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**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Thursday 20 June 2002

Jeudi 20 juin 2002

Speaker
Honourable Gary Carr

Président
L'honorable Gary Carr

Clerk
Claude L. DesRosiers

Greffier
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LEGISLATIVE ASSEMBLY
OF ONTARIO

Thursday 20 June 2002

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

Jeudi 20 juin 2002

The House met at 1845.

ORDERS OF THE DAY

KEEPING THE PROMISE
FOR GROWTH AND PROSPERITY ACT
(2002 BUDGET), 2002

LOI DE 2002 SUR LE RESPECT
DE L'ENGAGEMENT D'ASSURER
LA CROISSANCE ET LA PROSPÉRITÉ
(BUDGET DE 2002)

Mr Chudleigh, on behalf of Mrs Ecker, moved second reading of the following bill:

Bill 109, An Act to implement the measures contained in the 2002 Ontario Budget and to implement other initiatives of the Government of Ontario / Projet de loi 109, Loi mettant en oeuvre certaines mesures énoncées dans le budget de l'Ontario de 2002 ainsi que d'autres initiatives du gouvernement de l'Ontario.

Mr Ted Chudleigh (Halton): I'll be sharing my time this evening with the member for Oxford and the member for Nepean-Carleton.

This government has laid the foundation for a strong economy and an improved quality of life for all Ontarians. However, we recognize that we must also prepare for the future, to be part of a knowledge-based global economy. Our approach is to build a culture of innovation that rewards risk-taking and promotes research and development from the classroom to the boardroom. Partnerships between Ontario's publicly funded institutions and private companies, initiatives that further develop the province's biotechnology industry, innovations in health care and a skilled workforce are all essential in fostering innovation.

In the 2002 Ontario budget, our government has outlined a strategy that will move us toward our goal of being one of North America's top-performing jurisdictions for research and innovation. It's a bold goal. An additional \$2 million per year will be allocated to the \$30-million annual Ontario research performance fund. To this day, Ontario remains the only government in Canada that provides an ongoing program solely dedicated to covering the overhead costs of the research it funds.

We still hope the federal government will come on board and provide ongoing and adequate support to cover overhead costs of federally sponsored research—

Mr Toby Barrett (Haldimand-Norfolk-Brant): False hope.

Mr Chudleigh: —but perhaps this is a false hope, as the member from Haldimand-Norfolk has pointed out.

We are also investing \$161 million to renew the Ontario centres of excellence program, which will help our small and medium-sized entrepreneurial firms access research expertise and commercialize inventions from publicly funded institutions. This has been a very successful program over the last couple of years, and having this new investment come on board is extremely exciting.

The province's Ontario Innovation Trust helps universities, community colleges, hospitals and research institutions develop the infrastructure they need for scientific research and technology development. The trust will be enhanced by \$300 million, bringing the government's investment in Ontario's research infrastructure to well over \$1 billion. These are major commitments to Ontario's innovative producers, the people who take the capital risks. These people are not only rewarded by this government, they also create the jobs of tomorrow.

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The research and development challenge fund will also be expanded by \$250 million, to promote research excellence and partnerships between industry and Ontario's research community, tying industry together with the people who do the research initially, which creates the opportunities of tomorrow. The challenge fund and the Ontario Innovation Trust work together to promote excellent research and increase research capacity in Ontario. Included in the announcements made in the 2002 Ontario budget, our government will have committed a total of \$1.8 billion to innovation through these two programs alone.

On June 14, the government announced a joint investment of more than \$11.5 million from both programs to the University of Waterloo and the Perimeter Institute for Theoretical Physics. The funding will help establish an international research centre for quantum computing and information processing at the University of Waterloo's Institute for Quantum Computing, a leading edge. This will also enable the Perimeter Institute to promote the framework for the discovery, harnessing and commercialization of breakthroughs in theoretical physics. Starting in 2004-05, the government has committed an

additional \$15 million to the Perimeter Institute for three years, which gives a total investment of over \$25 million.

In full operation, the Perimeter Institute will be one of the largest research centres of its kind in the world. We expect that this will drive the technology revolution in Ontario in the years to come. This will attract established scientists from outside the province as well as retain our current scientists and train new ones. This is an unprecedented opportunity for Ontario to further identify itself as the home of innovation in both theoretical and applied pursuits, not only in Ontario, not only in Canada, but indeed around the world. We will also greatly assist the efforts of our other Ontario universities to recruit and retain exceptional scholars from a wide cross-section of disciplines.

Partnerships between research institutions and the private sector are also essential for the biotechnology sector. This government is doing everything it can to attract biotechnology investment in Ontario. On June 7, Premier Eves announced a \$51-million strategy to make Ontario a North American leader in biotechnology. Only last week we had the biotechnology conference in Toronto. This includes \$20 million for a medical and related sciences discovery district in downtown Toronto. We hope to create a community of researchers and companies working in partnership toward innovation in the medical and related sciences. This initiative could result in total public and private investment of over \$300 million.

This visionary initiative is about developing the critical mass of research capability and building an active and dynamic cluster of research facilities and private bio-science companies. The strategy also includes a \$30-million investment to create the biotechnology cluster innovation program to maximize biotechnology investment. This program will match grants up to 50% for the cost of developing regional innovation plans. In addition, it will offer grants to support commercialization centres, research parks and regional innovation networks.

We're not resting until we make Ontario one of the most competitive jurisdictions in North America for biotechnology investment. We are actively pursuing opportunities to double or triple research and development and other biotechnology investments in Ontario. This is the wave of the future.

Over the next few months, we will be seeking advice to announce a new multi-year tax reduction plan in next year's budget. A tax reduction plan in next year's budget; there's an innovative thought.

The biotechnology sector also helps us to be innovative with health care. In addition, we are committed to reform and innovation in health care. In this budget, we have doubled funding to \$100 million for the Ontario Cancer Research Network to support research for new cancer treatments. We have also funded telemedicine initiatives in 140 hospital sites across Ontario. Ontario's pioneering Telehealth system offers quality advice on an around-the-clock basis across the province to an average of 3,500 Ontarians each day. Some 3,500 people each

day use that Telehealth system. The establishment of the Ontario Family Health Network is starting to ensure that services are consistent with the reformed primary care system. And we provide support for innovative new partnership opportunities between service providers to improve accessibility to diagnostic services like MRIs and CAT scans.

Making Ontario the leader in innovation will also help provide economical and environmental benefits. Some observers believe that the environmental sector has enormous possibilities. We believe that as well, which is why we have created incentives to help companies create environmentally friendly products. One of these incentives is our proposed exemption from the 14.3-cents-per-litre provincial fuel tax for biodiesel fuels, an exciting innovation. We'd like to thank Mr Doug Galt for heading the alternative fuels committee and making that recommendation. Another incentive is the proposed extension of the sales tax rebate for hybrid electric automobiles to cover sports utility vehicles and light trucks equipped with this technology.

The tragedy that occurred in Walkerton two years ago reminds us all that we must not forget the role of research in developing new and safer methods to ensure clean and safe drinking water. Researchers are on the verge of developing an automated water testing system, enabling the immediate detection of biological contamination and immediate notification of those responsible for maintaining that water system.

The province has committed to working with municipalities, researchers and individuals to develop and utilize this innovative technology for the safety and benefit of all Ontarians. That technology can be exported and could be to the benefit and safety of people throughout the world. It is clear that innovation plays an important role in improving the quality of life for all Ontarians through a cleaner environment and also in job creation.

A major driver in making Ontario more innovative is a skilled workforce. Many business leaders have emphasized the importance of skilled workers in order for them to compete globally. One of the key things that can distinguish a jurisdiction for investment is the quality of its workforce. Workers need to access a full range of education and training to continually develop their skills throughout their lifetime.

Ontarians need new skills to use the new technologies found in every workplace today throughout North America. We also face a skills shortage in a major wave of retirement of skilled baby boomers. For example, the Automotive Parts Manufacturers' Association forecasts a shortfall of about 15,000 tradespeople in Ontario by 2007, largely due to a high retirement rate. During pre-budget consultations, the Ontario Home Builders' Association recommended that the government of Ontario partner on outreach activities, expand co-op programs and increase resources for shop facilities in high schools. Their aim was to expand construction trades as a skilled training option for young people.

The 2001 budget already committed \$33 million by 2004-05 to double the number of entrants to apprentice-

ship programs in the skilled trades from 11,000 in 1998-99 to 22,000 people. This year's budget also addresses the pressing need to meet skills shortages. We're still waiting for the federal government to sign the labour market development agreement, which would allow Ontarians to access almost \$600 million in employment insurance funds for apprenticeship and skills training. It would be nice if the federal government would recognize that and come on board.

Despite this setback, we are committed to improving our training system and expanding the apprenticeship model to new skills areas. This government has modernized our apprenticeship system and increased funding by nearly 50% in the last two years. This budget makes a further investment of \$5 million in 2002-03, rising to \$25 million annually, to further expand apprenticeship and training by 2005-06. This will provide training for 6,000 to 8,000 additional individuals, filling this need for skilled tradesmen in Ontario.

These new investments will support partnerships with employers to mount short- and medium-term skills training in areas most in demand. One initiative provides convenient on-line access to required theoretical training for apprentices in the 16 trades that are most in demand. Other initiatives will bridge those trained outside of Canada into apprenticeship or skilled jobs and help youth who are either unemployed or did not go on to post-secondary education.

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This government continues to recognize the importance of an educated workforce in sparking creativity and innovation. Our 25 colleges of applied arts and technologies bring us skilled workers from campuses in more than 100 Ontario communities. They play an important role in teaching the technical skills for hundreds of occupations in our economy. Colleges need updated equipment in order to meet the needs of employers and changing technologies in the workplace. As technology changes, equipment becomes quickly obsolete.

To help our colleges continue with their quality skills training, we are establishing the college equipment and renewal fund. Over the next five years, the fund will provide \$50 million to colleges to support the acquisition of state-of-the-art equipment and learning resources. As you can see, we are well on our way to building Ontario's future prosperity through innovation.

However, our future prosperity also needs the infrastructure to support it. The government understands that strong cities, towns and communities are vital for our economic prosperity. As a result, the province has implemented comprehensive and far-reaching reforms to the property tax system. We introduced the first new Municipal Act in over a century, which ensures that the legal and financial powers of municipalities will support their modern responsibilities.

This government also launched Smart Growth to promote and manage growth in ways that sustain a strong economy, build strong communities and promote a clean and healthy environment. Guided by Smart Growth

principles, the province will also continue to work in partnership with municipalities.

Through SuperBuild and with our public and private partners, together we will invest at least \$20 billion over five years in Ontario's infrastructure. SuperBuild investments in highways and public transit will significantly increase over the next few years. This will help our environment, resulting in cleaner air and less time spent in traffic for people. This means an improved quality of life and more time for individuals to spend with their families.

Ontario's highways will receive an investment of more than \$1 billion—\$1 billion—in this coming year.

Mr Rosario Marchese (Trinity-Spadina): That's too much. You guys are too much.

Mr Chudleigh: It's not nearly enough. Construction will begin this year on a number of major highway projects in the GTA to address the gridlock and improve safety. More projects, valued at about \$148 million, are planned to upgrade and improve highway safety on GTA highways.

As part of Ontario's Smart Growth strategy, the province is also preparing Ontario's transportation network to support the economic and population growth that's expected over the next 15 years. There will be a new highway connecting with Highway 427, north of Highway 7. We will extend the 404, establishing a Bradford bypass, and Highway 407 east to Highway 35.

We haven't forgotten our highways to the north. Highway construction projects totalling \$255 million are planned for northern highways this year. This includes highway rehabilitation and safety projects and major expansion and four-laning projects on Highways 11, 17 and 69. We believe these infrastructure projects will help boost efficiency in transportation and the economy in the north.

Our rural communities will also receive the necessary funding to upgrade their infrastructure. An additional \$104 million will support municipal road infrastructure, including investments through the connecting links program and the Ontario small town and rural development—OSTAR—and millennium partnerships initiatives. This will also help improve other transportation infrastructure such as necessary ferry repairs and airport upgrades.

Part of our strategy to improve quality of life also includes a transit plan. Our government is moving forward with our 10-year, \$9-billion transit investment plan. We continue to hope that the federal government will be a full transit investment partner with Ontario and its municipalities. However, we must move on, with or without their support. You can't wait for the feds. You could be waiting your entire lifetime.

This year, the province will provide \$193 million in transit assistance through the transit investment plan.

Mr Marchese: Without the federal Liberals.

Mr Chudleigh: Without the federal Liberals.

Mr Marchese: How do you do it?

Mr Chudleigh: We try harder. We have found innovative ways.

This includes GO Transit, inter-regional transit through Golden Horseshoe Transit Investment Partnerships and renewal of municipal transit systems through the transit renewal program.

The government is listening to Ontarians and making key infrastructure investments in people's priorities.

The Minister of Health and Long-Term Care will increase capital investments in hospitals and the health care system by almost 70%, to a total of \$342 million. Hospitals and other health care providers will be able to continue to modernize, upgrade and expand their infrastructure and services across the province.

Despite these sizable investments, significant infrastructure needs remain, which is why we're increasingly looking at public-private partnerships. P3s—public-private partnerships are referred to as P3s. Governments love acronyms.

