are ultimately responsible for the ministerial budgets, are in effect no longer responsible or have any direct say over the capital portions of their budgets. She openly admitted that. That's a very sad state of affairs.

What I would simply say is that you've got over a billion dollars set aside for infrastructure programs that municipalities are going to get involved in and that the federal government is going to get involved in, and it's my understanding that right now only about \$14 million of that has been spent. What we have suggested throughout is, why don't you take \$100 million of that fund and put it in the Ontario infrastructure program or in the Ontario security fund so that we can make communities more secure? Reallocate some of that money that has already been announced into the security area.

It's for those reasons and many others that we on this side of the House simply cannot support Bill 127. We in effect think this is something that will not work for the people of Ontario, and that's really who this is all about.

**The Deputy Speaker:** Members now have up to two minutes for questions and comments.

**Mr Bisson:** I have two points. I guess I'll start with the SuperBuild fund. The member mentioned the SuperBuild fund. There has never been a boondoggle to come through the Legislature as big as the SuperBuild fund. The government is trying to make out with fanfare that they've got this great big pot of money that they're going to use to the benefit of municipalities out there when it comes to infrastructure. It's really a sleight of hand. What the government did back in 1995, 1996 and 1997 was they took the capital dollars from all the ministries, basically collapsed them, stopped paying capital altogether and reduced by about half the total amount of capital dollars that the provincial government used to give to municipalities and others by way of various ministries and put half the money into a fund they call SuperBuild. That's the first part of the boondoggle. We actually have less than half the amount of money available now than we did before, because the government cut infrastructure dollars and created the SuperBuild fund with half of the infrastructure money they had left.

What's even more of a boondoggle: how many projects have we seen announced by way of SuperBuild in the last couple of years? I know municipalities and organizations in northern Ontario that have been biting at the bit, trying to find out when their particular project is going to have a chance of getting funded, and nobody at SuperBuild or the government seems to know what's going on. You've got projects for the city of Timmins, for Hearst, for Attawapiskat, you name it, communities across northeastern and northern and all of Ontario trying to get funding, and there's been this huge boondoggle within the ministry that is responsible for SuperBuild by way of really not knowing what they're going to announce.

So I say to the member who just spoke that I agree with him. The whole concept of SuperBuild, if properly done, should be done this way. This is what I would suggest as a New Democrat: go back to the federal-provincial-municipal infrastructure program, utilize your capital dollars and say that if a municipality wants to be able to get something out the door, "Put up your third; we, the province, will put up a third and the feds will come to the table and put up a third," and everybody will be a lot better off at the end, when it comes to funding their projects.

**Mr Bob Wood (London West):** I was interested in the comments of the members who spoke earlier. They seemed rather to represent the view of their party. We understand that we're going into an economic slowdown, and that of course raises the question of whether or not tax cuts might be desirable. The government says, "Yes, tax cuts have a proven record of creating jobs," and we can go back at least 40 if not 70 years to prove the correctness of that. Yet we don't seem to have a strong commitment from the Liberal Party that this policy works. The actual fact is they have voted against every tax cut this government has brought in. They don't seem to make the connection that most governments and most voters have made over the last 70 years between invest-

ment, job creation and tax cuts. I would hope that at some point they might face the facts, see what the evidence tells us and start talking sensible economic policy with respect to tax cuts.

We know their record. They raised taxes—I've forgotten whether it was 62 or 64 times in the five years they were in office. That tax-and-spend policy, when it was pursued by the New Democrats in a recession, produced disastrous economic results. But it was the Liberal government in 1985 that started those policies. I frankly have been disappointed that they have not finally seen the results of sensible tax policy and I'm disappointed that they haven't come forward, acknowledged their error and started to advocate policies which will actually create jobs.

I would like to remind you what the net result of the last five years of the tax-and-spend policies were from 1990 to 1995: a net loss of 10,000 jobs over a five-year period; the worst economic performance of this province since the 1930s. We have gained 800,000 jobs in the last six years, a tremendous gain for the province.

**Mr Ted McMeekin (Ancaster-Dundas-Flamborough-Aldershot):** I hope the viewers out there tonight understand that my colleagues from Kingston and the Islands and Brant were being really quite charitable. I think what they would say if they were really to let loose, as the member for Brant suggested and the member for Kingston and the Islands was about to do, is they would have talked a little bit about the viewers and their built-in crap detectors.

**Hon David Young (Attorney General, minister responsible for native affairs):** Built-in what?

**Mr McMeekin:** Built-in crap detectors. Let me just explain to the member opposite, because he obviously has been missing it. There's a maxim in counselling that we all tend to become what we claim we hate.

*Interjection.*

**Mr McMeekin:** Yes. Well, it's pretty difficult in this place to do that.

I suppose you could really do quite well if you could get somebody else to pay off your mortgage. This government laments the downloading from the feds and then it has consistently dumped on to municipalities, without any new revenue tools or new partnerships, all of the things that they don't want to pay for. Then they've got the gall to point to a federal surplus, when they've got a surplus over there, and, after urging the feds to cut taxes—which they argue on a good day is the right thing to do—they then say, "You ought to now invest this surplus in something that's a provincial responsibility," all the time walking away from the table when the feds say, "Look, long-term care, home care, pharmacare, primary care reform: we want to make that part of the national health care basket and we want to see some national standards put in place, because we're getting sick and tired of giving you money for health care when you just pour it back into tax cuts to Exxon and your corporate friends." So begin to practise what you preach

and the people with built-in crap detectors will begin to take you seriously.

**Mr Ernie Parsons (Prince Edward-Hastings):** The first rule of holes is, when you're in one, stop digging. This government continues with their tax cuts and yet they have lost 28,000 jobs out of Ontario this year. I would suggest that if you're losing jobs while you're doing tax cuts it's time to reassess.

Nevertheless, we've had speakers talk about Bill 127, a fairly substantial bill.

