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(Hansard)**

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Monday 18 November 2002

Lundi 18 novembre 2002

Speaker
Honourable Gary Carr

Clerk
Claude L. DesRosiers

Président
L'honorable Gary Carr

Greffier
Claude L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday 18 November 2002

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Lundi 18 novembre 2002

*The House met at 1330.
Prayers.*

MEMBERS' STATEMENTS

RURAL WATER PROGRAM

Mr Ernie Parsons (Prince Edward-Hastings): This government has a track record of making some very bad decisions, so I would like to tell you about a very good one they made in the spring, which was to implement a program called the tri-county rural water program in Prince Edward-Hastings in Northumberland county.

This would actually implement some of the recommendations from the Walkerton inquiry, improve barnyard drainage, improve surface water protection, move septic tanks and do fuel storage improvements—a wonderful program that would truly protect the groundwater, not just for the farmers but more so for the entire community.

However, in October they took this wonderful decision and they retracted it. After the farmers had spent their money, after they had incurred all of the costs, the minister came back and capped it, saying, “No longer will we do the 50-50 we promised you.” In fact, they had been told that the sooner they started, the better to protect the groundwater. The ministry now says they will not fund anything started before June 28. That’s after the tilling season; that’s after the money had to be spent to buy the equipment and to do the improvements.

It is an absolute betrayal of these farmers in these three counties to renege on an agreement and a commitment that they believed in. This doesn’t improve the quality of life for the farmers; it improves it for everyone in Ontario.

In my community the most valuable thing we own is our name. This good name has been betrayed by the minister with the renegeing on this commitment. Speaker, I urge the minister to immediately return to the original commitment made to fund these projects.

LEGISLATIVE INTERNS

Mr John O’Toole (Durham): I rise in the House to pay tribute to the legislative interns for 2002-03, some of whom are working for Ontario MPPs as we speak.

These talented young men and women have recently completed formal studies in universities or colleges.

They are hired each year for a 10-month commitment in different departments across all ministries of the Ontario public service. The interns select the MPPs they wish to work for. Of course, their first responsibility is to assist the member. However, they also have a unique opportunity to observe the political process at first hand. Among their many duties, interns observe the House and its committees. In addition, they attend seminars with elected and legislative officials and senior civil servants, and in fact they work directly on policy development and legislative initiatives.

I’d like to mention at this time Martha Black, who is working in my Queen’s Park office. Martha completed an undergraduate degree at St Francis Xavier University and a master’s degree in political science from Dalhousie University. She has worked in publishing and as a teaching assistant and research assistant, an excellent background for this Legislature. I’d also like to mention former interns who have worked with me: Nathan Fisher, Andrew Owen, Gord Westcott and Lauri Leduc. They have been part of the internship program. It is my privilege to have worked with them during my time in this House.

As well as learning about Ontario public service, interns contribute new and often bright ideas and bring to the workplace an array of skills. I’m confident the Ontario legislative interns will leave the program well equipped for leadership in the public or private sector. I wish everyone in the House to recognize the interns serving our House.

HYDRO DEREGULATION

Ms Caroline Di Cocco (Sarnia-Lambton): The electricity fiasco created by the Harris-Eves gang just never ends. A constituent of mine, Neil, just last week lost his job and has a six-week delay time to receive his unemployment cheque. His wife works and earns minimum wage. Neil’s son is asthmatic and needs a compressor running to help with his breathing. His bill for electricity is now more than he can afford. Last Thursday, he was given notice that his hydro is to be disconnected.

My office called the utility last week to explain the medical situation, and the suggestion from the local utility was that Neil go to five churches, get \$100 each and pay his bill, and his hydro would not be shut off.

For the past five years our local utility has been preparing for the electricity market opening. Now these

distribution utilities are near bankruptcy themselves because they have millions of dollars of potential unrecoverable expenses.

By the way, over the weekend, Neil went to a number of churches and was given charitable donations adding up to two thirds of his bill. Local utilities such as Bluewater Power are in time becoming charity cases because they are millions of dollars in the red, and in turn local utilities are taking a hard line with people who are unable to pay.

TORONTO TRANSIT COMMISSION

Mr Michael Prue (Beaches-East York): I rise today to talk about the sorry state of the Toronto Transit Commission. In this city, where we pride ourselves on being a world-class city, the Toronto Transit Commission, which carries hundreds of millions of riders every year, is facing a real crisis. The crisis they are facing involves raising the cost by 10 cents per ride. To people thinking that 10 cents isn't all that much, perhaps it isn't, but what is more fearful for all of us who live in this city is that they are saying that this year potentially there could be a 40-cent increase unless there is funding coming from senior levels of government.

As the funds to ride the TTC go up, the ridership goes down, and for all of who live anywhere near the city of Toronto, this is a horrendous thing to happen. We know that gridlock embraces all of us. Even if you live in Mississauga or in Markham or in Durham, gridlock embraces us all. One of the surest ways to get cars off the road is to spend money on transit.

All over North America, cities are provided more funds than we provide to the capital city of this province: Chicago, Atlanta, Montreal, Vancouver—all of them.