P3s are an innovative approach to financing and constructing hospital buildings and the enhanced provisions for non-clinical services. Let me be clear: delivery of health care services will continue to be universally accessible and publicly funded.

As I mentioned earlier, a well-educated workforce is a top priority. We are investing \$69 million in post-secondary education this year. With this funding, in addition to SuperBuild's capital investment of \$1 billion in 1999-2000, universities and colleges will be better able to address enrolment growth and the impact of the double cohort, creating over 73,000 new spaces for double cohort students.

Since the tragedy in Walkerton that occurred two years ago, the government took immediate measures to ensure safe drinking water. We will continue to invest in clean drinking water.

This budget has increased investment for environmental purposes to \$283 million, mainly due to the implementation of Ontario small town and rural development infrastructure projects related to water and sewers. These projects will help our municipalities comply with the new Ontario drinking water protection regulation and make other improvements to their water and waste water systems.

We will also enable the continued renewal and construction of court and jail infrastructure. The expected investment in the justice sector will be \$143 million this year.

Infrastructure investments will make Ontario one of North America's top tourist attractions. We are committed to a revitalized Toronto waterfront that will rival some of the world's most well-known cities that have had recent urban renewals. Toronto will present a viable alternative to Barcelona, Boston, Chicago, London and Sydney.

The city will also offer a cultural alternative due to renewed cultural investments. As announced on May 31, 2002, the government will invest \$119.5 million in seven of Ontario's key cultural facilities. The Royal Ontario Museum will get \$30 million for exhibit and event expansion, while the Art Gallery of Ontario will receive

\$24 million. Other recipients include the Canadian Opera House, the National Ballet School and the Royal Conservatory of Music. Each institution will be able to expand their facilities with this new funding. This will make Ontario one of the top cultural centres in North America.

In conclusion, while being a responsible and accountable government, we must also respond to people's priorities. Making key partnerships in infrastructure investments will help us sustain a growing population and economy and handle short-term needs. Investing in innovation is our long-term vision. It ensures future job growth and economic prosperity for Ontario and all of its people.

The Speaker (Hon Gary Carr): Further debate?
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Mr Ernie Hardeman (Oxford): It's a pleasure to rise and join in the debate on Bill 109, the Keeping the Promise for Growth and Prosperity Act.

As you know, this legislation would enact the measures announced in the 2002 budget, this government's fourth consecutive balanced budget. I don't believe there is a government in recent memory that has done such a thing as had four consecutive—

Mr Chudleigh: This century. Not in the last century either.

Mr Hardeman: Oh, there we go. Not in two centuries. I'm honoured to be a member of the government that tabled this comprehensive document. As an Ontarian, I'm pleased by the measures contained in this budget because these measures would ensure that Ontario remains on the right track for growth and prosperity. It deals with the issues that are important to the people of Ontario. That's why I believe it's important to say yes to this bill. By saying yes, we'll be saying yes to growth and prosperity in Ontario. Quite simply, a vote in favour of this bill is a vote in favour of Ontario and its people.

Let me explain why. This bill acknowledges Ontario's current fiscal situation. After September 11, we know things are not the way they used to be. Things have changed. It outlines the steps with which we will meet this fiscal challenge. In so doing, we will still deal with the priorities of the people of this province, such as quality health care, quality education, a clean environment and prudent fiscal management. If passed, this bill will ensure that Ontario remains the best place in which to live, work and raise a family.

Ontario got to this enviable position thanks to our government's prudent fiscal management and sound economic policies of the past. Over the years, we did not shrink from making tough decisions and responsible choices. We focused on creating conditions to increase growth and achieve the highest quality of life for the people of Ontario and stuck to our plan.

Since 1995, our government has dramatically reduced the tax burden on people and business. Tax cuts have been broadly based and have played an important role in the province's comprehensive economic policy, which was designed to support and promote job creation, inno-

vation, entrepreneurship, economic growth and prosperity.

Economic growth, spurred by tax cuts, has enabled this government to invest in priority programs and services, such as, as I said, health care, education and our environment. Ontarians of all ages, backgrounds and income levels have benefited from the tax cuts delivered since 1995. Over 893,000 new jobs have been created in the past seven years. Real disposable income has increased by 18.5% in the past seven years. Real disposable income, as I said, has a growth second to none. Tax revenues to pay for programs and services have risen by nearly \$14 billion, and the provincial economy has grown almost 27% since 1995 compared to 20% in the rest of Canada.

Unquestionably, Ontario has enjoyed years of robust growth, record job creation and increasing prosperity. In light of this highly enviable economic situation, the situation in 2001 looks like an anomaly. But it was very real and its effects are lingering. The economy grew by only 1% in 2001, which is a dramatic decrease from the 5.3% growth in the year 2000.

Because Ontario's economy is open and trade-oriented, we were hit particularly hard when our largest trading partner, the United States, experienced an economic slowdown. The tragic events of September 11 dealt a further shock to the global economy through disruptions in economic activity and temporary declines in consumer confidence and spending.

There is no question that the 2001 global economic slowdown hit the province hard, but the effects would have been far more dramatic had it not been for the economic strategy in place in Ontario. The situation would have been worse without the earlier growth in jobs and prosperity and without the tax cuts implemented in previous years.

Clearly, Ontario's economic foundation is sound. The province remains well positioned for future prosperity. In fact, despite the recent slowdown of the global economy and the tragic events of September, Ontario's economy is competitive, inflation and interest rates are low, real disposable incomes are up and consumer and business confidence are high.

Private-sector forecasters, on average, expect the Ontario economy to grow by over 3% in 2002 and 4.3% in 2003. While these projected rates are lower than those Ontario has enjoyed in previous years, they are better than any G7 country over this two-year period. Forecasters have reason to be optimistic. They have seen the growth in Ontario's prosperity over the past seven years. They know the strength of Ontario's economic policies and economic fundamentals. The Keeping the Promise for Growth and Prosperity Act will ensure these fundamentals remain sound.

While Ontario's economy is rebounding sharply, our revenues this year are still reflecting last year's slowdown. The bill recognizes this fact and introduces a number of important measures to ensure we have the revenues we need to provide programs and services important to Ontarians.

I'm sure you are now all aware of our plan, introduced in the 2002 Ontario budget by the Minister of Finance, to delay by one year certain currently scheduled tax cuts. In addition, the next step of the equity in education tax credit would also be delayed. These proposed delays are a prudent response to Ontario's current fiscal economic situation. I'd like to emphasize that we are not cancelling these reductions; we are merely delaying them, and only for one year.

There will be no return to the tax-and-spend days of previous governments in the past, but there is a need to address the fiscal realities of today. There is a need for the measures included in Bill 109, and there is a need to say yes to this bill.

It's important to note that not all previously announced tax cuts are being delayed. Because nearly half of all new jobs are created by small businesses, we will continue the corporate tax rate reductions for small businesses as currently scheduled. Due to the importance of mining to the northern Ontario economy, we will also continue with our planned reductions in the mining tax rate.

To support this government's commitment to the environment, Bill 109 would implement a number of important tax incentives: an extension to the retail sales tax rebate of up to \$1,000 for alternative fuel vehicles to include qualifying electric-hybrid light trucks and sport utility vehicles delivered after June 17, 2002, and a proposed exemption from the 14.3 cents per litre fuel tax on biodiesel fuel.

It's very important to recognize that not only will that be a benefit to our environment and to the consumer buying the fuel, but it will be a great benefit to our agriculture community because the products grown to create the biodiesel will be provided by our hard-working farmers in the province. Lessening our dependence on non-renewable fossil fuels will give us cleaner air and our children a healthier future.

To help people remain in the workforce, our government would remove another 50,000 lower-income people from the income tax rolls through the enrichment of the Ontario tax reduction program: 620,000 additional taxpayers with modest incomes would pay less Ontario income tax. This will bring to 745,000 the number of Ontarians who would not pay any Ontario income tax whatsoever, but they would still pay an estimated \$375 million in federal income tax each year. We believe taking modest-income Ontarians off the tax rolls is the right thing to do, and we encourage our federal counterparts to follow our lead.

As you can see, we are not abandoning our tax cut plan. In fact, a significant factor in the resilience and flexibility of Ontario's economy is this government's focus on cutting taxes. We have shown that cutting taxes invigorates an economy. It gives both entrepreneurs and employees the incentive they need to expand, invest and create jobs.

Cutting personal income tax means more Ontarians can keep more of their hard-earned money. They can use

their money to spend, save or invest. However, the most significant benefits of cutting taxes are long term, in particular after the investment and entrepreneurial climate has had a chance to adjust to the lower tax rate. Tax rates are a fundamental conditioning factor of an economy because they affect the incentives faced by everyone.

The province's long-term goal is unchanged. The proposed one-year delay in implementation will not impair Ontario's tax cut plan. As a result of past cuts, the province's economic foundation is strong and consumer confidence is high. Consumer spending is growing strongly, as indicated by a 2.7% increase in retail sales in the first quarter of 2002.

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Ontario's businesses have already benefited from substantial reductions in corporate income tax rates. Ontario's general combined provincial and federal corporate income tax rate in 2003 would be almost four percentage points below the US Great Lakes states' averages.

Ontario's personal income tax rates would remain tied with those of British Columbia as lowest among provinces for most taxpayers with incomes under \$60,000. And Ontario's top marginal rate would not be affected, remaining at fifth-lowest among the provinces.

Ontario taxpayers will benefit this year from the tax cuts already delivered, and the benefits of those cuts will continue to grow with the economy. By 2004, Ontario's additional 20% personal income tax cut will be delivered. By 2006, Ontario's corporate tax rate cuts will be fully implemented. Once the cuts are fully implemented, Ontario will have the lowest general combined corporate income tax rate of any province or US state.

We have not lost sight of the goal articulated in the 2001 budget, that of making Ontario the highest-performing economy in order to provide the highest quality of life in North America, and we are intent on succeeding. By passing Bill 109, we can ensure that we will succeed.

Ontario is already the number one place in North America to do business. Through our government's commitment to tax cuts, debt reduction, strategic investments in education, innovation and infrastructure, modernizing financial regulations, reducing red tape and eliminating other barriers to growth, there simply is no better place than Ontario to open up shop.

I already mentioned that the Ontario economy is expected to grow by over 3% in 2002, and by over 4% in 2003. Ontario employment is projected to increase by between 1.5% and 2.0% in 2002. In 2003, job creation is expected to register gains between 2.5% and 3.0% as stronger growth in the economy takes hold. Ontario's tax cuts and sound economic and fiscal management have strengthened our province's economic foundation.

For the most part, the slowdown of 2001 is behind us. The measures in Bill 109 would address the impact on revenues carried over from 2001 and make for a brighter, more prosperous tomorrow. I urge all members of the House to vote in favour of keeping the promise for growth and prosperity by voting for the Keeping the Promise for Growth and Prosperity Act.

Thank you very much for allowing me time to speak to the act.

Hon John R. Baird (Associate Minister of Francophone Affairs): I say to the people watching on television. "Do not adjust your TV set. It's 25 after 7. We'll be finished this in 25 minutes, and then 10 minutes of questions and comments; then you'll have the member for Scarborough-Agincourt, a very well respected member, on prime time at 8 o'clock. For those of you who didn't see the Voice of the Province last night, you'll hear the publisher-author-editor of Treasury Watch give his analysis of the budget right here. The member for Scarborough-Agincourt publishes a well-read forecast of the budget, which was remarkably bang on in its assessments of the Ontario economy, I understand. He brought that in a week before the budget and it was remarkably bang on. I've even seen his publication.

Mr Marchese: How did he get the cake then?

Hon Mr Baird: I didn't see the cake. I didn't get invited to partake in the cake. I don't know whether the member for Scarborough-Agincourt could have his cake and eat it too. Maybe he still has some left over. Maybe he'll invite us all up to his office to help eat his hat later.

I've even seen his Treasury Watch publication quoted as an independent source of financial advice in the Toronto Star on one occasion. I thought that was the ultimate compliment to the member for Scarborough-Agincourt, who is very well respected on all sides of this House, not just for his knowledge on financial issues but for his integrity.

I also hope that maybe later on we'll hear from the member for Trinity-Spadina, the hard-working member who forcefully fights for his constituents as well. It would be a real treat if we could get the member for Nickel Belt to split her time with him and we would hear from them both. But for the time being you'll hear from me.

I'm pleased to have the chance to rise on the budget bill, which comes out of the budget delivered in this place by the Minister of Finance, Janet Ecker—a good budget. I worked in Ottawa for nine years as a student and then full-time. In the nine years I was there, we never had a balanced budget, let alone having the fourth balanced budget, when any single excuse in the book could have been used not to balance the budget. But Janet Ecker delivered a Conservative document that delivers on our commitment to bring in a balanced budget, which is exciting.

We love the education funding announcement in the budget. I think it's \$500 million of increased spending. I know my NDP friends were happy with that too when Janet Ecker presented the budget.

I love the tax cuts contained in the budget. Building on the 192 tax cuts that have already been brought in by the Harris government and the last Treasurer, Jim Flaherty, and before that, Ernie Eves, there are four more tax cuts. The only thing we're debating about tax cuts is, are the last four or five tax cuts going to take place six months from now or 18 months from now? It's remarkable: the

people who have stood up and fought every single tax cut in this place are now disappointed that we're not cutting taxes fast enough, which is a surprise to me.