*Interjection.*

**Mr Parsons:** I don't mind being heckled, but not by my own member.

**The Deputy Speaker:** That's why I didn't jump in.

**Mr Parsons:** Thank you, Speaker. I will handle this myself.

Bill 127 is a fairly massive document. One of the difficulties with the large documents that this government has presented is that they hide things in there. Unfortunately, the interpretation doesn't happen until after it's passed.

**2030**

The member for Brant referred to some of the items in here being backdated or retroactive. I would like to share with you the last budget document this government did, when they went and did an aggressive attack on retailers who sell computers. At one time, software was exempt from retail sales tax, so naturally the stores and the firms did not collect it. The government made it retroactive and sent the people back in to collect the retail sales tax from the stores. Obviously, they had not collected it at the time the customer purchased the computer. They had no mechanism to go back and get the money from the customer. In some cases, it has put small businesses out of existence. The government that talks about concern for business very quietly but aggressively sneaked legislation in here that simply crippled some small and up that point viable businesses by having the affront to go back and backdate a retail sales tax. These people are now fighting. This government is not small-business-friendly.

**The Deputy Speaker:** The member for Brant or the member for Kingston and the Islands now has up to two minutes to respond.

**Mr Levac:** I appreciate this opportunity to wrap up. I want to thank the members from Timmins-James Bay, London West, ADF—my bench mate—and Prince Edward-Hastings for their comments. I'm not going to talk to these two because what they said was right.

I would like to offer a rebuttal to the member for London West, who continually forgets the one fact that we try to make sure the public is aware that this great moment in history where they've reduced taxes, and the 13-year backdating of taxes that were implemented by the Liberal government back in 1990—he forgets to tell the public that as of today we have counted over 983 user fees that have been implemented since 1995. The transfer of using that money—it's lost on this group.

*Interjections.*

**The Deputy Speaker:** Take your seat, please. Order. Given that it was one of the members who was allowed

an opportunity to respond who cranked things up, I'll use this opportunity to ask everybody to calm down. I know it's been an interesting evening throughout the building. I'll say no more than that. But that's no cause for things to get out of hand here. We're doing fairly well. Let's stay the course.

The member for Brant.

**Mr Levac:** I will continue to explain and expose the government's inability to acknowledge the fact that they have done some things wrong. The member for London West wants everybody, 30 years ago, 10 years ago, 15 years ago, the NDP government—they're not admitting they made any mistakes. I'd like to hear the members on the other side admit they made a mistake.

One of the biggest mistakes—I want to ask the member, who is the parliamentary assistant, who says the evidence is there. The evidence I want to refer him to that has been given to him time and time again is that the scientific research done on the privatization of our jails was rejected outright by this member, this government, and they don't know it's already happening in Penetanguishene. There is a tremendous amount of danger going on. Just admit when you mess up. That's all. Just make an admission.

Thank you, Speaker. I appreciate the opportunity to respond.

**The Deputy Speaker:** The floor is open for further debate. It goes to the government.

**Mr Dunlop:** Thank you very much, Mr Speaker, and I will try to calm this crew down. It has been quite an evening in the House, and I want to apologize for not mentioning the fact that you had mentioned September 11 when you were giving your comments earlier.

It is a pleasure to speak on Bill 127, the Responsible Choices for Growth and Fiscal Responsibility Act, as it's called: An Act to implement measures outlined in the Budget and to implement other initiatives of the Government.

I would like to talk a little bit about Sept 11. There is no doubt in my mind at all, and I'm not disputing with anyone in this House, there was definitely an economic slowdown across not only Ontario, but Canada and the United States prior to September 11.

But I'll tell you, we came the other night into the Toronto international airport from our standing committee on regulations and private bills, which toured Sioux Lookout, and it was a very interesting day up there. I talked to the person who was driving—

**Mr Agostino:** Another junket.

**Mr Dunlop:** Some of your people were on the junket too, by the way.

I talked to the person driving the airline service back to Queen's Park. He told me that on most days the volume of business he's doing has actually dropped to about 40%. He showed me the line of Canada 3000 airplanes. I think there were about 15 or 20 lined up that are going to be put in the hands of the receiver or whatever. They haven't moved in the last few weeks. He talked about the other airlines and how business is down.

Some planes have at times five, six or eight people on them. I talked to my tourism operators, the people who normally at this time of year are booking vacations to the Dominican Republic, the Caribbean, Mexico and all these places, and they were telling me that the business is just not there.

People are afraid of what happened on September 11. We all sat and witnessed it that day. We watched on TV the destruction of those buildings. I personally could not believe my own eyes when I watched it on TV. I thought at first it was a foggy day or something, for a plane to hit a building like that. To see them both crumple in front of our eyes within a couple of hours was something that I don't think any of us will ever forget. So to say that September 11 did not have an impact on the economy of Canada, the United States or European countries and of course Ontario is false. We have to admit that and we have to work with that.

I think Premier Harris has shown a great deal of leadership on the end results of September 11. We've tried to do a number of common sense type of moves. Perhaps in the long run some of those moves will be wrong. But I think the fact is that we've tried to show leadership and confidence to the citizens of our province and that we care a lot about the economy and we want to get everything rolling.

"Rolling" is probably a term we've heard from the United States President, George Bush. He's trying to do the same thing: get people to go out and do Christmas shopping and make them take vacations and go out to family restaurants, all these sorts of things. It started happening last week. Maybe it's starting to happen. I understand that Wal-Mart in the United States last Friday had the largest single day in its history. So it's interesting to see that maybe now we're seeing a little bit of movement in the economy as a result of some confidence coming back to the people. I hope it goes further than that. I hope it will put those people with the airline limousine services—and maybe a potential purchaser of Canada 3000 will come forward and actually get the economy rolling. These are all very important sectors of our economy. I'm going to get to tourism in a second as well, but certainly that particular segment is suffering very badly right now, and hopefully we can get some confidence back in that.