It is time to come up with our own urban vision. Surely we have one in the NDP. I invite everyone to come up with an urban vision that will allow us to reduce gridlock and to service the ridership that comes in each of our large cities.

ENERGY CONSERVATION

Ms Marilyn Mushinski (Scarborough Centre): Energy conservation is one of the best ways that citizens can take action to reduce pollutants in our air. By walking to the corner store instead of driving, or turning off lights or appliances in our homes when not needed, each of us can contribute to a cleaner environment now and into the future.

We can make a difference. By acting together, we have a huge positive effect. That is why I am so pleased about the Minister of Energy's announcement of last Wednesday. Let me list some of the government's environmentally friendly initiatives.

Conservation initiatives will be put in place to reduce electricity consumption in the government's own operations by 10%. If government is going to have a moral

voice in favour of a cleaner environment, it makes sense that it would lead the way toward energy conservation. The government itself will lead so that fully 20% of the provincial government's electricity usage comes from renewable sources.

Next, the government is creating a Centre of Excellence for Alternative Energy, jointly located at Queen's University in Kingston and the University of Toronto. Its goal will be an Ontario that is the leading North American jurisdiction for research and development of clean energy technologies.

There are more actions being taken to make Ontario an even better place to live, work and raise a family. I am excited by these positive steps and call on the opposition to put their partisanship aside and show strong support for these environmental initiatives.

1340

OHIP BUILDING

Mr John Gerretsen (Kingston and the Islands): For years, many of the employees at the OHIP building in Kingston have suspected that there's something dramatically wrong with the building. Fourteen employees have had breast cancer, 32 others have had other forms of cancer and many employees have suffered a range of other illnesses, including many respiratory ailments.

When governments in the past were unwilling to pay for the testing of the building, OPSEU Local 468 commissioned a study conducted by GeoCor Engineering, a well-respected engineering firm from Kingston, which found coal tar derivatives and some heavy metals in the building, with evidence strongly pointing to a large plume of coal tar underneath the building.

Indeed, there is a possibility that the toxins may have migrated throughout the building's foundations to the rest of the building. However, a comprehensive study, including the complete access to the entire building that was denied to GeoCor, is needed to once and for all determine if there is a link between the contamination and the diseases and to ensure that the people who are working for us in this province do so in a safe and secure environment.

I urge, and indeed demand, that the Ministry of Health without any further delay immediately conduct and fund an independent, third-party study, and furthermore that the government, and through it the owner of the building, fully co-operate with such a study and make its findings immediately public.

Surely everyone is entitled to work and live in a healthy and clean environment. OPSEU Local 468 has led the way, and it's now up to its employer, the Ministry of Health, to conduct the study that's required.

JOHN AND JEANNE PYNN

Mrs Julia Munro (York North): I rise today to talk about a wonderful couple. John and Jeanne Pynn are a

husband and wife team that can't slow down, even though they both celebrated their 81st birthdays this year.

Last month, the Pynns became the first couple to be presented with the Ontario Senior Achievement Award by the Lieutenant Governor, James K Bartleman, in a ceremony at Queen's Park. The importance of this is that each of them was being recognized individually; not as a couple with cumulative experience, but rather as individuals who happen to be a great couple.

The Pynns are residents of Sutton, in my riding of York North. They talk about retiring but just don't seem to be able to say no when asked to help with a volunteer job. Their volunteer jobs include a long list of community charities and projects, such as the Georgina food bank. Through her involvement in the food bank, Jeanne teaches young women how to stretch their food dollars and make the most of the food bank offerings. She is also a volunteer with Hospice Georgina.

John Pynn is a founding member of Transit Georgina, which offers transportation to the disabled. John's pet project was arranging a regular super-shopping day where the bus would take people to various businesses where John had managed to arrange for them to have a discount. He also manages to find time to arrange transportation for kidney dialysis patients to York region hospitals.

John and Jeanne are both active participants in Knox United Church. They are also volunteers at the hospice, Meals on Wheels, and both are familiar faces in the landmark Red Barn theatre. What a fantastic couple. Congratulations, Jeanne and John.

HYDRO DEREGULATION

Mr Bruce Crozier (Essex): It used to be that the Premier had an undeserved reputation for competence, but that fairy tale took a very unhappy turn last week. Ernie Eves's bungling of hydro killed any belief that he has a plan, a point or even a purpose for being Premier.

The National Post columnist Andrew Coyne wrote, "I mean this quite literally: voters have no reason to trust a word the Eves government says.... They should be removed—no, hurled—from office, and the sooner the better."

Economist Mark Mullins says, "Ernie Eves' plan would cost \$1.9 billion and could be as much as \$2.7 billion, much of that coming from taxpayers' pockets, and that's the man who did the costing of the Common Sense Revolution."

Tom Adams of Energy Probe said, "The situation Ernie Eves puts us in this week will almost certainly lead to blackouts and bankruptcies."