I was pleased with the budget. The budget wouldn't have been the budget that each of us as individuals, 103 members, would have written, but on balance, in difficult circumstances, it was an excellent document of which the minister can be proud.

In my community we have the telecommunications industry which has gone through a restructuring, I'll say, as has the automotive industry in the province. I think of the two biggest employers in my riding, JDS Uniphase and Northern Telecom, Nortel, which have gone through some difficult periods, and that obviously is reflected with the revenues we bring in. I strongly support the corporate tax cut. It has already begun.

I was pleased about the tax cut for small business, not just the previous small business tax cuts, but there will be more coming in a number months and there are more corporate tax cuts to help boost the economy in a number of months beyond that, in a balanced approach.

The agriculture industry is also an important employer in my riding. We have a great Minister of Agriculture. Finally, today we're on the road to getting Bill 81, the Nutrient Management Act, passed under the capable leadership of Helen Johns, the new Minister of Agriculture. I know Brian Coburn worked very hard on that, as did Ernie Hardeman, the member who spoke before me. Doug Galt and Toby Barrett also worked very hard on that issue. That's important too.

I was also pleased that the budget Janet Ecker presented included—and this is something that didn't get a lot of attention—increased funding to help those people in Ontario with a developmental disability. Last year the previous Treasurer, Jim Flaherty, brought in some budget initiatives, at my urging and at the urging of so many members in this place on both sides of the House, additional funding to support people with a developmental disability. They committed \$55 million, growing to \$197 million. Some people said, "We won't see any more of that," and Janet Ecker delivered, with \$49 million of new operational funding and, as was reported here earlier, more than \$15 million in capital funding to help construct places to live.

Today we had Community Living Day, where associations for community living from across Ontario spoke to all members of the Legislature. They visited the Legislature. We had statements. I was pleased, along with a good number of ministers and members from all sides of the House, to have a chance to meet with representatives for community living. The Toronto Association for Community Living, Agnes Samler, was there. She's the executive director. She does a phenomenal job as a leader in this area, as does Cay Snedden, someone who has been a real inspiration to me. She is a mother of a son with a developmental disability who, when I was Minister of Social Services, would take me to see her son's group home, who would take me to see her son's day program. She is someone who taught me an awful lot and

continues to help spread that wisdom with the member for Scarborough Centre. She was here today to talk to members and to help put the issue of community living and people with developmental disabilities on the radar screen.

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Some people have a voice, a strong voice. If they're a teachers' union leader or a chamber of commerce or industry executive, they have a powerful voice to be heard in this province. But some people don't have as loud a voice as others. I was pleased that we had the opportunity to meet with the community living representatives and talk with a number of self-advocates who were here to make their case and talk about the things that are important to them. They talked about the issue of aging parents: a terrific number of people who made community living a reality; people who fought to change attitudes back in the 1940s and 1950s; people whose doctor might have said, when the baby was born with Down syndrome, to simply send the child to an orphanage; people who not only changed attitudes but fought to make special education a reality in our schools, fought to change attitudes, fought to close institutions and fought to make it accessible.

That is terrific, and I was pleased that the budget contained a substantial increase, a record increase, to support people with developmental disabilities. In 1999 we had a \$35-million increase, in 2000 we had a \$50-million increase, last year we had a \$55-million increase and this year we had a more than \$60-million increase to support developmental disabilities. Now, that's not going to get a lot of public attention, but I know that all members in this place, from all political parties, strongly support it.

But those senior aging parents who made community living a reality now need support. They're at a time in their lives when they're not sure what they will do, next week or next month or next year, when they're unable to provide care and support for their loved ones. That's why the budget contained a lot of important measures to help provide some further assurances that care will be there for those individuals when their parents are no longer able to provide it.

There were representatives here from the Ontario Association for Community Living: Keith Powell, the executive director, who does a terrific job, as does David Barber, who's been president of the association for three years now. I was pleased that the Minister of Education and Deputy Premier was at the event. I was very pleased that Janet Ecker, the former Minister of Social Services and now treasurer, was at the event to give these voices an opportunity to be heard by decision-makers. That was important.

Back in my community, I can tell you the budget was welcome news for groups like Ottawa-Carleton Life-skills, where people like Cathy Wood and Arthur Emmet and so many people work to make community living a reality, as it was with the Tamir Foundation, an organization founded by the Jewish community, which does a

phenomenal job in Ottawa. They do a great job. The Jewish community has taken this organization under its wing, and they have a large group home contained right on the Ottawa Jewish community centre campus. It's near the Jewish community centre, where they have recreational facilities that the folks whom Tamir serves can use. They can use the long-term-care centre. The synagogue, the temple, is right across. They can benefit from the volunteer support of the Hillel Academy, which is located just a block from the main group home. It really is a perfect example of that community taking this organization, which serves Jewish and non-Jewish adults alike with developmental disabilities. The community has really come forward. They receive some unprecedented support, and the government is there to match that support in the budget, which I think is welcome news.

Also, the Ottawa-Carleton Association for Persons with Developmental Disabilities is a pretty important group in my community. Dave Ferguson there has tried to address some really significant challenges financially on a good number of issues. New financial support, while not enough, has certainly gone a long way to helping the need. We've got to do more to address the needs of the workers in this sector.

I'm going to surprise you: I'll say to my friend Rosario Marchese that I met this afternoon in the hall, and had a good discussion with, my good friend Sid Ryan about the important need of workers—

Ms Shelley Martel (Nickel Belt): Did you talk about drug testing?

Hon Mr Baird: Sid Ryan certainly was very supportive of drug testing opposition, brought forward by the NDP.

I had a talk with Sid about the importance—that we've got to do more to recognize the workers in this sector. The turnover is very high. It's not a sexy job. It's not really a job for many of these folks; it's a vocation. It's an area where these people bring a lot of love, skill and devotion: the Ottawa-Carleton Association for Persons with Developmental Disabilities, Ottawa-Carleton Life-skills, the Toronto Association for Community Living, organizations like Reena—I know the member for Thornhill has been a big booster of Reena and Sandy Keshen, the group there. I was pleased to attend a fundraiser for the new elderhome for Reena just the other night here in the city of Toronto. They do a phenomenal job.

The amount of support you see for these agencies for developmental disabilities, like Reena and Tamir, is really phenomenal, and they're a great example of how other parts of the community have to do more to respond to these important needs. But Reena is certainly an impressive organization.

I was also pleased that the budget talked about the importance of property taxation, to follow up some of the work done by the member for Lambton-Kent-Middlesex, Marcel Beaubien—the urgent need, certainly in my community and in small places in my constituency like Richmond, Greely, Osgoode, Metcalfe, Vernon, Burritts

Rapids, North Gower and Ashton. There is a need—and the minister spoke of that in the budget—to look at property taxation issues.

I'm really arguing strongly that we've got to do more to perhaps set a small-rural business subclass within that to allow municipalities to try to respond to some of the needs. Take a funeral home in Osgoode, the former Osgoode township. The taxation levels it possesses versus one in downtown Ottawa can be tremendous. I think of the Richmond mall: some of the rent there couldn't even cover the property taxes, let alone a return on investment. If we want to maintain the well-being and economic health of our rural communities, we've got to look at issues like that.

I was pleased that in the budget speech the Minister of Finance, Janet Ecker, made reference to that, because that is a huge issue for small business people in my constituency. Despite some of the contents of the budget, the minister felt strongly about continuing the corporate tax cuts for small business. In my community, small business is big business. It creates a lot of jobs and a lot of entrepreneurial spirit, and the budget helps promote some of those important initiatives.

There was a lot of attention focused in the budget on education, and the budget bill obviously follows through on some of this. They've been able to move forward with a lot of new school construction of late. The Catholic board has responded tremendously well to that in my community. We have a new elementary school for the Catholic board in Stittsville, two in south Nepean and a number in Kanata. But it is important that the public board begin to make some of the difficult but necessary decisions that the Catholic board has been making for a good number of years, going back to its days as the former Carleton Catholic school board.

The two francophone boards are opening schools. We have a new elementary school, Pierre Elliott Trudeau school, in south Nepean in my riding. We have a new francophone high school that was transferred and is now in Bells Corners in my constituency. That's welcome news.

But there is an urgent need for a new elementary school in Stittsville. That's something about which I have spoken on a good number of occasions to both the Minister of Education and the Minister of Finance, about what we can do to leverage the Ottawa board to recognize that they have an important responsibility to balance urban and suburban needs. It can't be all one way, and I feel it has been in this board. That's coming to a head, and I'm certainly making some strong recommendations that action is needed for these children, these parents, these families and these communities, particularly in growing suburban areas like Stittsville and south Nepean. It is tremendously important.

As part of this bill, with respect to tax cuts, the provincial government doesn't tax literally hundreds of thousands of people on the lower and modest income levels, and this budget takes another 50,000 taxpayers right off the tax system. My colleagues opposite could

maybe talk to their Liberal colleagues and maybe they would do what Paul Martin wouldn't do. Maybe John Manley would be open to helping these 750,000-odd taxpayers—50,000 more of them now, thanks to Janet Ecker—who pay no provincial income tax but pay more than \$350 million, \$375 million in federal income tax. Instead of squeezing some money out of them and then sending it back to them, just don't squeeze them in the first place. Those kinds of tax cuts are important to ensure that low- and modest-income families get it.

Mr Dominic Agostino (Hamilton East): What about the child tax credit?

Hon Mr Baird: The child tax credit isn't clawed back; it's the other one. There are two of them. That's not clawed back.

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Mr Agostino: You claw back the other one too.

Hon Mr Baird: No, that one isn't clawed back. It's the other one that's clawed back.

I believe Jean Chrétien's federal Liberal government, when they came forward with the national child benefit supplement, said provinces are entitled to claw back. I'm pleased the federal Liberals, including Allan Rock, the member opposite's good friend—he votes every year to allow us to do that. That's the way Jean Chrétien runs things up there in Ottawa.

If they have an issue with that, I know that will be something they'll want to take to their federal Liberal cousins, because I suppose they voted for these Liberal members. These Liberal members did that, so I can essentially say these Liberal members voted for it.

I was reading in the paper today that a lot of Ontario caucus members in the Liberal government aren't so happy with the current Prime Minister and are perhaps looking for some changes.

Mr George Smitherman (Toronto Centre-Rosedale): Have you met Jim Flaherty?

Hon Mr Baird: I know Jim Flaherty's doing a tremendous job as Minister of Enterprise, Opportunity and Innovation. He's doing a great job. No one was cheering louder for the budget than the two men sitting beside the Minister of Finance, Premier Ernie Eves and the Minister of Enterprise, Jim Flaherty, at the initiatives contained—very, very exciting.

Mr Agostino: Have you been to dinner at Bigliardi's?

Hon Mr Baird: I haven't been to dinner at Bigliardi's lately. I know my colleague probably goes to Bigliardi's a lot more. One of my colleagues over here represents Bigliardi's in his constituency. He represents Bigliardi's, and my other colleague from the NDP represents all the big bank towers.

Mr Smitherman: No, I do.

Hon Mr Baird: Oh, sorry. The Liberal member for Rosedale represents the big bank towers. He represents Bay Street literally. One of the members opposite, I think, even lives on Bay Street.

This budget contains a lot of good economic news. Does it go as far as anyone would like on their pet projects? No. Does a budget ever do that? No. But the

bottom line is, it's a balanced budget. The bottom line is, it continues tax cuts. The bottom line is, it meets demands in health care.

The Ontario government knows that all Ontarians see universally accessible health care as an important priority. Since taking office, the province's health care operating spending has increased from just \$17.6 billion to this year's planned \$25.5 billion. I know it's a great source of consternation to my friends in the Liberal Party that Brian Mulroney used to pay for about 18% of Ontario's health care budget and now Chrétien only spends 14% of our health care spending. What are they doing with the money? They're sending it all to Human Resources Development Canada, Groupe d'action and all these wasteful spending projects.

Health care is the number one priority of Ontarians. The Ontario government knows that. Janet Ecker and Ernie Eves know that because they put their money where their mouth is. Action speaks louder than words from our friends across the border.

We promised tax cuts. The budget delivers tax cuts. Four of them now, and five of them instead of being in six months, in 18 months. But these guys voted against every single tax cut that was brought in. They disagree with tax cuts. I've seen the member for High Park quoted that they would want to roll back some of the tax cuts. He then became very quiet. So that was very interesting.

I think one of the members opposite even lives on Bay Street. When he talks about my Bay Street friends, I wonder who he's talking about. I don't know that many people who live on Bay Street and I'm looking at one of them now.

I'm thrilled to support this budget. I think it meets a lot of urgent needs in protecting our drinking water. There's \$500 million to support that important initiative. It meets important needs in health care. I go out and talk to families in my riding, whether they're in Barrhaven or south Nepean, Stittsville or in the rural part. It's going to make our health care system a little better. It's going to add a little bit of support to education. It's going to provide a little bit of hope for the future for families, senior parents, aging parents with developmentally disabled children. I think that's good news.

Mr Agostino: How much money did you put into home care?

Hon Mr Baird: Home care is going over very well. Graham Bird has just taken over as the chairman of the local community care access centre and he's doing a tremendously good job. We're thrilled he's agreed to serve his community by taking on that role. The hospitals are getting kind of jealous of the CCACs because the CCACs over the years have gotten such a big increase. So that's good news.