I'd like to mention a couple of things about September 11, some of the moves that our Premier and our Minister of Finance have made. We all heard the Premier's comments on October 1, when he appointed two distinguished security advisors to the provincial government, retired RCMP commissioner Norman Inkster and retired Major-General Lewis MacKenzie. I think that alone showed some confidence to our citizens, the fact that we would put two very worthy people into positions where they would advise the government. We're moving ahead with the comprehensive review of Ontario's emergency readiness plan.

**Mr Agostino:** What have they done so far?

**Mr Dunlop:** I just heard someone say, "What have they done so far?" First of all, I don't think they would print those types of positions in the Toronto Star. I don't think they'd expect a report on that overnight. I would expect there's a detailed plan going into place right now. Some people I know in the Ontario Provincial Police have told me that they're working diligently on plans to deal with the September 11 aftermath.

I also wanted to say that we've provided funding for an Ontario Provincial Police rapid response unit to combat terrorist threats, as well as an anti-terrorism unit to investigate and track down terrorists and their supporters.

**2040**

Minister Flaherty in his statement back on November 6 announced \$30 million in funding to three other measures as well. The Emergency Measures Ontario organization, which offers municipalities more help with community emergency planning—there's a point right there: community emergency planning by municipalities. Most of the municipalities had comprehensive plans in place, there's no question about that, but they dealt with things like ice storms, train derailments, explosions and large fires. They didn't think of dealing with things like what happened in New York City, Washington and Pennsylvania.

We were pleased to see that Minister Flaherty announced a possible \$3-million investment in the Ontario Police College in Aylmer for anti-terrorism, as well as an approximately \$3-million investment in the Ontario Fire College in the riding of my friend from Parry Sound-Muskoka to deal with emergency management for fire-fighters and ambulance personnel.

I think that alone shows the type of confidence people have seen in our government. The only thing I can say is that I would like to have seen the \$3 million in Aylmer going to the Ontario Provincial Police headquarters in Orillia. Maybe the Solicitor General can help me out with that. I felt that would be an important investment in my riding, along with my \$95-million superjail in Penetanguishene, the privatization of which my colleague from Brant is so adamantly opposed to.

The other thing I wanted to say a little bit about was the \$14 million in two separate announcements following September 11 that Minister Hudak and Minister Flaherty made concerning tourism. I really hope that starting this winter, through marketing programs, we can attract American citizens and people from around the world to our lovely province, marketing in their media across either Europe or the northern United States, whatever it may be, to get people to come into Ontario and spend their tax dollars here in tourism. The two programs that Minister Hudak spoke of were Come Stay with Friends and Pride in Ontario. I know that a number of my constituents are currently putting in applications to that program. I think they are hoping they can get some funding to help promote some of the special activities that we have, not only in Simcoe North but right across our province.

Before I talk a little bit about Bill 127, I want to mention the other bills this government passed this fall or that we're working on. I'm quite excited about some of the legislation we're putting through here. I know some of it is time-allocated, and there is certainly opposition to that, but there has been some exciting legislation for Ontario and for the future of the province that's gone through here this fall.

*Interjection.*

**Mr Dunlop:** Right off the bat, Bill 111. I happened to be able to sit in the general government committee last week and talk about Bill 111 and listen to the committee hearings on it.

**Mr Frank Mazzilli (London-Fanshawe):** Which one is that?

**Mr Dunlop:** That's the new Municipal Act, Mr Mazzilli.

**Mr Mazzilli:** Oh, that's exciting.

**Mr Dunlop:** Yes. As a former municipal politician—I've said this many times in this House—I was quite excited about Bill 111. I think the last one was in 1848.

We had people like Mayor McCallion here, and the president of AMO.

**Mr Mazzilli:** She was here in 1848?

**Mr Dunlop:** No. Let me clarify that right now. Mayor McCallion was at the hearings. Mayor McCallion has been a municipal politician for 34 years and is probably one of the most outstanding politicians this province and this country have ever had.

I have to tell you that Mayor McCallion, the president and executive director of AMO, boards of trade, Ontario chambers of commerce and different organizations spoke very highly of this bill. They think it's a very positive step forward. It brings our municipal partners into a partnership in a true business sense, as business municipalities, here in the province. What I've heard at the hearings so far is that they are very pleased with this, although they do want to see about a five-year review to follow it up, to make sure everything is in line, so they don't go another 140 years without a revision in it.

Talking about other bills, Bill 122, the Oak Ridges Moraine Conservation Act, is certainly a winner. Everyone I've talked to has been so upbeat about this particular piece of legislation. It's a true partnership arrangement; working on the advisory council has brought us to this point. People across my riding, particularly in the Oro-Medonte area of the riding, are excited that this piece of legislation has come forward, and they're looking forward to the debate on this being finalized. Hopefully it will work in favour of the huge growth we've seen in the GTA and around the southern part of Ontario.

Another bill I want to mention is Bill 125, the Ontarians with Disabilities Act. I know there's some opposition from our colleagues across the floor, but certainly it's the first of its kind in the province's history and it's a step in the right direction.

Earlier the member from Kingston mentioned the community care access bill. I strongly support this piece of legislation. I have watched very carefully, over the last

few months, the positive and negative comments I've had on our community care access centre in Simcoe county. I think there's definitely room for improvement. I think we need to bring it into a more businesslike tone or businesslike sense as we work toward the future before we spend a lot more money in this particular field. As you know, it's strictly provincial dollars; there are no federal dollars involved in the community care access centres, although people do tell me it's a health care issue. I'm glad to see that something has been done and we can review these organizations and get them on the right track and spending as efficiently as possible.

Another act that I hope will be passed before Christmas is Bill 135, the Heritage Hunting and Fishing Act. We've got a tremendous amount of support for this piece of legislation in my part of the province. People want this done. I think they've been told for a number of years that something would happen at some point in the future with the natural right to hunt and fish in Ontario, and I hope we can go in that direction as well.