And the confidence of Bay Street is shattered. Rebecca MacDonald, the CEO of Energy Savings Income Fund says, "Unfortunately, I didn't know that we have a Premier who's a complete lunatic."

Unfortunately for Ontario, Ernie Eves is simply making up policy on the back of an envelope while he lurches from crisis to crisis. The people of Ontario

deserve a more competent Premier with a plan, not Ernie Eves and his wishy-washy, directionless waffling.

STRATFORD CULINARY FESTIVAL

Mr Bert Johnson (Perth-Middlesex): I rise to tell my fellow members of a new initiative by Tourism Stratford to increase tourism beyond the Stratford Festival season. This initiative, the Stratford Culinary Festival, highlights the great restaurants in Stratford. The theme of this year's festival is "Come back." Come back to enjoy the great restaurants, a variety of pre-planned activities and, now that there's snow on the ground, a little Christmas shopping at some of Stratford's unique shops.

The Stratford Culinary Festival has been running for the past two weekends and continues for one more weekend. It is sponsored by the city of Stratford, the Stratford Festival and the Victorian Inn on the Park, as well as other local businesses.

Tourism is Ontario's fifth-largest industry and festival events are an important part of the industry. This government supports three such events through the tourism event marketing partnership program. By means of the program, the Ministry of Tourism and Recreation invested \$20,000 in the Stratford Culinary Festival. I want to thank the Minister of Tourism and Recreation for recognizing the importance of such events to the tourism industry. I also want to thank Barb Quarry, manager of Tourism Stratford, for all the work she puts into the success of Stratford's tourism industry.

As Stratford winds up its 50th season, it seems appropriate that another festival will kick off its first season. Maybe 50 years from now someone will be standing here and speaking of the success of the Stratford Culinary Festival's 50th anniversary.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr John Gerretsen (Kingston and the Islands): I beg leave to present the report on the road user safety committee from the standing committee on public accounts and move the adoption of its recommendations.

The Speaker (Hon Gary Carr): Does the member wish to make a brief statement?

Mr Gerretsen: Thank you very much. The report contains six recommendations, and just to highlight a couple of them: the Ministry of Transportation should prepare a business case prior to reaching a decision on whether to outsource the provincial driver examination function, and it should assess the costs and benefits during the first year of operation and provide a report to the standing committee.

The ministry should complete the business case for the proposed replacement of the Legacy system and provide the committee with the implementation schedule and its benefits. Finally, the committee felt that the ministry should provide the committee with the key steps taken to improve the contract administration procedures to improve compliance with Management Board Secretariat's consulting services directive. We hope that the ministry will adhere to these recommendations and implement them as soon as possible.

With that, I am pleased to move the adjournment of the debate.

The Speaker: Mr Gerretsen moves the adjournment of the debate. Is it the pleasure of the House that the motion carry? Carried.

MOTIONS

HOUSE SITTINGS

Hon Chris Stockwell (Minister of the Environment, Government House Leader): I move that, pursuant to standing order 9(c)(i), the House shall meet from 6:45 to 9:30 pm on Mondays, Tuesdays, Wednesdays and Thursdays of the weeks of November 18, November 25, December 2 and December 9 for the purpose of considering government business.

The Speaker (Hon Gary Carr): Is it the pleasure of the House that the motion carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion, ayes have it. Call in the members. This will be a five-minute bell.

The division bells rang from 1350 to 1355.

The Speaker: All those in favour of the motion will please rise one at a time and be recognized by the Clerk.

Ayes

Agostino, Dominic	Elliott, Brenda	Murdoch, Bill
Baird, John R.	Galt, Doug	Mushinski, Marilyn
Barrett, Toby	Gerretsen, John	Newman, Dan
Beaubien, Marcel	Gill, Raminder	O'Toole, John
Bountrogianni, Marie	Gravelle, Michael	Ouellette, Jerry J.
Boyer, Claudette	Guzzo, Garry J.	Patten, Richard
Bradley, James J.	Hardeman, Ernie	Peters, Steve
Brown, Michael A.	Hodgson, Chris	Phillips, Gerry
Bryant, Michael	Hoy, Pat	Pupatello, Sandra
Caplan, David	Hudak, Tim	Ramsay, David
Chudleigh, Ted	Jackson, Cameron	Runciman, Robert W.
Clark, Brad	Johns, Helen	Ruprecht, Tony
Clement, Tony	Johnson, Bert	Sampson, Rob
Coburn, Brian	Kells, Morley	Sergio, Mario
Colle, Mike	Klees, Frank	Smitherman, George
Conway, Sean G.	Kwinter, Monte	Spina, Joseph
Crozier, Bruce	Levac, David	Stewart, R. Gary
Cunningham, Dianne	Martiniuk, Gerry	Stockwell, Chris
Curling, Alvin	Maves, Bart	Tasca, Joseph N.
DeFaria, Carl	Mazzilli, Frank	Tsubouchi, David H.
Di Cocco, Caroline	McDonald, AL	Turnbull, David
Dombrowsky, Leona	McMeekin, Terry	Wettlaufer, Wayne
Duncan, Dwight	Miller, Norm	Wilson, Jim
Dunlop, Garfield	Molinari, Tina R.	Wood, Bob
Ecker, Janet	Munro, Julia	Young, David

The Speaker: All those opposed will please rise one at a time and be recognized by the Clerk.