I am pleased, though, to be working here at the Legislature with hard-working ushers like Yolanda Gray, Claudia Da Mota, Yvonne Palkowski, Jesse Kulendran, Walter Yee, Trevor Day and Phillip DeSouza, who are all working very hard for all members of the Legislature. We should at times take a moment to thank and

congratulate them for their hard work and make sure their contribution is noted in the record.

I'm looking forward to the speeches by the member for Scarborough-Agincourt, who always gives an informed speech, and from the member for Trinity-Spadina.

With that, I will allow questions and comments. I know my colleague the member for Halton will want to respond.

The Speaker: Questions and comments.

Mr Smitherman: Well, holy moly, it's amazing around here what a week can do. For anyone who's listening or had a chance to watch from home, the guy who just sat down, the member from Nepean-Carleton, till a week ago, before his defanging and declawing was complete, was one of the most rabid right wingers known to our entire country. In the turn of a short week this leopard has sought to change his spots, but I am so confident that Ontario's taxpayers, Ontario's voters, will not be fooled by this attempt on the part of the Harris-Eves band on the other side of the House to change their spots.

It's kind of cool to watch this band that for seven long years has gone on with these rapacious attacks on the poorest folks in our society all of a sudden to change their tone. I don't know if you've had a chance to watch the finance minister and even the minister—he's barely a minister—who just spoke. They've even changed their speaking style. They're speaking more softly, trying to conjure up the imagery of being caring and compassionate.

Mr Garry J. Guzzo (Ottawa West-Nepean): Not all of us.

Mr Smitherman: I see the member Mr Guzzo is here for three days in a row. Terrific.

I would say to anyone who's watching from home, be very conscious of this debate. Listen to the next presentation that will come from my party, from a man who is ready to serve in a senior capacity and who will not spend his time playing this unprincipled game, jumping back and forth, pretending to be something they are not.

This government has in the space of a week attempted to convince people that they are something that they are not. But I trust the Ontario voters. I think they're smarter than these guys across the way.

Mr Marchese: I want to welcome the citizens to this political forum. I want to say that around 9 o'clock, more or less, I'll be on for a half-hour. I want to save all my energy—

Interjection.

Mr Marchese: —just in case you're tuning in around 9 o'clock, more or less. I'll have an opportunity to respond to the members from Oxford, Nepean-Carleton and Halton.

Hon Helen Johns (Minister of Agriculture and Food): I just want to congratulate my colleagues from Halton, Oxford and Nepean-Carleton for what I thought were insightful presentations. I have to say that it's a little

nasty in the House here tonight and we're going to have to take some decorum lessons.

I want to welcome my colleague Gary Guzzo back. He was not feeling well for a period of time and we're happy to see him back in the House, as opposed to the cheap shots that are coming from the member from Rosedale. I'd also like to say that I'm always proud to represent the agricultural community, and if the member opposite thinks I'm full of nutrients, then that's his problem.

I always learn a lot from the member from Nepean-Carleton. I know that as the previous Comsoc minister, as it was known then, he made a great difference to people with disabilities in Ontario. He had quite a commitment to that. I think that as time progresses and we get away from all of this nastiness that's going on in the House, we'll recognize him for the work he did there. It was a great opportunity. He took an interest in a specific area. That's what all of us should do, when we have a ministry: find areas that we're interested in and work with them to be able to make differences.

Today the member for Oxford spoke, and that this should be a very exciting day for him. Nutrient management passed a little earlier, and of course he was the brains of the operation for getting that into the House. That also is an accomplishment for him. He should be very proud of himself.

And of course we always say wonderful things about the member from Halton.

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Mr James J. Bradley (St Catharines): He has good apples.

Hon Mrs Johns: He has good apples. Thank you. That's the nicest thing I've heard today.

He spoke well about the wonderful things that he believes are happening in this budget.

Thank you very much. Everybody have a lovely evening.

Mr Monte Kwinter (York Centre): I just want to comment to the member from Nepean-Carleton, who was talking about Mr Flaherty, the minister of what I call the E-I-E-I-O ministry. I just want you to know that when I appeared at estimates with the previous Minister of Economic Development and Trade, the member for Leeds-Grenville, he spoke for a half-hour from a text that was prepared by his ministry and never once mentioned the automotive sector. When I stood up in my rebuttal, I said to him, "Did you forget that the engine that drives the economy of Ontario is the automotive sector?" He said, "Oh, we sort of overlooked it." Now, suddenly they're making this great virtue of the fact that they're having meetings. They're meeting with the automotive sector. Today they announced that they're going to do more studies; they're going to be looking at things.

The automotive sector has been here for a long time. When I was the Minister of Industry, Trade and Technology, we had an automotive advisory committee that was headed up by Ken Harrigan, the president of the Ford Motor Co. It was a very, very vibrant situation. What do we have? We have this government totally

ignoring the automotive sector, playing catch-up, not realizing the importance of this particular issue.

The last thing I want to talk about is that I noticed the Premier is constantly talking about bringing the discipline of the private sector to everything, bring the discipline of the private sector to the marketplace. You mentioned Nortel in your riding. Is that going to be your model for this private sector discipline? Are you going to try Enron? Are you going to try BCE, where they wrote down \$7 billion to \$9 billion on Teleglobe? I would suggest to you that what we have to do is bring discipline. It doesn't have to be the private sector; it doesn't have to be the market. Bring discipline. All you have to do is take a look at British Energy. They sort of privatized it with the same people. They just said, "Go and do it. We'll give you your marching orders. Do it." So that is something I think this government should be looking at, and stop using the private sector discipline as their model. If you take a look at the covers of *Business Week* or of the *Economist*, everybody is trashing the private sector for their excesses. All you have to do is look at Hydro One.

The Speaker: Response?

Mr Chudleigh: I thank the members I shared my time with, the member from Oxford and the member from Nepean-Carleton.

The member from Nepean-Carleton forgot, during his speech—he was so caught up in the subject—to recognize the great work of Lisa Pearson, in the whip's office. She has done yeoman's service for the whip and indeed for this caucus for this entire term.

I also appreciate the opinions that were expressed by the member for Toronto Centre-Rosedale, the member for Trinity-Spadina and the former minister from York Centre. They all expressed wonderful opinions about the budget, but we also have some other people who have expressed opinions on the budget. One is Dr Elliot Halparin, from the Ontario Medical Association. He said, "Everybody understands that there is a crisis of sustainability in the health care system, and I think the government has recognized that it is very important for our patients that they get that timely access to high-quality care." The medical system seems to think we're doing the right thing.

Also, no one less than Mordechai Rozanski, the chair of the Council of Ontario Universities, made this comment on the budget: "This budget makes the increased cohort a budget priority of this government and will ensure we"—the universities of Ontario—"can accommodate the larger number of students."

Further, another opinion on the budget: Jennifer Lewington, a columnist for the *Globe and Mail*—whose parents, I might add, live in wonderful downtown Milton, in the marvellous region of Halton, one of the prettiest ridings in all of Ontario—says, "University spokesmen had high praise for yesterday's Ontario budget.... 'We are pleased that we received the full grant funding that we had requested' said ... the chairman of the Council of Ontario Universities. He said the extra money (about \$82

million for universities) means that the increased number of students who wish to attend 'will have a place in our universities.'"

The Speaker: Further debate? The member for Scarborough-Agincourt.

Mr Gerry Phillips (Scarborough-Agincourt): I want to indicate I'll be sharing my time with the members from Windsor West and Eglinton-Lawrence.

I want to begin the debate on Bill 109, which is the budget bill, starting with the section dealing with the Taxpayer Protection Act. You will recall that the Eves-Harris government told the people of Ontario there was a Taxpayer Protection Act that would protect them against government making changes in taxes, and it made it clear that it was against the Taxpayer Protection Act to postpone a tax cut that was in legislation. I think the people of Ontario believed that.

There was some bantering earlier in the evening about my having to eat my hat. Well, it's true. Last Saturday night I was on a program called *Focus Ontario* and the interviewer said to me, "Do you think there's any way they would delay the tax cuts?" And I said, "No. They promised them. They actually passed all of the legislation enacting the tax cuts and, furthermore, there's this Taxpayer Protection Act that would make it illegal to do that. The only way they could do it would be to run a referendum." I said, "I'll eat my hat if they do that."

Well, I was wrong. As a matter of fact, on Monday here in the Legislature the Premier sent me over a cake hat to eat. I thought it was unusual because I was saying to the people of Ontario, "Listen, if there's one thing I think they'll do that you can count on their doing it's actually going through with the tax cuts." The reason I'm wrong is because they broke that fundamental promise; they are not proceeding with major tax cuts January 1, 2003. Frankly, I was totally surprised in the budget.

We asked the government, "How can you possibly do that? There's a law on the books that prohibits you from doing that." They said, "We're going to pass a technical amendment"—that's the term they used—"that will allow us to not have to follow the law." So in my opinion the law is not worth the paper it's written on because it can be changed at a moment's notice with any government simply passing a technical amendment.

The government says, "We're into a difficult time because of 9/11." That's simply not the case. The law says if revenues drop by 5%, you can bypass the law. Revenues in the province of Ontario have dropped by perhaps 1% and you can trace it directly to two things. One is a drop in something called the local services revenue, where the province used to get money from the municipalities for doing services. The municipalities have taken over the services and the money no longer comes in. The second area is the drop in revenue from Hydro One and OPG. As a matter of fact, if you look at the budget you'll see housing starts last year—2001, when 9/11 occurred, as we all know—were up dramatically. Car sales were up dramatically throughout the year. The economy actually in the last quarter of 2001 was exceptionally strong, stronger than before 9/11.

So I say to the people of Ontario, the Taxpayer Protection Act that every Conservative member of the Legislature proudly signed before the election—I think it was one of the things that got them elected—is not worth the paper it's written on. It can be changed with just a technical amendment, and that's what we have in this bill. Essentially it says the tax cuts that were legislated, due to come in January 1, 2003, are now delayed for a year.

I understand why they're doing it. I think they have got us into a fiscal mess because of their fiscal policies, but it was not us that promised that. As a matter of fact, we probably lost the election because Mr Harris and Mr Eves said, "Elect us and we will cut your personal income taxes by 20% during the next term," and also cut residential education property tax by 20%. This particular piece of legislation delays that to January 1, 2004.

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Mr Bradley: That's a big retreat.

Mr Phillips: Are we now not going to see an election till 2004? Is that what all this means, "within the term"?

Interjection.

Mr Phillips: Mr Guzzo, you will have a chance to talk on the budget bill later.

Mr Guzzo: No, I won't.

Mr Phillips: Well, unfortunately, your caucus may not give you a chance but I think the people of Ontario would appreciate that each member who is up to speak has an opportunity to express their view, regardless of how you may feel about it.

The Taxpayer Protection Act is not worth the paper it's written on, and I think that's an enormous broken promise by the government. I would say to the people of Ontario, who were promised \$1 billion in cuts in personal income tax effective January 1, 2003—that was what was going to happen—now that will not happen. So what we will be voting on when we vote on this budget bill is for a \$1-billion increase in personal income taxes.

We have said all along that we think it's a huge mistake to have corporate taxes 25% lower in Ontario than in our neighbouring jurisdictions, for this reason: we forgo corporate income tax revenue in the province of Ontario of about \$2.2 billion to get corporate taxes 25% below the US. The federal government, by the way, is participating in this and they forgo revenue of about \$1.8 billion. So we get about \$4 billion less revenue. That's what it costs in forgone revenue because we have now adopted a policy of corporate taxes 25% below the US. I think that is foolish long-term economic policy.

The automotive sector, which my colleague Mr Kwinter is acutely aware of, tells us that it costs them \$2,500 per employee less money in Ontario than it does in Michigan and other US states because of health costs. Health costs are \$2,500 per employee less here in Ontario than they are in neighbouring jurisdictions. Why is that? It is because we have chosen in this province and in this country to operate our health care in a certain way, where we collectively agree we will pay taxes and we will collectively provide all of us with a health insurance plan.

If we go for corporate taxes 25% below the US, with forgone revenue of \$4 billion, in our opinion health care is unsustainable with that over the long haul. We think a far wiser long-term economic policy is to say, "Listen, we're going to have corporate taxes competitive with the US. We're not going to be beaten on that front, but we're going to make sure that we invest in the things that will give us long-term economic stability: a quality workforce through education and training, a quality health care system and a quality environment.

The bill that we're dealing with here in my opinion is essentially making the Taxpayer Protection Act worthless. This government or any other government can simply say, "All right, sure, that's what the law says, but we're going to introduce a piece of legislation to simply change the law." I find that that particular piece of this bill, as the public begins to increasingly recognize, severely undermines the credibility of the Ontario government. It's like, "You said there was this law that would prevent this from happening. How can it be with simply a technical amendment you can change it?"

I guarantee you the analysis that says, "Well, 9/11 made us do it," will not stand up to any scrutiny. In fact, if you look at the economic numbers, the economy has performed better over the four years than the Conservative Party assumed when they put their election platform together. So they can't argue, "Things have gone worse than we thought." The economy has performed better, and yet they still have now determined they cannot deliver on the 20% cut in personal income taxes within the term and the 20% cut in residential education property tax.