Bill 101, protecting students from sexual abuse: we have some people who are not completely happy with that bill, but it's definitely a step in the right direction. It's something, along with the Safe Schools Act, that our teachers, our parents and our children will certainly welcome in the future.

Of course, in the next few days we're debating Bill 110, the Quality in the Classroom Act, on teacher performance and teacher qualifying tests and performance appraisals. That's a promise we made to the citizens of Ontario, and we intend to fulfill that commitment.

I don't want to finish mentioning these bills without mentioning my colleague Mr Coburn, the Minister of Agriculture, Food and Rural Affairs. His nutrient management bill is a step in the right direction. I had a number of calls just this past weekend from farmers in Simcoe North who want to see this piece of legislation passed as quickly as possible.

When we're dealing with Bill 127, I want to talk a little bit about our role as a government and some of the guiding principles our government has in making some of the decisions we make. I know that every party doesn't feel the same and doesn't have the same types of principles. That's why we have a democracy, and that's why we're here debating and pursuing our own platforms as we go toward elections. Certainly the guiding principles I'd like to put on the record as my comments in Hansard would be, first of all, our commitment to economic growth to create jobs. I think that's been said a number of times, and I think we're very happy that the tax cuts create jobs as far as we're concerned. I know a number of people don't agree with that, but we think the proof is in the pudding and we're certainly pleased with what we've seen happen in the last six years.

The second guiding principle is confidence that the people of Ontario are in the best position to decide how to spend and invest their own money. I continually hear people say they want more of their own money back. They still feel they're overtaxed in this province and in

this country. We as a party believe that people know how to spend their own money wisely.

**2050**

Another guiding principle is our fiscal responsibility, which means spending tax dollars wisely and giving taxpayers the best value at the lowest cost. Over and over again we've talked about fiscal responsibility. We still believe there are huge dollars going into different organizations, different transfer agencies, and maybe the money isn't being spent wisely. I don't think any government will ever get that perfect, but I think we are on the right track continually talking about accountability and fiscal responsibility to municipalities, to most of the transfer agencies.

Responsible choice is another guiding principle. In facing competing demands, this government has an obligation to set priorities and make responsible decisions. Accountability, which I mentioned earlier: we believe the citizens of the province are entitled to see how their money is being spent. We've mentioned that a number of times.

Protecting the most vulnerable, and finally, looking to the future; that is, while dealing with immediate concerns we plan for tomorrow as well. Again, that's getting into our Smart Growth policies and why it's so important to talk about good planning and why something like the Oak Ridges Moraine Conservation Act works so well into our plans.

In closing, I just want to talk for a couple of minutes about some of the projects in my riding that I've been pleased to get through SuperBuild; I mentioned a couple of them a little earlier. We've been able to work with the federal government, through Brian Coburn's office and through Brian Tobin's office—the two Brians—to get two Canada infrastructure sewer and water projects approved in our area. One is Robins Point in Tay township. It's a water main extension worth about \$1.9 million. My colleague Paul DeVillers, the federal member, and I were able to announce that a few weeks ago, and also \$24 million toward the West Shore sewer and water project in the township of Severn. These are both projects that are in very highly sensitive areas. I can tell you right now that there is some opposition to it, because there is still a cost to the municipality and to some of the ratepayers. But all in all, it should be good for most of the residents and certainly will be good for the environment.

Just a week ago, during constituency week, I was really pleased when Minister Witmer announced the \$10 million for Operation Clean Water, the studies we announced across the province. We were able to get it in my riding through the Severn Sound Environmental Association and Mr Keith Sherman. We were to get \$511,000 of that money for groundwater studies. In the southern part of the county, Mr Tascona's and Mr Wilson's area—the other two ridings in Simcoe county—we were able to get \$916,000 for groundwater studies for those two ridings. So about \$1.4 million of the \$10 million went into Simcoe county. We have a lot of environmentalists in Simcoe county, a lot of people who are very

concerned about water supply. I know there was a very positive reaction to this.

I'm out of time already, but I just want to say it was a pleasure to speak tonight to Bill 127. I ask everyone to support this piece of legislation.

**The Deputy Speaker:** Members now have up to two minutes for questions and comments.

**Mr Parsons:** I'm pleased to respond to the member for Simcoe North and his comments on the bill. I'm just not sure which bill he was speaking to, because he covered quite a multitude of them.

Virtually every bill that comes before this House ends up, in some way or another, to be an attack on democracy. This particular bill, Bill 127, allows taxes to be set by regulation that formerly were set by people in this House where we were representing and accountable to the people of Ontario. This steals a little more democracy away from the citizens of Ontario.

The member talked about CCACs and the bill that's presently before the House and how it will improve service. I have learned that whenever we hear of services being improved, I'm going to get less service. With CCACs, it is very clear that this bill wants to remove any local input on the provision of home care services, pure and simple. It gives the government the power to fire the boards of directors. It gives the government the power to replace the executive director. That is a little less voice for each citizen in Ontario, a little less democracy. Each bill on its own may not seem significant, but the accumulation of them has been to steal democracy out of Ontario bit by bit.

This government that professes to want less government is, in fact, bringing about more government. Education tax mill rates that used to be set by school boards—where trustees were accountable to the community, where citizens could phone or pull into a driveway and contest a mill rate—are now set by ministry bureaucrats who arbitrarily pick a number. There's no mechanism for a local citizen to dispute it, and there's no mechanism for this House, the elected representatives in Ontario, to comment on it.

This bill before us, which is too massive for the average citizen to read, in fact contains more clauses that rob of us our democratic rights.

**Mr Bisson:** Two points: I was glad to see the member for Simcoe North get up and say he had erred when he talked about how our finance critic, Mr Christopherson—the now Speaker—had not mentioned the issue of September 11 in his speech. I think it's good that he did that. It's nice when you see a member actually admit he might have done something wrong and come back and give that apology. I think that was very well done.