Nays

Bisson, Gilles	Marchese, Rosario	Prue, Michael
Hampton, Howard	Martel, Shelley	
Kormos, Peter	Martin, Tony	

Clerk of the House (Mr Claude L. DesRosiers): The ayes are 75; the nays are 7.

The Speaker: I declare the motion carried.

DEFERRED VOTES

AGRICULTURAL EMPLOYEES PROTECTION ACT, 2002

LOI DE 2002 SUR LA PROTECTION DES EMPLOYÉS AGRICOLES

Deferred vote on the motion for third reading of Bill 187, An Act to protect the rights of agricultural employees / Projet de loi 187, Loi visant à protéger les droits des employés agricoles.

The Speaker (Hon Gary Carr): Call in the members. This will be a five-minute bell.

The division bells rang from 1359 to 1404.

The Speaker: Mrs Johns has moved third reading of Bill 187, An Act to protect the rights of agricultural employees.

All those in favour will please rise one at a time and be recognized by the Clerk.

Ayes

Agostino, Dominic	Galt, Doug	Munro, Julia
Baird, John R.	Gerretsen, John	Murdoch, Bill
Barrett, Toby	Gilchrist, Steve	Mushinski, Marilyn
Beaubien, Marcel	Gill, Raminder	Newman, Dan
Bountrogianni, Marie	Guzzo, Garry J.	O'Toole, John
Boyer, Claudette	Hardeman, Ernie	Ouellette, Jerry J.
Bradley, James J.	Hodgson, Chris	Patten, Richard
Brown, Michael A.	Hoy, Pat	Peters, Steve
Bryant, Michael	Hudak, Tim	Phillips, Gerry
Caplan, David	Jackson, Cameron	Pupatello, Sandra
Chudleigh, Ted	Johns, Helen	Ramsay, David
Clark, Brad	Johnson, Bert	Runciman, Robert W.
Clement, Tony	Kells, Morley	Ruprecht, Tony
Coburn, Brian	Kennedy, Gerard	Sampson, Rob
Colle, Mike	Klees, Frank	Sergio, Mario
Conway, Sean G.	Kwinter, Monte	Smitherman, George
Crozier, Bruce	Levac, David	Spina, Joseph
Cunningham, Dianne	Martiniuk, Gerry	Stewart, R. Gary
Curling, Alvin	Maves, Bart	Tasca, Joseph N.
DeFaria, Carl	Mazzilli, Frank	Tsubouchi, David H.
Di Cocco, Caroline	McDonald, AL	Turnbull, David
Dombrowsky, Leona	McGuinty, Dalton	Wettlaufer, Wayne
Duncan, Dwight	McLeod, Lyn	Wilson, Jim
Dunlop, Garfield	McMeekin, Ted	Wood, Bob
Ecker, Janet	Miller, Norm	Young, David
Elliott, Brenda	Molinari, Tina R.	

The Speaker: All those opposed will please rise and be recognized by the Clerk.

Nays

Christopherson, David	Kormos, Peter	Martin, Tony
Churley, Marilyn	Marchese, Rosario	Prue, Michael
Hampton, Howard	Martel, Shelley	

Clerk of the House (Mr Claude L. DesRosiers): The ayes are 77; the nays are 8.

The Speaker: I declare the motion carried.

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

VISITORS

The Speaker (Hon Gary Carr): Before we begin with question period, we have with us today in the Speaker's gallery Representative Stephen Buehrer of Ohio, Representative Libby Jacobs of Iowa and Representative Lauren Hager of Michigan. They are members of the Midwestern Legislative Conference and are visiting us on an exchange program. Please join me in welcoming our very special guests.

Mr Howard Hampton (Kenora-Rainy River): On a point of order, Mr Speaker: visiting us today from Alberta we have Raj Pannu, leader of the Alberta NDP, and his daughter Savi Pannu.

Mrs Sandra Papatello (Windsor West): On a point of order, Mr Speaker: we have a young woman here today from the riding of Windsor West. Her name is Natalie Deschamps and she's here with her father. This young woman actually spent her hard-earned cash at an auction at her school, Holy Names High School, which entitled her to spend the day at Queen's Park with her MPP. She has managed to meet many of you already and has been duly impressed by all those she has met so far. She is hoping to become a young, budding politician herself. One can only hope she would wait until the current MPP retires before she chooses to go forward with that career. Could we please welcome her and her father in the House today.

Hon Chris Stockwell (Minister of the Environment, Government House Leader): On a point of order, Mr Speaker: I would seek unanimous consent that this House agree that Sandra give that poor girl her money back.

Hon Dianne Cunningham (Minister of Training, Colleges and Universities, minister responsible for women's issues): On a point of order, Mr Speaker: As long as we're in the mood, I'd like to welcome students from Humber College in the post-diploma public administration program. They're here with their instructor, Elka Walsh.