As I say, taxes will have to rise about \$1 billion next year over what had been legislated on the personal income tax front. I might also add that in the prebudget hearings, Minister Flaherty, then Minister of Finance, came to our committee, and we asked him, "Can we count on the cut in residential education property tax proceeding?" He said, "Yes. By the end of 2003 it will be finished—complete." Again, because the member from Nepean was mentioning education property taxes, I'd add that \$250 million was promised to be cut out of residential education property taxes in 2003. That's now delayed for a year, to 2004, which by all accounts will be when the next election starts.

The platform they ran on, "Taxpayer Protection Act guaranteed," has changed here. "We will complete a 20% cut in personal income tax," is delayed now until January 1, 2004. The government may be waiting until 2004 to call the election, but that would be a surprise.

I would urge the people of Ontario to recognize what's happening on the—

Mr Chudleigh: Will you eat your hat? Do you want another hat?

Mr Phillips: Mr Chudleigh says, "Eat my hat." Listen, that's up to you. The reason I had to eat my hat was because I assumed the government actually would follow the law they had. I never thought they'd break the law. They passed the taxpayer protection law, which I

thought would guarantee they had to go ahead with the tax cuts, but, no, it's all off. It's delayed for a year. "Sorry, we're going to pass a technical amendment."

I said in the House the other day that I'll never make the mistake again of believing the government. I won't put myself out on a limb by saying, "Yes, the government will do what they promised." I've learned my lesson. I advise the backbench members particularly, don't get yourselves out on a limb promising that Ernie Eves will do what he says he will do or you'll eat your hat, because he may send you a hat too. I said that in the House the other day.

Second, I want to talk about the books of the province. It was in 1995, I remember, when Mr Eves had just become the finance minister, that he proudly said, "The two sets of books are gone." This was 1995, seven years ago. It was in the fiscal statement in big, bold type. Well, here we are, and do you know what this budget bill is designed to do? Finally, on April 1, 2003, about 10 months from now, they're going to move to one set of books in the province. That's eight years after Mr Eves promised it. For a government that likes to say, "We like to apply private sector discipline" and whatnot—if any private sector company tried to get away with running two sets of books, like some private sector companies are, as my colleague Mr Kwinter said, they would be up before the courts or before the SEC.

Mr Guzzo: How many did Nixon have?

Mr Phillips: Well, Mr Guzzo, just listen. I'll get to this for you. You'll probably appreciate it.

We still have the two sets of books. The public should be aware that we had a budget presented on Monday, and then there were estimates presented. For people watching, estimates give ministries the legal authority to spend. In the Ministry of Health, I think there was a \$600-million difference between the budget and estimates; in the Ministry of Education, I think it was \$600 million; in Management Board it was \$500 million.

We have these two sets of books. The auditor, as recently as June 7—because we've been concerned about it, as he has—said the accounts are still prepared and presented on two different bases: "I believe this can only contribute to public confusion with respect to annual expenditures and financial results." He's been urging the government to do away with these two sets of books.

Again, this is finally in this bill. It was in November 1995 that Mr Eves promised this, and here we are now, seven years later, and it will be eight years later before we move to one set of books. I might add that I think the public are owed a far more transparent look at the finances. Every other province, by the way, had their budgets presented months ago.

2010

Hon Mrs Johns: Did they have a leadership race too?

Mr Phillips: Well, it was Mr Eves who also promised that budgets would be presented before the fiscal year starts. One of my colleagues over there said, "Well, leadership." I'd say that, yes, your party has the right to a leadership race, obviously, totally, but it also has the

obligation to run the province at the same time. If you believed in 1995 that the budget should be presented before the fiscal year started, you shouldn't wait until eight years go by. Again, we have a promise that next year we'll get the budget before the fiscal year starts.

By the way, another part of this transparency is that there is a substantial amount of what I call off-book debt building up, with the province responsible for it but on somebody else's books. I'll give you an example. The school boards now have added well over \$2 billion of new debt to build schools. It used to be that the province handled the financing of that. But they've said, "No. School boards, you go out and borrow the money and we'll guarantee to pay the principal and interest on it."

Well, there are two problems with that. One is that that debt is totally the responsibility of the province but it's hidden off the books. The second problem with that is that we are paying at least 25 basis points more to borrow that money for the school boards than we would here. So it's costing us, just in that particular case, a minimum of \$5 million a year in extra money the taxpayers are spending, for no benefit. There is no benefit, none at all. It's just that it's hidden off the books.

Frankly, the same thing's happening with nursing homes. It used to be that the province helped provide funding for nursing homes. Now they say, "No. You go out and borrow the money and we'll pay you \$10 per day per individual." My hope is that we will get a much more transparent look at the books.

I might add as an aside on this budget bill—I call it the "Flaherty hostage bill"—that they've thrown into this bill the Durham university. It's in another bill before the House too, so we've got the Durham university in two different bills. But it's thrown in here. It's going to put Mr Flaherty in an interesting position. He's going to have to vote to essentially abandon the Taxpayer Protection Act and increase personal income taxes by a billion dollars because the Durham university is in here. As I say, I found it rather odd that thrown into the budget bill, normally dealing with the budget, is the Durham university, and it's in another bill that's before the House right now.

The sale of assets is in the bill as well. If you look at the budget, you will see the revenue line called Sales and Rentals. In 1998-99, it was \$640 million. Then it went up to \$2.1 billion. What was that? That was the sale of 407. That's where, on May 5, 1999, the 407 was sold and \$1.6 billion profit was put on the books. May 5, 1999, was the day the election was called too.

I might add that people who use the 407 have been taken to the cleaners. The owners of that have seen the value of their investment quadruple. They put an equity investment in there of \$750 million three years ago; it's now worth \$3 billion. It's quadrupled. It's gone up four times the value of their equity position. Why is that? Because it's the only private toll road in the world where they can take tolls up without limit. They're clamouring to invest in this because they can take tolls up without limit. If you look at the investors, in their annual reports

they brag about it. They've made a great investment. The reason I raise that is when Mr Eves sold it—and it was Mr Eves who made the deal—he said, “We've got a unique tolling agreement here that will protect the 407 users. Tolls can go up no more than three cents a kilometre after 15 years.” Well, I'll tell you, in many cases tolls have gone from four cents a kilometre to 11.5 cents a kilometre in three years. There's no protection for the users of the 407.

Then we see again, as we approach this election, sales and rentals for 2001, \$637 million, \$586 million—whoa, \$2.4 billion for 2002. So here we are. We're seeing the 407 all over again. Sales and rentals: we asked the officials on budget day, “What is that? It's gone up \$1.8 billion.” Mr Lindsay, a very knowledgeable person, said, “Well, there's POSO in there probably.” That's the provincial savings office. “For how much?” “Well, \$20 million to \$100 million.” “But where's the big money? Where's that \$1.8 billion?” And he acknowledged, “It's Hydro One.”

Where did the idea to sell Hydro One come from? We all remember there was no plan to sell Hydro One. That was never on the books. Anybody who had looked at it said we wouldn't sell Hydro One—until December, and then Mr Harris came out of the blue and said, “We're going to sell Hydro One.” Where did that come from?

Mr John Snobelen (Mississauga West): Nonsense.

Mr Phillips: He says, “Nonsense,” but if you had planned to sell Hydro One I sure would have liked to have known about that, and so would a lot of other people in dealing with the Legislature. It came out of the blue, and it's clear now why it came out of the blue. It's kind of the 407 equivalent. It's the government looking for a quick cash infusion to deal with a financial problem leading up to an election. There's no question about that, in my opinion. So we see, as I say, that very substantial increase in the sale of assets in the budget document.

Perhaps the major part of this particular budget bill is the decision to delay these very substantial tax cuts. It's ironic, because, as I said earlier, when we vote on this bill next week, essentially the government will be voting to take personal income taxes up by about a billion dollars over what they had promised and what's in the legislation. I can remember many arguments here from the government saying, “Tax cuts pay for themselves. The more we cut, the faster the revenue comes in.” I remember that argument. But suddenly they changed the tune and said, “No, we have a financial problem here. We're going to have to delay the tax cuts because we need the revenue.” Well, you can't have it both ways.

Mr Guzzo: What does the record show?

Mr Phillips: There's Mr Guzzo again: what does the record show? I will assume that the government believes what it says. The government's saying, “We've got a short-term problem with revenue here in the province of Ontario so we're going to have to delay the tax cuts. We need the revenue.” Well, you can't have it both ways. For several years they argued, “This is like a perpetual money-generating machine. If we cut the taxes, it increases revenue.”

As the people of the province listen to this debate, they should reflect back to the last campaign, which the Conservatives won and we lost. Why did that happen? They promised the Taxpayer Protection Act that would guarantee that they couldn't delay tax cuts, that it's a matter of the law. Yet with the stroke of a pen, this bill—and by the way, make no mistake, this bill will be rammed through within the next few days, and the government will hope there's as little debate as possible. They've added other little pieces in the bill, the Durham University, which all of us support, so, “If you don't get this bill through you're holding up Durham University.” That'll certainly keep Mr Flaherty onside. But firstly, it will fundamentally and forever essentially make the Taxpayer Protection Act useless, because who will believe the government when they say we've got this Taxpayer Protection Act, and when, at the first sign of any particular issue, they decide to introduce a technical amendment?

2020

In the last election, the people of Ontario were promised this 20% personal income tax cut by the government. We didn't think that fiscally, financially it was sustainable and, sure enough, events have proven us right. The government itself has now acknowledged they're going to have to delay it until after the next election.

On the residential education property tax, it was just two and a half months ago, well after 9/11, I might add, well after all of the impact—whatever that impact was—that Mr Flaherty told the province publicly that the government was proceeding with it.

So I go back to what the rationale for the delay is, and it's, “Well, we ran into difficulties on 9/11.” But recognize this: the economy performed better in Ontario in the three months after 9/11 than it did in the six months leading up to that. The revenue in the province of Ontario would not have been hit a bit without those two things I talked about: local services, \$400 million, and roughly \$800 million less from Hydro One-OPG.

So as I say, next week, as we vote on this bill, that will be the implication of it: the moving of \$1-billion higher personal income tax and \$250 million of residential tax. A far wiser thing, in our opinion, would have been to say, “Listen, we want corporate taxes absolutely competitive.” As a matter of fact, one of the previous speakers from the Conservative caucus said that the corporate taxes are four percentage points below our competitors in the US already. So we already will be substantially below the US. But the government has decided that it did not properly plan its finances and it cannot afford to do what it won the election on, and that is the 20% cut in personal income tax.

Frankly, I think they're right. I don't think they did plan things properly. I do think there is a significant fiscal problem. I do not think they could afford what they promised and what they got elected on, and that's why we didn't run on that basis.

As I say, this particular bill is unusual because it has Durham university in it and it has the change of the

Ryerson name in it. It has several extraneous things in it designed to try to rush the bill through to make sure there's no delay. But it will profoundly change the public's attitude toward their government. They firmly believed that this Taxpayer Protection Act actually meant something and they firmly believed that the personal income tax cut that they were promised, that was put into legislation and protected by the Taxpayer Protection Act—it will all just be thrown out the window. They'll say, "Sorry, we changed our mind and we're going to have to delay that a year." Again, I add that it's being delayed to 2004.

In terms of the transparencies in the books—there are many parts of this legislation designed to get rid of the two sets of books. I believe the province has added about \$5 billion of what I call off-book debt. It's debt that would have been on the province's books; it's now on somebody else's books. If that is the case, by the way, it shows that the debt of the province, if you add that \$5 billion, has not actually gone down under the Harris-Eves regime, it has gone up modestly. I believe that to be the case. You can see it, by the way, on the capital expenditures. Capital expenditures last year were the lowest they've been in the province in 20 years. They were under \$2 billion, on the province's books, for the first time since at least 1983-84. Why is that? Because they offloaded capital on to somebody else's books. But the taxpayer of Ontario is still 100% responsible for it because they pay the principal and interest costs on that.

On several counts, I think the budget is unfortunate, and the budget bill reflects that, from the recognition that eight years after promising to get rid of the two sets of books, it still hasn't happened, and that the Taxpayer Protection Act is now essentially gone. The people of Ontario, who have been promised \$1 billion of personal income tax cuts starting January 2003, will no longer see that.

The Speaker: Further debate?

Mrs Sandra Pupatello (Windsor West): I am happy to participate in this budget bill debate this evening and follow the member for Scarborough-Agincourt, who said pretty eloquently that those 5,500 or so people in Windsor West who voted Conservative in the last election voted for something that they believed—they trusted the government—and that was this Taxpayer Protection Act. This government has been about tax cuts, there's no question about it. We are about health care, education and the environment; this government is about tax cuts.

But what we got delivered in the budget the other day in this House were delays and suspensions. In fact, the bill we're debating this evening has that cute little phrase, "an amendment"; just a tiny little regulation, an amendment, so they can go forward with delays of these tax cuts without having to go to a full referendum. For anyone who watched the proceedings in this House when we had a debate about whether we should go forward with referenda, they included it in this Taxpayer Protection Act and said that if any government were to increase taxes or not implement what they had announced as tax

cuts, they would have to go to a province-wide referendum.

Here's the first opportunity for the government, the same government that brought the act in—promised in the budget, promised the last time they went out for election and got themselves elected—and here we are in this budget, the first under Ernie Eves, the Premier, called a pinko by his colleague leadership rival at the time, and he broke the law.

Those 5,500 people who voted Conservative did so because they believed what the government said. The best thing today is that this government absolutely cannot be trusted, and we have proof positive of that.