I just want to say, on the issue of the economy and September 11, that I'm one who uses airlines regularly. Unlike many members around here, I've got to fly to and from—

**Mr Steve Gilchrist (Scarborough East):** Air Bisson.

**Mr Bisson:** Well, I fly my own at times too, but I have to fly Air Ontario on a fairly steady frequency and I

can tell you the loads were down before September 11. No question, September 11 made a bad situation worse, but the point we were making earlier was, let's not hide our economic woes behind September 11. Certainly that has made what already was a problem even worse, but the issue was there long before September 11.

I noticed that the loads were down way back last winter. On flights that were usually booked solid and if you didn't call a couple of days ahead you couldn't get on, last winter if you were coming in at the last minute you had maybe a half load or two-thirds load, and it was even lower than that by this summer.

On the Heritage Hunting and Fishing Act, the member made the comment that people are just waiting for this act and are all excited. I don't know what the heck they're all excited about. It's a piece of legislation that's got one line. It says you have the right to hunt and fish provided you follow the law. Isn't that what we do already? Isn't that the way it works? Anybody can hunt and fish in this province provided they follow the law. So there's nothing in this bill for anglers and hunters to get all excited about. I'll support the legislation, because generally I believe that anglers and hunters should have the right to hunt and fish. But I'm not extremely excited about that law, because it doesn't give them anything they haven't already got.

**The Deputy Speaker:** The member for Scarborough East

**Mr Gilchrist:** Thank you, Mr Speaker—my first time to thank you in your new, august position.

I want to thank the member for Simcoe North for his comments. I know that in addition to what he put on the record here today, the member is a very keen proponent of the need to manage and control development on another moraine, this being the Oro moraine in his riding. I compliment him for the leadership role he's taken in defending the natural heritage in his own community.

The budget bill before us today clearly lays out greater supports for what has been, over the last six years, the strongest economy in Canada—in fact, the strongest economy in the industrialized world.

The events of September 11 notwithstanding, we've already seen very tangible evidence that we have weathered the worst of any consequences of those tragic events. In fact, with the inherent stability, the inherent strength that has been given to our economy as a result of the legislative initiatives that have been pursued in this House and the extraordinary commitment by the businesses and individuals in Ontario to their own economy, we've turned whatever corner there was to turn. We heard this past weekend that bookings in hotels in Toronto and throughout the GTA have actually increased. While Americans may be driving up to our city to take their vacations instead of flying, they are coming here in record numbers.

We saw a one-month decline in economic activity in retail stores. We've already seen anecdotal evidence that that has rebounded and increased in October and through November. In fact, a certain very important retailer—I'll

use the name—Canadian Tire, reported that they had record earnings and record profits in the last quarter. So we're comfortable that this bill will simply augment what is already an incredibly strong economy, a vibrant and diverse economy able to weather any storm. This bill is simply going to make it better.

**2100**

**The Deputy Speaker:** The Chair recognizes the member for Brant.

**Mr Levac:** Thank you, Mr Speaker, for the opportunity to share a few words with the member for Simcoe North. I'd like to bring the member for Oxford into this discussion. Earlier he spoke—the parliamentary assistant, I believe he is—of this wonderful new—and wait for it—SuperBuild money that's coming our way. My challenge to the member for Oxford is to ensure that that money flows now.

Let's take a look at what that money flowing means to the people of Ontario. We do know that that money for infrastructure is properly spent. We on this side of the House have made it clear that we want to fast-track that spending, because we know that that particular expenditure for infrastructure, for water protection and for all those safety reasons needs to be made now. But, unfortunately, I will say this: be careful, be watchful, because guess what? Check those big cardboard cheques they bring out. They're going to be coming around just around election time maybe. If not, it should be done now. I want to make it clear that that spending should happen right now.

My challenge to the member is to make sure that he does whatever he can do to make sure that no one plays that game, because, quite frankly, our citizens don't deserve that. That's allocated money that's supposed to be spent. By the way, a lot of that allocated money hasn't been spent yet and actually there's no plan for it to be spent, which is why I want to come to the member for Simcoe North. The expenditures that he is proclaiming are going to be this wonderful collection of money for the safety and security of the province of Ontario are covered off in Toronto's request alone for its firefighting needs, \$2 million alone, and that has been allocated for the whole province. So shame on the member if he thinks that amount of money is going to take care of our safety and security in the province of Ontario.

The plan that Dalton McGuinty put out calls for \$100 million worth of spending out of that reallocated money, which is not new spending, and \$50 million would go to the municipalities in order to provide them with the amount of money that's necessary to get the proper amount of money into the municipalities. So the \$2-million expenditure would only cover Toronto, and he also knows that from Chief Speed.

**The Deputy Speaker:** The member for Simcoe North now has up to two minutes to respond.

**Mr Dunlop:** I'd like to thank the members for Timmins-James Bay, Scarborough East, Prince Edward-Hastings and Brant for their comments on my comments a few minutes ago. There are a lot of different points that

I could dwell on, but I think, going back to spending and to our budget, certainly the largest portion of our budget is our health care sector. I think it's \$23.7 billion that will be spent on health care this year.

I want you to know, and everyone's playing this game with the feds etc, but the fact of the matter is, when we're talking about the federal government, the transfers today are about \$60 million to \$70 million less than they were in 1994. That's the fact of the matter.

**Mr Bruce Crozier (Essex):** Why don't you talk about tax points?

**Mr Dunlop:** You can talk all you want and play these games with tax points. It's so grey, it's so pathetic, it's not even funny. You're paying \$66 million a year less today than you were in 1994-95. The government of Ontario is putting \$5.8 billion into it.

So I'm disappointed when I hear someone like the member for Prince Edward-Hastings talk about community care access centres when they won't support Ontario citizens and fight for more federal dollars from the federal government. We're only asking to come back up to 1994 levels; that's what they're asking across the country. The Premier is completely right when he's saying that this is a crisis, because the federal government is to blame at all levels across the country. I don't want to keep playing the game, but over and over again we talk about blaming the provinces for health care issues, and the federal government has a stake in this. They should play their game fair and square.