1410

ORAL QUESTIONS**HYDRO DEREGULATION**

Mr Dalton McGuinty (Leader of the Opposition): My questions today are to the Minister of the Energy.

Hydro deregulation in Ontario is dead; it's over. Bay Street knows it; Main Street knows it; everybody seems to know it but you. Minister, why not admit that your bungling, gross incompetence and mismanagement have killed the hydro market now and forever?

Hon John R. Baird (Minister of Energy, minister responsible for francophone affairs): The government proposed a plan this past week to try to address the real concerns that a lot of working families in the province of Ontario had, not just with the heavy weight of the bill on their kitchen table but their real concerns and fears for the future as we approach the Christmas holidays and indeed next summer. We certainly make no apologies for standing with working families in the province of Ontario.

Mr McGuinty: That is quite an accomplishment. You must have rehearsed that one in front of the mirror all week, Minister. Well done.

Here's what the National Post had to say about your most recent position: "Mr Eves's blatant politicization of the electricity market ... has erased any chance of developing a private power industry in Ontario: investors simply do not trust it."

Your government has managed to do something which is absolutely extraordinary. This Tory government makes Ontario business nervous. That's quite an accomplishment. Hydro deregulation is dead. The market is dead. Nobody, and I mean nobody, trusts your government any more. You said prices will go down; they went up. You said the debt would go down; the debt is climbing. You said we had all kinds of supply; we're suffering from a desperate shortage of supply.

Instead of wasting time and money trying to re-suscitate the hydro corpse, why not admit what everybody knows: deregulation is dead?

Hon Mr Baird: In responding to the real concerns that working families in every region of this province had, we came forth with some real action to address their concern for their high hydro bills on their table and their concern for the future. I think that is incredibly important: that we look at the circumstances of real families in the province of Ontario.

It is important that you come up with a position. The leader of the opposition quotes the National Post. He might want to read the Toronto Star today, where it asks what the Liberal position is. This member was on the radio about 10 days ago. When he was asked what the rebate should be, do you know what he said? He said, "Well, I don't know. I mean, you know. I think you know." Well, the questioner didn't know, so he said, "What kind of rebate would make a difference?" He said, "I don't know. I honestly don't know."

Well, on this side of the House, we know. We're providing substantial assistance to the people in the province of Ontario.

Mr McGuinty: It is simply—

Interjections.

The Speaker (Hon Gary Carr): Order, please. The leader of the official opposition has the floor. I apologize to the leader. Continue.

Mr McGuinty: It is simply too much for us on this side of the House to stomach when this minister stands up and tries to hold himself out somehow as some kind of a defender for the interests of families after we stood on this side for week after week after week and complained about what this government's plan was doing to ordinary families' bills. It is simply too much to stomach.

Minister, I will now ask you again: now that Bay Street recognizes it, now that Main Street recognizes this, now that there is a broad consensus right across the country that this has been one of the most glaring examples of gross mismanagement and incompetence, why not admit it? Deregulation is dead; the market is dead; your experiment has been an abject failure.

Hon Mr Baird: We still have an open market for the generation of wholesale electricity in the province of Ontario and I think that is good news. I'm proud of the fact that Ernie Eves and our government came forward with an action plan to deal with the challenges facing Ontario families, small businesses and farm operators.

If the member opposite wants to talk about price, I'm happy to do that. When asked about price last year, the member said, "Rates may very well have to go up." And what did he say this past week to my good friend the well-known political reporter April Lindgren in the Ottawa Citizen? The first part of the article says, "Electricity prices under an Ontario Liberal government would likely rise."

The people of Ontario have a clear choice. They have a government that can tackle the challenges facing working families, small business people and farm operators, or they can buy into the risky scheme by the Leader of the Opposition. I know which side they'll choose.

HYDRO ONE

Mr Dalton McGuinty (Leader of the Opposition): We'll try the same minister again and see if we have any more success this time around. Minister, now that you're performing Olympian backflips on hydro, let's talk a little bit about Hydro One. You have never made the business case for the sale of any part of Hydro One. During the last three years, it earned a profit in excess of \$1 billion. Why would you not keep Hydro One entirely public and use those profits to help keep rates down in Ontario?

Hon John R. Baird (Minister of Energy, minister responsible for francophone affairs): Profits from Hydro One on an operational basis certainly provide assistance in dealing with the stranded debt. If the member opposite is against prices in electricity, he might want to call his own brother, Brendan McGuinty. In the city of Ottawa, his boss voted to almost double fixed-rate delivery charges and the local distribution rates and then said, "The devil made me do it." So if he feels as strongly as that, I hope he'll encourage our good mayor in the city of Ottawa to reduce hydro rates by going to a non-profit status.

Mr McGuinty: I gather it's full steam ahead with respect to the sale of Hydro One. Hydro One is a natural monopoly. It is the central nervous system of the Ontario economy. It earns us a profit. You want to give that profit away the same way you gave the 407 profit away. You find yourselves now in desperate financial circumstances. You want to sell off Hydro One so you can balance the budget. In the end, it's going to be consumers who will continue to pay the price for your mismanagement and bungling. I ask you again: now that you have effectively killed deregulation, why not finish the job and keep all of Hydro One public, where it belongs?