I too find it very interesting that they included so many other little things in this budget bill, that they would just roll it all into one. When we vote on this, they'll even capture Jim Flaherty, this Minister of Enterprise and—whatever his ministry's called—so that he too will have to vote for that, because they put Durham College in that bill. If he were to be opposed to that, it would be detrimental to him in his own home riding. That hostage, Jim Flaherty, is going to have to stand up in this House and vote for this, even though he, of all the cabinet ministers, was the one who said, "Absolutely, we will go forward with tax cuts."

After the September 11 international event, this huge tragedy, he came into this House at the time as Minister of Finance and said, "We will accelerate tax cuts because this government has always said that tax cuts pay for themselves. They generate revenue." But here we have an entire shift under the new Finance Minister, Janet Ecker, and the new Premier, Ernie Eves, who are now sounding like what most people call quite liberal. As my leader, Dalton McGuinty, put it to him the other day in this same House, "If the people want liberal, they may as well vote for the real thing." We hope you are going to give them an opportunity to go to that vote very shortly.

You certainly wouldn't go for that vote in a referendum, which is what your own law called for, and yet here we are today looking at a budget bill that is an amendment to the Taxpayer Protection Act. That is a break in trust for the very people who voted for you. If that's why they voted for you and you break that very trust, then I suspect this is the beginning of your undoing.

That may well have happened some time ago just on the health fiasco itself, which I would like to address this evening in this bill. In 1995, all parties were acknowledging that restructuring was required in the health system because people were not getting services they required in health. This government came along in 1995 and made massive cuts across the board in various sectors within the health system on the basis that they were restructuring. They were going to put the emphasis in the community and they were going to change how we do business in the health system.

Here we are, seven years later, with this budget announcing operating levels to hospitals back to 1995 levels, and we're supposed to give this government a standing ovation for finally recognizing massive oper-

ating deficits at all the hospitals across the province. Now, remember, these are the same hospitals that you said weren't doing a good job; you said you had to cut their budgets, and you were going to move those services into the community where the people wanted them.

2030

This is the same government that created the Health Services Restructuring Commission and through 1997 and 1998 made various sweeping recommendations of changing how they do business in the health system: merging hospitals, closing others, restructuring, building, closing. I remember well the two emergency rooms that closed in Windsor West at the time, without the benefit of expansion at the remaining two sites; when the ambulances were backed up and had nowhere to go but to roll those patients down the driveways on the gurney and into the emergency rooms because of the health mismanagement of this government.

And here we are today, with some of the most galling language in this, which says, "Hospital emergency rooms have been expanded and upgraded to provide quicker service." People in my community would laugh if they heard this.

Do you know what they've instituted in emergency rooms in Windsor? They have a new pain protocol. Do you know why they do that? I know this particular member from Durham spent some time in Windsor; he might know. They have a new pain protocol in the emergency room so if you're screaming in pain but you can't get in to see a doctor, the nurse may have some opportunity now to administer pain medication while you're sitting in the chair in the waiting room. That's the response in Windsor because we haven't been able to restructure properly, because this government hasn't come forward with the capital dollars required on a timely basis and moved services to where they belong in the community so we don't have that massive bungling of everybody rushing to the emergency room—but today they can only rush to two, whereas they used to rush to four.

We heard from my colleague from Frontenac the other day about a new protocol in the emergency rooms in her riding, only they were dealing with zero tolerance for aggressive behaviour in emergency rooms—I know the Speaker remembers this well—where you are not allowed any aggressive behaviour whatsoever in emergency rooms. Can you believe this is what we've come to in Ontario? And this government has the gall to say in this budget, "upgraded to provide quicker service." This is a joke. All I can tell you is that no system has been more badly bungled than this one in these last seven years, and we're watching it.

The worst part is that so much of it was so predictable. We exposed some time ago that the capital requirement for all of this restructuring was woefully inadequate. The response to this problem was that they created—I think they called it something actually very clever—a health capital planning review. Well, I'm sorry to say to our hospital CEOs that that just means yet more delays. That would be yet another bureaucratic mess to have to go

through to validate what you've already submitted in applications, to validate the fact that you deserve the money you asked for in the first place.

I ask the government to have a look at home care, the one area that was supposed to benefit, that was supposed to structure itself to accept the people who were being thrown out of hospital, quicker and sicker, into care in the home, which they wanted as well. So demand for the service rose exponentially while the funding for that same service rose by likely less than half of what was required. And they stand today on their high horse and talk about how many more millions of dollars they've put in. The reality is that this government created the policy to require the demand to go through the roof and did not provide matching resources to cover the demand they created. That's where we are today.

When home care organizations screamed about what was going on and when people were being cut off from services they had had and that they required, what did the government do in the last session? They brought in Bill 130, which muzzled all of the CCACs, these community care access centres, essentially shut them down and put in their own government appointees whom they expect will toe the line and essentially be the government. And who do they report to? Directly to the Minister of Health. What does that mean for us? We can't even look at an annual sheet that tells us at the end of the year that financially they spent at least as much on nursing care as they did the year before. They don't want us to see that information any longer. This is just more mismanagement of the health system.

Today and yesterday, the Minister of Health had to admit that in the throne speech this year they took away the target of primary care reform, where all physicians would participate in it to the tune of some 80% of all doctors in Ontario. We are nowhere near that goal. The 2% of physicians involved in these rostered systems of family health networks were the pilot projects. Sure, we've got this group going out there and talking, trying to cajole the doctors along, but there's a good reason they're not signing up: they don't understand it. It's very complicated. We're not sure there's enough money to offer these people so they would make at least as much as they're making in the current system.

Did it not occur to these business-minded folks, as they call themselves on that side of the House, that in order to have change in the system, change costs money? If you come from my community in Windsor, when they decide to change the assembly line in one of our plants to create a new product, they have to spend \$1 billion. It costs money to make change, something this government hasn't been prepared to acknowledge. Yet we're supposed to give them a standing ovation because in this budget they're now talking about bringing operating costs of hospitals back to 1995 funding levels, only this time we have many fewer hospitals, many fewer emergency rooms, many fewer physicians.

Speaking of physicians, we haven't seen the redress of how we will get more family doctors that we so des-

perately need into our province. This morning we saw another report come out nationwide that is so largely impacting in Ontario that says we don't have nurses graduating to take the places of those who are leaving and those who are required. The member for Durham may find this very funny. The reality is that if you come to my university, speak to our nursing students and ask, "How many of you plan to work in Ontario?" do you know what they say? "We likely won't. We don't think the Ontario system wants us." It certainly doesn't provide the working conditions for them to want to stay. So you have a retention issue as well as a recruitment issue, something that will cause grave danger not just for the government but for people who require the service. None of that was addressed in this budget. None of that was addressed even in the throne speech that this budget was to follow.

As for the so-called spending increase in health from \$17.6 billion in 1995 to \$25.5 billion today, let me quote someone who said, "The amount of money that government spends is not the only measure of good health care. Sustaining the quality" they deserve "requires restructuring and reforming our health care system." It's the one thing we have never had. We have never had people on that side of the House with the foresight to restructure in good planning ways to put resources and personnel in the field when you said that was where we were to go. Every party in this House agreed that restructuring was required, and you didn't know how to get us there. It's obvious you still don't know how to get us there today.

Your primary care reform? When Jim Wilson was the Minister of Health back in 1995, he was doing cartwheels across the carpet in this chamber talking about primary care reform. His staff will remember well. We thought he was going to have a coronary, he was so excited talking about primary care reform. That was seven years ago. Nothing has happened in primary care reform.

Then came Liz Witmer. I remember when she was the Minister of Health. She participated in the firing of thousands and thousands of nurses. So today Tony Clement is answering reporters outside and saying, "We're working on getting these nurses." People are looking at you quite cynically. You fired them. You created this instability in the health system. Are we supposed to expect them now to come parading back into our hospitals, prepared to work again? This is the government that fired them.

Today we see Dr Ruth Wilson, the dean from Kingston who is out there day after day, speaking to doctors about joining these primary health networks, to get busy, to change and reform the system. I ask you, what was the health minister thinking when he went to Oakville to do the ribbon-cutting of that latest primary care network? Not one nurse practitioner was part of that group, defeating the entire purpose of having primary care reform: to introduce allied professionals into the health system so that people see the right professional at the right time. How else would you save money and improve care but to get people seeing the right professional at the right time? Imagine having a ribbon-cutting

of a new family health network with not one nurse practitioner as part of the group. Why was that? There was no money offered to that group of doctors in Oakville for them to afford to hire a nurse practitioner as part of the group.

2040

I say again to the government, change requires funding. You were to have had those bugs worked out before you went there. We haven't seen a piece of privacy legislation, which is absolutely required as we move forward in primary care reform. Where did it go? I can understand the government being shell-shocked because you had a terrible time the last time you attempted privacy legislation, but we don't know what's happening there. But it is a significant and integral piece of information technology required in primary care reform.

Anyone who was listening, who has followed the health care debate over the years or is even following those who are presenting now to the national Romanow commission, knows these are essential pieces that those who are in the business understand and know, but what it takes is the will of a government to make it happen. This government has failed and it continues to fail. This budget does absolutely nothing to move us forward to a health care system that we can be proud of.

Mr Mike Colle (Eglinton-Lawrence): It's always good to follow my colleague from Windsor, where it was, I hear, 32 degrees today. It's always hot in Windsor.

Mrs Papatello: Hot and humid.

Mr Colle: Hot and humid.

I'm very pleased to be in the debate on the budget bill. I think, like most budget bills, it takes time for the public to understand what's in a bill that's so complex and critically important to the future of this province. I'm glad we have a little bit of time to debate it and talk about it to the public out there, who are, I think, the ones primarily affected.

I'd just like to put a Toronto perspective on this budget. I know sometimes Toronto is a four-letter word around here, but it is a city that harbours 2.5 million to three million people from all over Ontario, from all over Canada, from all over the world. If you travel through the streets of Toronto today, or any day, you can see the great pride there is in this city. Whether you're from South Korea or you're from Turkey, people are always welcome in Toronto. I think it's a city that, certainly in this budget, has been given very short shrift. In fact, I don't think there's one line item in this budget that helps the 2.5 million people in the city of Toronto.

The most devastating thing is that this budget continues the seven years of downloading on to the property taxpayers of Toronto, the downloading of that incredible burden of housing—with no help from this government—where property taxpayers, small business people, homeowners and tenants have to pay for affordable public housing and assisted housing on their property taxes. I think we're the only jurisdiction in the western world that's expected to pay for public housing on property taxes. This budget continues that seven-year legacy

of the downloading of housing onto property taxes, and does not lessen that burden whatsoever.

As you know, as great and thriving as the city of Toronto is, one of the real crises we face, that again is very seldom mentioned in this chamber, is that there is a severe crisis in the affordability of housing of any kind. Certainly there's been a lot of financial prosperity in Toronto, not for all, but I'll tell you, if you try to find a place to rent, if you're a young couple trying to find a place to buy, it is basically impossible, unless you've inherited a great deal of money, to buy a house. We're talking about houses with 15-foot frontages that are going for \$400,000. These are not fancy houses. Never mind the property taxes on these houses; you'll find property taxes on 15-foot frontage homes on Euclid Avenue to be \$5,000, \$6,000 a year.

This government and this budget pays no attention to that real burden on property taxpayers, homeowners, the tenants who have to pay exorbitant rents, and especially senior tenants, older tenants who have very marginal incomes. This budget doesn't mention housing at all—does nothing for housing whatsoever, zilch, nothing, nada. It does nothing for housing. This is a crisis, again, for 2.5 million people in Toronto. How could a government pretend to write a thoughtful budget if it doesn't recognize one major crisis that's facing the largest city, the capital of the province?

I don't think this government spends even five minutes a month talking about trying to help the city of Toronto. I'm not talking about the city; I'm talking about the city and its people, who just want a little bit of a hand. They don't want a handout from this government, because people in the city of Toronto—and I know when you drive around in your Mercedes you don't realize that people in the city of Toronto come to this city—I've seen them—and run pizza delivery services, they clean offices at night, they work in variety stores, they have three or four jobs to make ends meet so that five or six people can live in a one-bedroom apartment. There are hundreds of thousands of people in Toronto who do that. There's not one thing this government gives them. They don't ask this government, whose ministers drive by in their limousines, for any help. All they say is, "Stop hurting us. Give us a chance. Keep our English-as-a-second-language schools open."

I have two of the finest schools for English as a second language, and they are filled with wonderful people from all over the world: Flemington adult day school and Yorkdale adult day school. These are amazing people, as I said. They will be driving all night delivering things, cleaning offices, yet they come home, and then do you know what they do when they come home? They actually get about two or three hours' sleep, then they're off to school to learn English as a second language or try to get their high school so they can get a better job. Yet this government is closing down those opportunities in these schools.

It's crazy, because we know that 99% of these students who come to Toronto from different countries,

from Somalia or Turkey or wherever it is, will earn more money, pay more taxes, buy cars, buy houses. But this government gives them no help, no recognition. They're not mentioned in this budget. They don't really appreciate the hard work of hundreds of thousands of Torontonians who are in this city and making it such a prosperous city that, by the way, we are giving the provincial government \$4 billion a year more than we get back in taxes. So we're losing \$4 billion a year. We pay extra to the provincial coffers that we don't get back, in everything from provincial sales tax to gas tax to this land transfer tax.