Again, I thank you for the comments. It has been a pleasure to be here this evening.

**The Deputy Speaker:** The floor is now open for further debate.

**Ms Caroline Di Cocco (Sarnia-Lambton):** It's a pleasure to stand in this House and speak to this budget bill. I want to say that this bill actually changes about 25 different laws. As well, it's really an omnibus bill. In large part, it implements some of the 2001 budget announcements. Of course we know that the corporate tax cut is now retroactive to October 1, and the personal income tax cut is retroactive to October 1 as well.

I want to say that one of the aspects of this bill that consistently alarms me is the fact that, in a long-standing trend of this government, they put measures in the bill that really require that statutory amendments can now be altered by regulation. They're called Henry VIII clauses. For the benefit of the members who don't know what a Henry VIII clause is, it was nicknamed after King Henry VIII because the 16th-century English monarch gave himself the power to legislate by proclamation, a power historically associated with executive autocracy. Henry VIII clauses are traditionally regarded in parliamentary democracies as undesirable because they empower the cabinet to pass regulations behind closed doors which override statutes passed by the democratically elected Legislature.

The member for Brant certainly spoke to it regarding the Education Act. I also see it in the GO Transit Act. For instance, the Minister of Transportation can appoint the

board members and set the catchment area by regulation. With this one, the Ontario Northland Transportation Commission Act, the commission can now cancel services with government approval and divest itself of its assets.

One of the announcements made by the government when they produced this new budget was, "The province announces further investment in Ontario's tourism marketing campaign," and apparently they're going to add \$10 million in addition to the \$4-million marketing strategy announced by the Minister of Tourism, Culture and Recreation. What is interesting about this—and I want to compare it to what's possibly happening with the Ontario Northlander—is we've got a government that says we're going to have to promote this province because we've got an economic downturn, because travel is losing money because of the incidents on September 11, but one of the things the Conservative government doesn't see—they don't look at the whole picture. They say they're going to put \$10 million into tourism, but they don't develop the sector, the cultural industry and the infrastructure within the cultural industry; that is what attracts people to Ontario.

For instance, the Northlander, if you want to talk about unique tourist possibilities, comes from areas up north—up in James Bay, for instance, and up as far as Moosonee, let's say. There you've got the wonderful historical aspect of the Hudson's Bay Company, which is in terrible disrepair because since the centennial year the province has sort of divested itself of investing in this, in the development of what it is we want to market. So they want to put \$10 million into marketing without developing the sector that's going to attract people to Ontario. Worse, there have been a lot of rumours that the Ontario Northlander is not making money, according to what this government says. That means we really should get rid of it. So they've got this statute in here that could possibly allow the cancellation of the Northlander. Then what have we done? Now we're going to spend money in tourism marketing, but we're going to take away the infrastructure that's actually going to take people to where these unique tourism possibilities are.

So they don't have a well-balanced approach in developing the sector. I point that out because they talk about their marketing campaigns, but it's the approach this government uses in its policies, which are single-minded, without a thoughtful, intelligent approach in how it manages the province's fiscal realities.

#### 2110

The budgets are an indicator, in my view, for management direction of the government and of priorities. So we have an unusual circumstance today in this province in that there had been a declining of the economy happening before September 11, and then of course September 11 changed the world. But what does this government do? It doesn't take a look at the change that has taken place; it prides itself on saying that it's going to stay the economic fiscal course. One considers, why would you stay on the same economic fiscal course when you have such a

dramatic change in the fiscal reality that exists not only in Ontario but in Canada and the United States?

By the way, one of the issues about why we had such a prosperous six years is because, of course, we had huge or unprecedented economic growth that took place in the United States and globally. We rode that wave, and yet tax cuts may have had some—

*Interjection.*

**Ms Di Cocco:** We rode the wave of the US economy, and what happened here, while we rode the wave of the US economy—you have the economic growth going this way and you can bring the tax cuts this way. What we have today is that economic growth is going down, and this government stays on the same path of bringing the fiscal, the taxation—and tax cuts go down as well. What kind of economic condition are we placing this province in? It's a precarious economic policy.

*Interjections.*

**The Deputy Speaker:** Sorry for the interruption. That's just about enough from over here. Hiding behind the lid of your desk isn't going to work either. The little meeting going on over here is getting louder and louder. I would ask you to take it outside or keep it very quiet. Thank you.

Sorry for the interruption. Please continue.

**Ms Di Cocco:** Thank you, Speaker.

It is precarious. Any reasonable person who gives a thoughtful, intelligent approach to the change of circumstances in which we find ourselves—it would seem unreasonable and in my view precarious to say, "This is what we did before September 11; this is what we're going to do after September 11." It appears to me, again, that there's this single-minded, closed attitude and I think it's boxed in by this ideological programming that does not do just service to this province and to the people in this province.

Even during the fiscal economic boom, when you take a look at how the government managed, how the Conservatives managed their dollars, what did they do? Did they first balance the books? No, they had their tax cuts, and they borrowed \$10 billion to provide tax cuts. Their debt that they don't want to talk about has increased under Mike Harris and the neo-conservative agenda. It increased from \$90 billion in 1995 to the \$110 billion we have on the books today. They increased the debt by \$20 billion in good economic times. Of course, they borrowed money and added to that debt because of their tax cuts, whereas any good fiscal planner would say that first you have to balance the budget and then you give tax cuts.

During that era of unprecedented growth, they slashed and they cut the services ruthlessly. They fired thousands of nurses and slashed the environment ministry without giving consideration to the risks, to the human risk that would be imposed on the public. These neo-conservatives set out to restructure hospitals. They did it incorrectly; they did it backwards. Do you know what's amazing about the restructuring of hospitals? They forgot to put something into this equation, and that is—

**Interjection:** The people.

**Ms Di Cocco:** That's right, the aging population, which would mean that we have an increase in need. But do you know what else? I was looking at the Ontario Finances, and the population growth since 1997 has gone up by 600,000 people. We have 600,000 more people in Ontario today than we had in 1997.