Hon Mr Baird: The member opposite is certainly one to get public policy advice from. Every decision this government makes will be based on what's in the best interests of the people of Ontario, whether they be working families, farm operators or small business people, as we come to terms with dealing with some of the challenges. There are huge infrastructure needs at Hydro One in terms of investments that haven't been made over perhaps the last 20 years as they should have been. I think any policy the government proceeds with will certainly be advantageous for working families.

The member opposite is quoted on Focus Ontario. And what did he say on this natural monopoly? "I am in favour of privatization, both in terms of the transmission and the generation." So I might ask the leader: I've said why I'm in favour of it. Maybe he could tell us why he was in favour of it then too.

Mr McGuinty: Minister, you want to talk to others about changing position after last week and Monday's performance with that teleprompter inside that home? Give me a break.

There's only a limited amount of time I have in which to put the question, but I'll try to re-cover some of the changes in your position with respect to Hydro One. April 26, 2002: you're going to privatize all of Hydro One. May 2, 2002: no, the privatization is off the table. May 8, 2002: no, it's back on the table. May 30, 2002: you introduce legislation to sell all of Hydro One. June 7, 2002: "No, we're going to go with an income trust." June 13, 2002: "We're going to kill the IPO option." July 6, 2002: "No, what we think we're going to do is settle on selling half of Hydro One."

Minister, I'll ask you again: understanding now that you have effectively killed deregulation in the market with respect to OPG, why not do the right thing and tell us you're going to keep Hydro One entirely in public hands?

Hon Mr Baird: We'll obviously pursue a policy that's in the best interests of people in Ontario. I think that's important when we look at the structure of any sort of arrangement with respect to a strategic partnership that would have benefits for taxpayers, for working families and indeed for everyone in Ontario. The member opposite says, "I've been very consistent with respect to Hydro One. I'm in favour of privatization." Can you explain that, Mr Speaker?

Interjections.

The Speaker (Hon Gary Carr): Order. It's getting too noisy in here. New question.

1420

HYDRO DEREGULATION

Mr Howard Hampton (Kenora-Rainy River): My question is for the Minister of Energy. Earlier today, Raj Pannu, leader of the Alberta NDP, came all the way to Toronto to warn Ontario Hydro consumers about your desperate scheme to hide the skyrocketing cost of privatized, deregulated hydro until after the next election. He says your pre-election hydro rebate scheme is the same bribe Ralph Klein used in Alberta. In Alberta, \$2.3 billion of the people's money was used to hide the cost of deregulated hydro until after the election. As soon as the election was over, off came the rate caps, off came the hydro rebate.

It cost \$2.3 billion to hide the cost of hydro privatization in Alberta. How much of the people's money will it cost you to hide the cost until after the next election in Ontario?

Hon John R. Baird (Minister of Energy, minister responsible for francophone affairs): In responding to the real concerns of working families in Ontario, of farm operators in rural Ontario and of small business people, whether they be the drycleaner in North Bay or the shop owner in Toronto, we thought it was important to act decisively and to do the exact opposite of what the member opposite just charged. We believe it was important not just simply to put in a quick fix, Band-Aid solution, but rather some meaningful relief in the medium term while new generation is brought on-line.

To very directly answer the leader of the third party's question, our plan fully balances itself over the next 41 months. I will congratulate the member opposite. He has been consistent on this issue. He is no Howard-come-lately like the Leader of the Opposition.

Mr Hampton: No one believes your line that you can cap hydro rates and provide a rebate and it won't cost the taxpayers of the province anything and it won't cost hydro consumers anything. In Alberta, eight months after the election the hydro rebates disappeared, the rate cap disappeared and people's hydro bills doubled again. Why? Because hydro deregulation and privatization continued there, just as you want to continue it here, just as you want to sell off Hydro One, just as you want to sell off more of the generating stations, just as you want to use billions of dollars of public money to subsidize private for-profit hydro generators.

I think you owe it to the people of Ontario. You're going to hide the costs from them on their hydro bills. How much is it going to cost them in taxes? How much is it going to cost them after the election? Don't try to fool them like Ralph Klein did.

Hon Mr Baird: We now have Howard the Taxfighter leading the third party. I wish he had been so concerned about the bottom line for working families in Ontario

when he raised taxes all those times when he was in government.

We've responded to the real concerns of working families in Ontario. The plan fully balances itself over the 41 months of it. Let's look at the bond rating companies. Dominion Bond Rating Service says, "We expect the net impact of this initiative on the province's fiscal balance to be manageable." Standard and Poor's says, "Announced provincial electricity rate cap will have no material impact on Ontario's financial performance."

Mr Hampton: You can keep trotting out that line, but people know that when you're paying the likes of British Energy, Brascan or some of the American profit-driven hydro companies \$1,000 a megawatt hour and you only charge \$43 a megawatt hour on the hydro bill, it's going to take a lot of taxpayers' money to cover up that subsidization of your profit-driven friends.