If we could only keep the land transfer taxes that we give to Queen's Park, we'd be able to help a lot of Toronto people maybe have a better life. But the people of Toronto are seen as a cash cow by Queen's Park. It is very evident in this budget. If they could only keep a little portion of the taxes that they pay—but every year \$4 billion from Toronto taxpayers' pockets goes to this government and they get nothing for it—\$4 billion more that they give Queen's Park than they get back. They're not asking to get it back—it's their own money; it's their own taxes they're paying. They just want to get a little bit back so their property taxes are a little lower, a little bit back so they have some housing for seniors, a little bit back so they can improve their public school system, or maybe a little back to reopen the eight hospitals that they closed.

Talking about the public school system, we do have, fortunately, in my part of Toronto some of the finest public schools in North America. You've all heard of them, because the real estate agents, whenever they sell housing, always say, "Come to Allenby, live near Allenby, in the Allenby school district"—that's right in the real estate ads—or John Ross Robertson, or Ledbury Park school, Blessed Sacrament school, Lawrence Park school. These are publicly funded schools. They're some of the finest in this country. Yet for seven years this government has beaten them up, taken money out of our schools. The buildings are now run-down. We used to have four or five caretakers per school; we're down to one or two. They're dirty; they're filthy, because this government, with that ludicrous so-called funny funding formula, has tried to destroy our schools. But believe me, they will not destroy them, because these schools are just filled with dedicated parents, teachers and students. So we won't let them destroy them, but they've tried their best to destroy schools like John Ross Robertson, Ledbury Park, Blessed Sacrament, North Toronto, Northern Secondary School—some of the finest schools in Canada. For seven years they've been beat up upon by this government. This budget essentially does nothing to help these fine schools, their students and their families who have made these great community schools the envy of North America.

2050

If you also look at our schools you'll see, when we used to be able to keep some of the property taxes, that this government wasn't gouging out of Toronto, that we

never used to worry about having our swimming pools closed. Now we're threatened every day with swimming pools being closing, where children learn how to swim. We have children with autism who have no place now in this public school system where once they would have had this help. We're seeing teachers' aides, who get paid nine bucks per hour, being laid off and fired because there's no money in the budget, as you know. As a result of Bill 160, this government totally controls every cent of public education, yet they won't give the money back that Toronto schools pay to Queen's Park.

That's all we're saying: why not just keep in Toronto some of that \$4 billion you gouge out of Toronto every year to help keep our schools, our hospitals our roads and our public transit system?

If you want to look at public transit, again, just like housing, there is no other public transit system in Europe, in Chicago, San Francisco, even in Texas—in Houston, the state and the federal government provide for subsidies. It has been the responsibility of the provincial government here for 100 years to provide subsidies so the transit could run in these cities. Toronto gets zero dollars from this government for transit operating. It all comes out of the fare box and property taxes.

When officials of the TTC go to different cities in the world and they mention that, they're shocked in horror. They say, "You mean you run a transit system like Toronto's, with its subway and its million passengers per day, with no help from your provincial government?" They just laugh at the fact that we're able to do this. They can't believe we get our subway running every day, our buses running, with no help from this provincial government.

It's so short-sighted. If you invest in Toronto's transit system or in its schools or hospitals, you generate more wealth. You generate more economic activity. You'll get more of your property taxes. You'll get more of your provincial sales tax. You'll get more of your land transfer tax. You'll get more than the \$2 billion that you collect every year in gas tax in Toronto. They'd get more of these taxes, but they're so short-sighted that they're essentially hurting the real revenue generator for this whole province and country. As you know, the game of this government, as it is in this budget, is to try to make the provincial government look good by downloading everything else on to property taxes.

This downloading exercise, started by Al Leach and continued by Ernie Eves, is essentially a game the people have caught on to. They know, even though they got that \$200 cheque in the mail that time, that their property taxes are going up; they know they're paying more for transit; they know the infrastructure of the city is failing because this government is not investing in cities.

It would be interesting if one day in a budget in this Legislature they really had an agenda for cities. Can you believe that? If the word "city" was ever mentioned in a budget in this Legislature, it would be I guess another four-letter word. "City" is a four-letter word for this government: "City? Toronto? We can't talk about them.

They're the enemy. Toronto is the enemy because that's where all the people who disagree with us live, somehow."

This budget does nothing to reverse the seven years of beating up, of downloading, of shuffling off responsibility, to the detriment of the people who need good hospitals. I remember when they closed the hospitals. It was that guy, Duncan Sinclair. Remember him? He was Mike Harris's right-hand man there. He went around closing all the hospitals, and this guy was going to save our health care system: "When we get all the money out of closing hospitals, we're going to put it into home care. We're going to do everything."

Well, Duncan Sinclair and Mike Harris closed all the hospitals; they fired all the nurses. There's still no money. What did they do with all those millions that Mike Harris and Duncan Sinclair took out of the hospital system? They certainly didn't put it into home care. Where are those millions they took out of Toronto hospitals? That's the question. We need maybe—what do they call those?—an audit or something to see where those millions went.

Anyway, this budget is really in many ways a continuation of pure downloading, neglect of cities, neglect of ordinary people and their concerns about raising a family.

The Speaker: Questions and comments?

Mr Marchese: I want to congratulate the members from Scarborough-Agincourt, Windsor West and Eglinton-Lawrence for their very relevant comments and say to the citizens that I will be adding my own supplementary comments to those that have been heard in approximately 10 minutes or so; that would be 9:10. In the event that you're still watching, I'll be on in 10 minutes.

Mr John O'Toole (Durham): I just want to respond specifically to the member for Windsor West. I spent some time with her recently, and I think she's coming around to understanding.

I have to take some issue with what the member for Eglinton-Lawrence said. Today we discussed Bill 5 from the member for Kingston and the Islands, and it was about accountability in the government. If I look at the budget statement which we're debating tonight, I expect the opposition to support this, because it's basically stolen most of what Dalton and Mr Phillips were trying to get. But we've done it. The difference is, as government, we get to do it.

Quite honestly, the health care issue is important to me in my riding of Durham. I think immediately of Lakeridge Health. I think of Brian Lemon, Anne Wright, Judy Spring—the chair of Lakeridge Health—and I think of the highlights of the health care initiative: support for hospitals by 7.7% to \$9.4 billion, allowing for the expansion of priority programs such as cardiac services—I could tell you a whole story on that alone—dialysis and MRIs. There's over \$250 million in additional funding for diagnostic services and payments to physicians and other practitioners; nearly \$200 million to support

residents in long-term care; \$50 million by 2005-06 to support collaborative degree programs in medical education and nursing education; \$14 million to support the expansion of undergraduate medical.

They've missed the entire point. By the few comments I've made in less than two minutes, I believe now they've come around, they'll support the budget, and I have every confidence that this government will move forward with the support of the people of Ontario.

The Speaker: Further questions and comments? The member for—

Mr Michael Bryant (St Paul's): St Paul's.

The Speaker: St Paul's was up first, yes.

Mr Bryant: I was ready to defer to the member from Niagara.

Yes, I too congratulate the members for Scarborough-Agincourt, Windsor West and Eglinton-Lawrence.

I've just come from a meeting with the Heath Street tenants' association, and many of their concerns are the concerns that in particular the member for Eglinton-Lawrence was talking about. They are receiving another above-guideline rent increase. It is the result of, I think, an unintended effect of the Tenant Protection Act, which permits for gouging of tenants. The tenant destruction act, as it turns out, has a provision in it that permits landlords to get the benefit of a utility increase, which makes sense, but if the utility then goes down, you'd think the rent should go down. But it doesn't work that way. The Tenant Protection Act, at least the way it has been interpreted by the dispute tribunal—I think wrongly, but they're the tribunal—has been to the contrary. That's actually before the Divisional Court as we speak, and we hope to get a good result.

The member for Don Valley East brought a private member's bill to correct that. We tried to get the government's support on that, but we did not. We'll keep on trying to fight to ensure that we do make those changes. Of course, we've got to repeal the Tenant Protection Act, but that's going to have to wait until after the next election, obviously. In the meantime, I continue to urge the government to take a look at this provision. It really is unjust. It permits unjust enrichment. It permits double-dipping. I don't think it was actually ever the intention of the government to have this particular provision, or at least to have the tribunal to interpret it in this way.

I was helping out tenants in St Paul's, and I'm happy to be back in the Legislature and listen to those members. I look forward to continued debate on the budget, especially to hear from the member for Trinity-Spadina.

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The Speaker: The member for Durham. Oh, he already spoke. I'm sorry. The member for St Catharines.

Mr Bradley: I know the member already commented, and that's unfortunate.

I simply want to say of the speeches, the member did not have sufficient time or she would have mentioned the situation with Visudyne. People in Ontario who were getting these treatments for macular degeneration had to

pay \$2,500 out of their own pocket. It was most unfortunate. We in the opposition, the Liberal Party and the New Democratic Party, made a plea to the people of Ontario and to the government, and finally they capitulated to this plea and agreed to fund Visudyne, but only after all kinds of pressure.

What is unfortunate is that they said they would pay only back to April 1 of this year. As a result of that April 1 date, which is most unfortunate, people who had those treatments earlier, which cost about \$2,500 apiece, had to pay out of their own pockets. Some of the people mortgaged their homes, some drained their bank accounts. People made some tremendous economic sacrifices in order to pay for this.

I think the government has an obligation, as I'm sure my colleagues do, to pay for the treatments right back to the time that Health Canada approved this as an appropriate treatment for a form of macular degeneration. I know there are hundreds upon hundreds of people in Ontario who are waiting to hear the minister get up and agree that they should pay back to the time when it was first agreed by Health Canada that this was an appropriate treatment.

The Speaker: Response?

Mrs Pupatello: I always find it fascinating to hear what the members of the Conservative Party have to say about my comments on the budget.

Having had a chance to speak with the member from Durham, we absolutely never agree on much in terms of policy, but there are things in this budget bill that we would agree with. The Durham College that's been included in this budget bill, of course we agree. I think in the name of true co-operation, when there are things that we agree upon, we should just say so. As a matter of fact, I'd like to call for unanimous consent to have second and third reading of Bill 139, which has already been on the order paper in the House. Speaker, I'd like to ask for that unanimous consent.

The Speaker: Is there unanimous consent? I'm afraid I heard some noes. You still have a minute left.

Mrs Pupatello: Isn't it fascinating that here we are with the member from Durham, and they don't want to pass the bill. Why? They could have done so. The reality is that these people are busy playing games. They play games with the budget. They fooled the people of Ontario by having them vote for the government, saying that they have a pledge to protect the taxpayer. Ernie Eves, the so-called pinko Premier by his own minister in cabinet, suggests now that he is going to bring in an amendment, because they broke the law. They brought in a budget that essentially invalidates their own law, which is why they need an amendment. Everybody's talking about it. Everybody sees that for what it is. You fooled the people of Ontario and they will remember this. I only wish the government would choose to call an election now.

While the member from Durham is now listening, I would say that if there were things in this bill that we agreed with, we would certainly be happy to participate

in that. So I would ask for unanimous consent to have second and third reading of Bill 139 today, Speaker.

The Speaker: You've already asked once. You can't ask for it again.

Mr Bradley: On a point of order, Mr Speaker: in the spirit of co-operation, I would like to ask for unanimous consent to pass second and third reading of Bill 139 right now. Let's have it passed.

The Speaker: That's the one we already did. We asked for it. We didn't get the unanimous consent.

Mr Bradley: I don't think they heard very well over there.

Mr O'Toole: On a point of order, Mr Speaker: There's a time and place for moving these things. We're actually debating Bill 109. I think if you had read the right bill—

The Speaker: Order. Member take his seat. It is now time in the rotation for the member for Trinity-Spadina.

Mr Marchese: Before I start, I want to thank and acknowledge a couple of people. First of all, Speaker, I want to praise you because, I tell you, it takes a great deal of stamina to listen hour after hour to our speeches. You're there, you're strong, you're wide awake, and I've got to acknowledge that to the people watching.

Secondly, I want to acknowledge that Will Stewart is always ever-present in the back. It's hard to believe, these indefatigable young Tories at the back. It's unbelievable. Where do you get the energy? And Lisa Pearson at the back. Is that Lisa there? She's around there, isn't she? She's watching this program. She's someone who makes the office work, I understand. Indefatigable, these young Tories. Where do they find them? It's unbelievable. But I know they're here today watching because there is so much to learn from what we have to say. That's why they are here. I'm happy they are joining us, including Matt Macdonald and Aaron Campbell, who are here watching and listening to the debates because there is so much to learn.

I want to tell you, Will, in the budget—for the people of Ontario watching, it's about 9:10. It's almost over. I can't believe it. Here's what the 2002 Ontario Budget says, on page 6, for those of you watching. "Tax cuts are central to the plan," it's titled. Then it reads, "Our government has pursued an aggressive tax cut plan for one very simple reason. Tax cuts work."

Here's the point: if tax cuts work, presumably, Will, they work all of the time, not part time, full time. Yes or no, Will? If tax cuts work—Will, Lisa, and other friends, Matt and Aaron—that means they work universally and they ought to work irrespective of the times. Because the first paragraph says, "Tax cuts work."

I understand that. The people of Ontario understand that. What they don't understand is the subsequent paragraph that reads, "In the meantime, because of our short-term fiscal situation, I propose to introduce legislation to delay," Will, "for one year only, the current planned reductions in personal income tax and in the general and manufacturing rates of corporate income tax, and the next step of the equity in education tax credit."