**Mr Johnson:** Where are they?

**Ms Di Cocco:** It's in your Ontario Finances: a population increase of 600,000. That means there are more mouths to feed. Therefore, the services have to increase because the people have increased by 600,000.

We have achieved something during the unprecedented growth. We've achieved the lowest number of nurses per capita in this country. That's quite an achievement when we have had unprecedented growth.

The other aspect that I find interesting is how the government squandered the hard-earned public tax dollars. They play this political game of giving back \$200 per wage earner—\$1 billion last year that they gave away in total. If they had taken that amount in total and put it back into health care, can you imagine what it could have done for our hospitals and our health care in this province? Instead, they had to do their little political game of giving everybody back \$200 so that they could endear themselves to—instinctive greed I guess is what they're trying to endear themselves to.

Again, you spent millions of dollars in restructuring—more millions than they had even thought they were going to spend. The other one is that they squandered \$250 million on partisan advertising. About \$300 million, by their own account, in public dollars are going to go to private education. That's squandering taxpayers' dollars, in my view.

One thing they didn't cut during all this time is their cabinet offices. Their cabinet offices increased by 116% since 1995. So they sure know how to take care of themselves.

The hospitals, school boards, social services and many other public sectors don't even know how much money is allocated to them. They get all of these announcements. They're six months, eight months, 10 months into the year and they still have no idea exactly how much money is going to be given to them by the government. It is poor management. Simple: they play the game of announcements so that the public has a sense that money is being allocated, but in fact what is happening is that the hospitals or schools or other social agencies don't know where the money is and they wait and wait. In the meantime, they still have to pay their staff, they still have to pay their bills and they borrow.

We want to talk about competitiveness. They have one part of the equation. They talk about taxing industry 25% below the United States. Why are we doing that when we know that we are competitive? We know that we have a competitive edge because of the low dollar. We also have a competitive edge because our public health care is about \$2,500 per employee in this province less in cost to an employer because this is picked up by the public at

large. So when we talk about competitiveness, if we are going to sustain our ability to be competitive, we can't just do it based on tax cuts. We have to do it on our people, on our brain trust. Our brain trust starts not by fighting with educators who are there to help develop the brightest and best so that we can compete at the global marketplace with the brightest and best around the world. That's what competitiveness is about. Competitiveness is not this one-trick pony called tax cuts. It's a simplistic approach to a complex economic reality that you have to deal with. That's what concerns me. It concerns me because there is no sense in this province that the people development is a priority for this government.

**2120**

I listened to the ministers who are going to be running for leadership. I listened to Minister Flaherty with interest, and he says nothing about the people in this province. The word "people" doesn't come into the vocabulary. It's all about, "We have to have a balanced budget and then everything else will fall into place." The government, in my view, doesn't understand what real competitiveness is about because real, sustainable economic development is developing all of the aspects in a province.

Again I have to say that we need to create an environment that encourages businesses to thrive. We have a competitive environment. Now that we have a change in our reality in this province, I do not understand, and it's not good economic policy, in my view. It's going to be a precarious journey as we keep moving forward in the next year or two of possible economic decline. You have an ability now—you can't be sure. No one has a crystal ball. So why are you giving back \$2.2 billion in tax cuts that you don't have?

When you talk about health care, I've had a first-hand experience about the state of health care in this province, and thank goodness we were able to get an MRI in the United States and had to pay for it, otherwise I wouldn't know what incidents would be happening. Health care is a provincial responsibility. You have made choices to spend \$2.2 billion on tax cuts that you could have invested in health care. You made choices to spend \$250 million on partisan advertising. You made choices to spend 300 million public dollars on private education. You made choices to give \$100—it says so right here—per child under the age of seven, a one-time, tax-free payment. You made the choice of giving \$200 per person across this province. Those are the choices you made as a provincial government, so stop pointing fingers and take responsibility for what's in your jurisdiction, which is health care.

The money that was provided—do you know what? Why would anyone give you money, considering the way you spend it, the way you have squandered billions of dollars in this province on tearing apart our education system, on tearing apart our health care system? Why would anyone trust you with the dollars when every dollar that seems to come in is being used for tax cuts? It's not going to the services that are required. Again, you

need a thoughtful, intelligent approach to government, not an ideological approach.

*Interjection.*

**The Deputy Speaker:** The Solicitor General is way out of order. I'm asking you to please refrain.

The floor is now open for questions and comments.

*Interjection.*

**The Deputy Speaker:** Hey. Just because I look away, it's not a licence to start again.

The Chair recognizes the member for Timmins-James Bay.

**Mr Bisson:** I just say to the member for Sarnia-Lambton that you always know you're getting somewhere by the reaction you get on the other side of the House. I've got to say, they were certainly excited when the member pointed out much of the duplicity of the government's move when it comes to its economic fiscal agenda. I just have to remark that it's really interesting to watch how sensitive the Tories feel on a number of issues. They're extremely sensitive when it comes to the reductions that they've made both in the health care and education sectors. You see them protesting on the other side of the House. You see how agitated they get. I say let's keep it up, because we certainly know we're getting somewhere and the public has certainly figured it out by the way the Tories are reacting. I take it that the citizens back in their constituencies are reacting to that as well.

I also want to say to the member for Sarnia-Lambton that I agreed with her comments around the Ontario Northland Transportation Commission. The government introduced, by way of this bill, the possibility for the commission to wind itself down without having to come back to cabinet to do so. I think that is a great travesty in the making if the government does not take up the recommendations that have been put forward by the interior solutions group that was put in place by the people working at the ONTC to come up with some solutions. The issue is that you'll always have a subsidy going to that commission. It's a public corporation. The question is, how much of a subsidy are we willing to put forward? But what really bothers me, not only as a northerner but as a person living in this province, is that you have an opportunity to use the ONTC by way of rail services to enhance tourist opportunities in northeastern Ontario, and if we're serious about creating much-needed jobs in communities, we should be looking at how to invest to make that service work for people so that people are more encouraged to take the train, not only to travel by way of commuting to northern Ontario and back to the south, but by way of attracting people into that part of the province to spend their dollars in the tourism industry.