Now, you and the Liberals think that rolling out a rebate is going to cover up the cost of privatized, deregulated hydro. It's not. You've already admitted that privatized, deregulated hydro is too painful for people on their hydro bill. Why don't you go the next step and admit that hydro privatization/deregulation is too expensive for people, period, and kill it now?

Hon Mr Baird: The leader of the third party is running around Ontario preaching public power at cost, but his own record speaks for itself. When he was in government, the Hydro debt went up by more than \$3 billion in addition to the more than \$50 billion that was borrowed to balance the books under his party's regime.

We're taking action by maintaining the market open, by maintaining the market in generation, to try to encourage prices to go down, to try to encourage competition, which we think is in the best interests of the people of the province of Ontario.

There have been some bumps along the road, and that's why we've taken some decisive action with respect to the price for working families, for small business people and for farm operators, because I think that's the right thing to do.

The Speaker (Hon Gary Carr): New question. The Leader of the third party.

Mr Hampton: Minister, you've admitted that privatized, deregulated hydro is far too expensive to allow the price to appear on people's hydro bills. It just seems to me the next logical step is to admit to everybody that this stuff doesn't work, and end it.

Again, let me just point out what happened in Alberta. Immediately after the election, people started to see something new on their hydro bill. It was called a rate rider. When they asked what it was, they were told, "Well, before the election we wouldn't let the private hydro companies jack up the rates. Now we give them a rate rider to make up for what they lost before the election, before the rate cap, before the rebate." In other words, people had to pay twice after the election for the bribe that happened before the election.

I'm asking, Minister, do you really think you can fool the people of Ontario with a before-the-election bribe

using their own money, and then jack up the hydro rates on them after the election? Do you really think you can fool them?

Hon Mr Baird: If we had come forward with a plan that was a six-month, quick-fix solution, I think the people of Ontario—working families and small business people around the province—would have seen through that. But Premier Ernie Eves came forward with a really comprehensive initiative to provide some stability for 41 months. I think that's good. It was supplemented by new announcements to encourage supply in the province of Ontario; to promote green, clean and alternative fuels; and probably most importantly, some specific and tangible measures to promote conservation. We think that's sound public policy and the right thing to do.

Mr Hampton: Minister, you and the Liberals talk about a hydro rebate to hide the true cost of deregulated, privatized hydro. You talk about a rate cap until 2006. But you know yourself that the profit-driven producers of hydro that you want to bring into the province will never stand for a rate cap until 2006. You also know it is too expensive. The people out there know it's too expensive.

People want hydro as an essential public service, to be publicly owned and provided on a non-profit basis. They don't want profit-takers, fee-takers, commission-takers, all loaded up on the hydro bill, and they don't want them loading up on a subsidy in the backroom either.

I ask you again, Minister, now that you've admitted that deregulated, privatized hydro is too expensive to show people on their hydro bill, will you admit that it's wrong in principle and stop, cancel, kill hydro privatization and deregulation?

Hon Mr Baird: When there was a non-profit system in the province of Ontario, it cost us \$38 billion in debt. That's more than \$10,000 for every family in the province of Ontario. For the baby born this morning in Nepean, that's a \$3,000 mortgage on their future. Now, I realize that's small change for the leader of the third party, because when he was a member of the executive council of Ontario, they in fact ran up more than \$50 billion worth of debt in five short years.

What we're doing is making some responsible decisions to provide some real relief to consumers, small business people and farm operators over the next 41 months. The member opposite in his first question said that private generators were going to continue to get a market price and in his second question said they're not. Which is right, the first or the second?

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TENANT PROTECTION

Mr Dalton McGuinty (Leader of the Opposition): My question is to the Minister of Housing. Tenants across Ontario are worried that your government's bungling of hydro is going to lead to even further rent increases, and they have every reason to worry because of what happened in the case of natural gas. I'm sure you'll understand, Minister, that when gas prices spiked, land-

lords applied for and obtained rent increases, and when the price of natural gas came down, tenants didn't see their rent go down, because under your system tenants are forced to pay temporary utility cost increases forever.

Tenants are now worried that the same thing is going to happen with respect to hydro. The rent is going to go up, landlords are going to get the benefit of the rebate, but the tenants will still have to pay the increase. Will you issue a directive today to ensure that no Ontario tenant will experience a rent increase because of your government's mismanagement of hydro?

Hon Chris Hodgson (Minister of Municipal Affairs and Housing): It's a hydro issue, and I know the minister wants to talk about that.

Hon John R. Baird (Minister of Energy, minister responsible for francophone affairs): The announcement the Premier made brings rates back, almost retroactively, to what consumers have been paying, to 4.3 cents. That's where they were before the market opening. Therefore, obviously with respect to the commodity portion of the bill there's no rate increase. It can't be clearer than that.

Mr McGuinty: Minister, it's a fairly straightforward question. Let me just say at the outset that it's really a sad commentary that the minister responsible for housing, the defender of tenants in that government, has fully abdicated his responsibility and turned this over to you.