Chris, nice to see you. Chris, this is of interest to you.

Hon Chris Stockwell (Minister of Environment and Energy, Government House Leader): That's why I came in.

Mr Marchese: Please.

So it says here, "In the meantime"—Chris, you've got to listen. Thanks for coming, but you've got to listen. Stockwell? Chris? Chris? He's not paying attention. Why did he come in here if he's not going to listen?

Will, disregard Chris Stockwell because he doesn't want to listen to me for a moment.

Hon Mr Stockwell: I'm listening.

Mr Marchese: You weren't listening. I called you four times. You say in this document, "Tax cuts work."

Hon Mr Stockwell: Yes.

Mr Marchese: He agrees. But then you say, "In the meantime, because of our short-term fiscal situation, I propose to introduce legislation to delay...." The problem with that logic, Chris, is that if tax cuts work, you don't delay, you do it. You do it on a part-time basis, you do it on a full-time basis, you do it all the time, irrespective of whether the economy is good or bad. Why? Because tax cuts work. If they work, they work perennially. It's a motor that never lets go. It doesn't stop—the Eveready battery. But the Tories said, "In the meantime, we've got to slow this thing down." Have you ever heard a Tory in this assembly in the past six, seven years say, "We've got to slow this down"?

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Mr Smitherman: Just in the last four days.

Mr Marchese: Only since the introduction of this budget. What it suggests to me, Chris, is that tax cuts don't work.

Mr Bryant: Maybe.

Mr Marchese: Maybe they don't work all of the time, but then you could have said that. You could have said, "In a good economy we can get away with giving tax cuts; when the economy slows down, we won't be able to."

Now here's the other problem, Minister, Chris: if the economy slows down a little more—because you don't know. I don't either. In fact, I anticipated this economy was going to slip and slip badly, but it didn't. You're lucky, God bless. But if it slips a little more, we're going to have another budget next year that says, "In the meantime, we're going to have to slow this down a little more." To follow the logic of "in the meantime," since September 11 happened and slowed you folks down, presumably there could be something else. You'll invent a September 12 next year or a September 13, because it'll be an unlucky day. You follow?

It was a neat little thing for the Premier and the Minister of Finance to all of a sudden grab on to this mythical September 11. Catherine Swift today on a program said—all of you probably know her. She represents the independent business association, the small business association. She said September 11 had some effect but it was minor compared to the gloom and doom of all the other commentators, particularly Mike Harris and Ernie Eves. Now they blame everything on September 11.

Everything that goes wrong now can be connected to September 11.

Speaker, do you remember when you were here on the other side? Yes, you do. I do too. I remember when Chris Stockwell was here on the other side too. We used to say, "We have an economic slowdown," which we normally call a recession, unless it gets severe over three or four terms, and then it's a depression. We had a recession, and Chris and you and Harris and all the other clan would clamour, saying, "We don't have a recession." Do you remember that? Others would say, "You have a spending problem, not a revenue problem." Now the Tories have a September 11. That's real. The New Democratic Party recession was created by us—mythical, an invention—because we're so creative. But with the Tories, no recession: we have September 11. That's the woe we are suffering that has caused this financial problem for this government, that has forced them to, in the meantime, slow down the tax cuts. But don't worry. Next year it will all be better because they say so, and, "We will bring back the tax cuts that you, taxpayers, are about to lose." The Tories are about to give you a hit because of September 11.

My point to you, taxpayers, is that if tax cuts worked, this government would have continued with them. They have a fiscal problem they cannot correct. They don't have enough money. The reason they don't have enough money is that \$8 billion or so are rolling out in income tax cuts both for the corporate and individual sector, and they're broke. Their pockets have holes now. They can't contain the damage. The money is just trickling out of those empty pockets and they've got none left. That's the problem with the tax cuts. Member from Halton, that's the problem with the tax cuts. You don't have any money any more. You need the \$2 billion or so you were about to give to the corporate sector and individual tax cuts to high-income Ontarians. You needed that money. Why? To be able to make all these little promises you made to everybody, trying to make everybody feel good with this budget. To tell you the truth, this money is not enough. Why isn't it enough? Because you people are about to raise the tobacco taxes. Some of you feel so uncomfortable to say, "This is good for people's health so we've got to increase the taxes." You don't have the nerve to say, "We've got to increase tobacco taxes because we need money." Some of you feel so uncomfortable with that dichotomy, that issue, you don't know how to handle it. What you need to say, Tory MPPs, is, "We've got to increase tobacco taxes because we need money." Say that. You're going to have to try real hard to convince people you're doing it to save people's lives, real hard.

They, Ontarians, need money, a lot of it: the \$2 billion they have deferred, the tobacco taxes and the selling off of 49% of Hydro One and/or Ontario Power Generation so that they can bring "private sector discipline" to Hydro One. They need to sell 49% of Hydro One and/or Ontario Power Generation in order to have the revenues that are required to keep them afloat, in order not to have to

devastate education, health and social services, the Ministries of the Environment and Natural Resources and the Ministries of Labour and Culture any further.

If some of you felt that you had been whacked hard in the last seven years, if those income tax cuts went ahead as they had been planned, imagine what you would have had to suffer—yes, you taxpayers—if they had done that. They would not have had the money. They would have had to cut deeper in health, deeper in education, deeper in social services, cut deeper in the Ministry of the Environment, cut deeper in natural resources and labour and so on.

The money's not there. So they have to invent this bringing private sector discipline to Hydro One. Hydro One, Ontario Hydro, was working just fine. I say to you that if the Tories had not frozen the hydro rates in good economic times, we would have been able to get some of the money we needed to pay down the debt. While we New Democrats could justify a freeze because there was a recession, you cannot justify your freezes on hydro in good economic times, but you did, thus aggravating the debts that we have and then blaming Ontario Hydro and the government, presumably, for bringing these debts to it.

We had a good economy. We did. You always argue that. Yes, for some people it's been good, and yes, people have been working more because in good times that's what happens. We have had more revenues. You could have increased those hydro rates in those good economic times and you chose not to, making the debt larger than it ought to have been. That's a choice we governments make. That's a choice you as a government made. It was not a choice of Ontario Hydro; it was a choice you Conservatives made to freeze rates in good economic times. I say to you it was a dumb thing that you did, but you do it with a smile and you do it with, "We're trying to help that poor Hydro One that's caving in. They're having so much trouble. Oh, the debt is so heavy we have to bring the private sector in to help the poor public sector because they don't know how to run it."

Mr Smitherman: They may have to sell the yacht.

Mr Marchese: The yacht. I wonder how many Tories have used that yacht, that and other similar yachts. I certainly have never been on such a big yacht, or even a small yacht. I wonder how many Tories are able to enjoy these long, beautiful, wealthy yachts.

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Moving for a second to education—and my colleague from Eglinton-Lawrence made reference to education—I want to make reference to another issue which in the minds of some of you may appear to be small, but the Tories in this budget have given \$5,000 to every school that meets and/or exceeds those standardized literacy tests which these people have instituted. The Minister of Education and the Minister of Finance are going to give 5,000 bucks to every school that does well in those test scores. Think about it, Ontarians.

Listen, I don't blame the former Minister of Education, who is now Minister of Finance, for not under-

standing this issue very well, but I do blame the current Minister of Education, who was both a trustee and a teacher in the past, who ought to know how destructive an idea it is, how offensive, how repulsive, how repellent the idea is.

What does it mean? It means that \$5,000 will go to those schools where the parents are, first of all, wealthy and where the parents, secondarily, are academic achievers, where they come from high-income professional backgrounds and where they are wealthy. Those communities will test well. The children of those communities will test well, and they're going to get 5,000 bucks to throw around in a school where they may not need that money. But the schools that may need it, those that confront poverty, those schools that receive immigrants day in and day out, year in and year out, those schools that receive a great number of refugees, those schools that have a great many single parents who might carry the burden of the problem of being a single parent, those kids who have a lot of learning disabilities in those schools, those inner city areas that desperately need—

Interjection.

Mr Marchese: George—that 5,000 bucks—schools in your area. Park school could use 5,000 bucks, but they may not do as well in the test scores as they may do in Allenby, to be fair. I'm not choosing just one school over another. It's based on where you are. It's based on income, class and wealth. Those kids do well and they're going to get money. That's what the Minister of Finance announced just the other day. Speaker, do you understand how dumb that idea is? Yes, you do because you're working on your MA, aren't you? Oh, you've done it, right, Gary?

Hon Mrs Johns: He got his MBA this week.

Mr Marchese: You got it. Congratulations, Speaker. You know, as a learner, what this means. You know, and the Minister of Education ought to know, as a former teacher, that you don't give money to kids who don't need it; you give money to kids who do need it. It's so simple.

Helen Johns, the logic is simple. You understand. You're giving away my money, the taxpayers' money, to schools that don't need money.

Hon Mrs Johns: Where?

Mr Marchese: She wasn't listening. OK, Helen, go. She wasn't listening. She just said, "Where?"

The Minister of Energy is here. He's listening. I know your wife would agree with me on this issue, and I want you to ask your wife. Marchese in the Legislature yesterday said and accused your government of giving 5,000 bucks to schools that meet or exceed the standardized test scores. You tell her Marchese attacked you viciously yesterday, saying, "What a dumb idea that is. Ask your wife." She would know and she would agree with Marchese. Please do that and next week when you come, tell me what she said.

Hon Mr Stockwell: OK. All right.

Mr Marchese: I know all of you are struggling. You're having a hell of a time understanding this. Man,

how many millions of dollars are we giving away for such a stupid, dumb idea when all these schools are crying for money they desperately need for special ed, for English as a second language, for caretakers who clean our schools? You're giving money away that they desperately need to schools that have the money? Do you understand, member for Nepean-Carleton?

This regular communication we have with so many friends in this assembly—you have another communiqué? Let me see the communiqué, please. Do excuse me, Ontarians. You've got something for me? This is great. It's an empty note. Thank you.

He's trying to distract me from my impatience with this issue.

How much time do we have, Speaker? Oh, I've got so much time to make the point that the assumption of this program is that it doesn't matter what social background you bring to the school, it doesn't matter that you are wealthy, it doesn't matter that you are poor, you can both perform at the same level. That's the assumption. Again, I say to you, do you see how dumb the assumption is?

Mr Bryant: It's dumb.

Mr Marchese: Michael?

Mr Bryant: It's crazy. C'est fou.

Mr Marchese: C'est fou. Ils sont fous. How do these people think of these things? Will, I hope you didn't give them that idea. I know all you're trying to do is make your boss look good. I'm convinced you would be a bit smarter than that, but somebody must have fed this government this particular gem of an idea.

It's not going to go too far. As soon as the parents of our system know you've done this, they're going to come down on you. They're going to come down on you as I am. Yet some of them are yelling, and they're smiling, they're happy, this budget is great. This is a dumb idea, member for—where is it?—Oxford.

Mr Hardeman: Oh, that's me.

Mr Marchese: I got you.

It's a dumb idea. You've got to help me out. First, you've got to knock some sense into the Minister of Education.

Interjection.

Mr Marchese: You do. I've got tell you: she's given me some wacko answers. Let me get to another one here, where I say to the Minister of Education—

Hon Mr Stockwell: What about those Koreans?

Mr Marchese: They won. Italy lost. It's true. Italy had a good team. They lost. Korea won, and it was a wonderful celebration on Bloor Street—I was there the other day—from University all the way to Christie, right in the heart of my riding. My riding.

Mr Bryant: Did that make you feel bad?

Mr Marchese: It was hurtful. It's true. But I marched from University all the way to Christie just to celebrate with them, because celebration is celebration. Victories are good. I love to see these communities enjoy themselves. They do. It was hurtful to me, because I lost, my team lost. But celebrations are beautiful; it doesn't matter who celebrates. Isn't that true, Chris?

Hon Mr Stockwell: Yeah, right.

Mr Marchese: Back to the Minister of Education.

I said to the minister, “Look, music is a wonderful program to have.” In fact it connects to math scores. You do better in academic achievement if you’re studying music. You don’t drop out if you’re studying music. That’s the view of the studies. So I said to the minister, “What are you going to do about the fact that the Elementary Teachers’ Federation has done a study and it shows there’s a 7% drop in music? It used to be 11%, then 9% and now it’s 7%. You’re catching up. You’re making up some lost time. But it’s still a loss of music teachers.” And she said—I don’t know what she said; it’s so hard—“We put in some money and we also increased the amount of flexible funding available.” And I said,

“Jesus, with all this flexibility these boards have, how come they’re still cutting ESL”—the English as a second language program, for those of you who may not know—“music programs, music teachers, librarians, library teachers, physical education teachers, special ed, educational assistants, caretakers?” I said, “Man, oh, man, with all the flexibility these boards have, they should be doing OK.”

Mr Smitherman: Big finish.

Mr Marchese: The time is? I bid you farewell. We’ll see you, when? Monday maybe?

The Speaker: It being 9:30 of the clock, this House stands adjourned until 1:30 of the clock on Monday.

The House adjourned at 2129.

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DEUXIÈME LECTURE

Loi de 2002 sur le respect de l'engagement d'assurer la croissance et la prospérité (budget de 2002), projet de loi 109, M^{me} Ecker	
Débat présumé ajourné	1220