**Mr Norm Miller (Parry Sound-Muskoka):** It's my pleasure to join in the debate this evening to comment on the talk from the member for Sarnia-Lambton. She was talking a lot about tax cuts. She talked about the \$2.2 billion in planned tax cuts, and I know the Liberal Party has been talking a lot about that.

**Mr Johnson:** They want to put the taxes up.

**Mr Miller:** They want to put taxes up; good point, Bert.

But this \$2.2-billion tax cut they're talking about, that's if the Ontario economy booms for the next five years, and it probably will under the Conservative government that's in power at this time. That's only if the Ontario economy booms for five years. Really, if the Liberals were stating things more factually, they would state that the real expected cost in the accounting year of 2002-03 to the end of March 31, 2003, is about \$20 million, not \$2.2 billion. So to the end of 2002-03 we're talking \$20 million, which certainly is a lot of money for all of us but it's not \$2.2 billion.

The member for Sarnia-Lambton was also talking about squandered millions by government. I agree totally, completely. That's why we have tax cuts, that's why we leave the money in the hands of Ontario residents, who know how to make much better use of that money and it's much more productive in businesses, in individuals than it is spent by government. So thank you for raising that point, an excellent point you made.

The member for Timmins-James Bay was talking about SuperBuild money not being spent. I guess that's why I was making an announcement in Muskoka last week to do with the MacTier sewer project and the fact that the Ontario government, through SuperBuild, is contributing \$2.7 million in a one-third, one-third, one-third arrangement with the federal government, the provincial government and the municipal government and why today I was arranging for some more SuperBuild announcements in the beautiful riding of Parry Sound-Muskoka. Thank you very much for letting me speak this evening.

2130

**Mr Bradley:** Thank you very much. The member may not be aware of this, but the provincial Treasurer, the Honourable James Flaherty, in the House this afternoon, in exchanges taking place while others were talking, I might add, stated that he thought the dollar should be at \$1.05 to \$1. You represent a border territory. The member for Essex is behind me. Those of us who represent border territories, such as the member for Niagara Falls and the member for Erie-Lincoln and myself, are flabbergasted that the provincial Treasurer would say he wanted \$1 up to \$1.05 Canadian to American. Does he not recognize—the Honourable Tim Hudak, who is supporting him, will be falling off his chair if he's watching this at the present time. Can you imagine the impact on tourism if we did not have the advantage of that dollar that we have at the present time?

Americans are streaming in to spend that kind of money. It's a big deal. They're coming into Stratford in great numbers to spend their money, because they recognize, first of all, we have a good theatre there, and second, that their dollar goes a long way. That's one of the bigger attractors.

Perhaps the people in Sarnia who work in the chemical plants or in St Catharines who work in the auto industry or in Thunder Bay who work in the pulp and

paper industry—I spoke to a vice-president of a pulp and paper company in Thunder Bay and I said, "When the dollar goes up one cent, how much does that cost your company?" He said it cost them \$17 million. Can you imagine the Minister of Finance of Ontario—and by the time he was finished shouting, he had the dollar up to \$1.50. I'm wondering what the member thinks of that.

**Mr Wettlaufer:** I was mildly impressed at the way the Liberal spin doctor was pulling the strings of the member for Sarnia-Lambton. All I heard out of her mouth was the kind of rhetoric that I have heard time after time after time over the last two years.

It's unfortunate that she didn't have an opportunity to sit in on the finance committee hearings in 1996 and 1997 when we had a number of economists come in. I'm not saying all of them, but most of them came in and indicated that tax cuts were the proper strategy to employ at that time.

I would like to point out too that she talks about US growth versus our growth. She seems to forget that our growth from 1995 until today has outstripped every jurisdiction in the G8. So forget about, "We're so dependent on the United States." Yes, we are dependent on them, but we outstripped every other jurisdiction, including all 50 states in the United States.

She also said she had to get this point in about partisan advertising. I want her to know that our advertising, allowing for inflation, isn't as high as what the Liberal government did between 1985 and 1990. The Liberal government was soundly condemned by the Ontario auditor at that time.

She talked about health being a provincial jurisdiction. Yes, but you're probably not old enough to realize that in 1966 the federal government agreed to incur 50% of all health costs, and now they're spending 14 cents on the Ontario health dollar. All we want is a little more equity.

**The Deputy Speaker:** To respond, the member for Sarnia-Lambton now has up to two minutes.

**Ms Di Cocco:** Mr Flaherty was talking about a \$5-billion shortfall in the budget. That's what they were talking about. I don't know if that's fabricated or real, but that's what they're talking about. So why would we stay the course in such a downfall? Why would you continue when you know you're not going to have money to pay for the services? Why would you continue with corporate tax cuts that are 25% below the United States? It makes absolutely no sense. You can't spend the money twice. You have to pay for your health care. You have to pay for education. But what you do is say, "Federal government, give us money because we've got to pay this \$2.2 billion in tax cuts."

Again, you need a thoughtful, intelligent approach, and what I hear is that there isn't any. It's, "This is one way we think. It doesn't matter what happens around us, what falls around us, we're going to stay on this path," even though I believe that an intelligent way to do it would be to say, "I think we have to rethink the strategy." The situation has changed tremendously in the world, it has changed in Canada, it has changed in the United

States, it has changed in Europe. But we have an ideologically driven agenda that does not see reason in anything. It just says, "Tax cuts are the answer to everything."

You have to remember that when it comes to this course that we want to stay on with the Conservative government, we're going to end up having real problems

in a year or two when we don't have any money to pay for our services.

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

*The House adjourned at 2136.*

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