Interjection.

Mr McGuinty: Apparently he wants to answer the question now, Speaker. Perhaps the minister will refer it back to him. But since he's refusing to do so, I'll go back to the Minister of Energy.

It's a fairly straightforward question: will you assure us that the legislation, which you're apparently still drafting on the back of an envelope, will protect all tenants from any rent increase attributable to your government's mismanagement and gross incompetence on the hydro file?

Hon Mr Baird: The relief we came forward with, that the Premier announced a week ago today in the province of Ontario, is substantive in its relief, retroactive to May 1, and I think that's important. We stepped up to take significant action to protect tenants, homeowners, small business people and farm operators right across Ontario. For those tenants where it's included, it's self-evident that the price of the commodity hasn't gone up.

We've looked at it and dealt with it retroactively. Maybe the leader would like to return the cheques for the \$350 Bay Street fundraiser he had when he was a big promoter of deregulation. Wouldn't that be the right thing to do?

NORTHERN ONTARIO ECONOMY

Mr AL McDonald (Nipissing): My question is for the Minister of Northern Development and Mines. Over the past few weeks, I and several members have risen in our places to ask questions about economic activity in the north. Today, I'd like to focus on recent announcements

made by Weyerhaeuser in Sturgeon Falls and Tembec in Mattawa that are not in line with my or this government's vision of a strong, prosperous northern Ontario. Minister, could you please inform everyone what your ministry is doing to boost economic activity in northern Ontario?

Hon Jim Wilson (Minister of Northern Development and Mines): We at the ministry take very seriously the challenge to improve economic conditions in the north. We believe in a healthy, competitive and sustainable northern economy, which combines and builds upon the strengths of our resource sectors with the emerging opportunities of a knowledge-based economy.

The Minister of Finance just finished putting out expressions of interest for tax incentive zones for rural and northern Ontario. There will be six pilot projects. Also, the government has announced that we'll be introducing opportunity bonds, allowing municipalities to build and rebuild their infrastructure at lower cost. We've doubled the northern Ontario heritage fund, which is our big economic engine for the north, to \$60 million a year. In fact, since October 1996, the government, through the heritage fund, has created about 15,650 jobs in the north.

Finally, to help northern economic development we've spent a record \$1.6 billion on northern highway infrastructure in the north.

Mr McDonald: Thank you, Minister. I know from talking to a lot of northern Ontarians that they appreciate your dedication and the good work our government is doing on their behalf. They do appreciate the effort this government is making on northern Ontario.

However, the residents of west Nipissing were especially hard hit by the announcement that Weyerhaeuser will be closing their facility there. I know that you travelled to Sturgeon Falls, Minister, with some important news. Could you please share that with us?

Hon Mr Wilson: On November 7, I did travel to Sturgeon Falls in west Nipissing. First, though, I want to commend the honourable member. AL McDonald was the first member of this Legislature, the first MPP, to express his concern with the announcement to close the Weyerhaeuser plant. West Nipissing is not his riding, but he did offer, on behalf of the government and the people of this Legislature, all of our assistance.

On November 7, I announced a new northern Ontario heritage fund project. West Nipissing-Sturgeon Falls will be eligible for an unlimited number of projects. For each one, we will pay 75% or \$5 million per project, an unlimited number of projects, to help that community get back on its feet. It's money well spent. It's northerners' money. It will be spent on bringing Sturgeon Falls-west Nipissing back to better than it was before.

HYDRO DEREGULATION

Mr Michael Bryant (St Paul's): My question is to the Minister of Energy. Minister, will you stand in your place today and tell us that you have full and unqualified confidence in the chair and CEO of Ontario Power Generation?

Hon John R. Baird (Minister of Energy, minister responsible for francophone affairs): In fact, there's a chair and a CEO. They're two different people.

Mr Bryant: That's a ringing endorsement. Who said this of Mr Osborne and Mr Farlinger? Who said that we had the best possible management and the best possible chair of OPG? Who said that? You said that, the Minister of Energy, now the member for Simcoe-Grey. Who appointed the current chair and CEO of Ontario Power Generation? Did we do that? Did Eleanor Clitheroe do that? Did Floyd Laughren do that? No, you did that. Who appointed the CEO, for that matter, of Ontario Hydro One? Did we do that, did Floyd Laughren, did the people? No. You did that. Who's paying them \$2 million a year, the head of your Hydro Hydra? Who's doing that? You're doing that. You're trying to point fingers. First it's Mother Nature, then it's Clitheroe, then it's Floyd Laughren. Now it's Osborne; then it's Farlinger. Who's to blame for the shipwrecking of the Hydro Hydra? You are, the Harris-Eves government, who destroyed the electricity system in the province of Ontario.

Hon Mr Baird: I didn't hear a question there, but it was a good theatrical performance.

JUNO BEACH CENTRE

Ms Marilyn Mushinski (Scarborough Centre): My question is for the Minister of Culture. Minister, I understand that on November 7, Premier Eves announced this government's support in the amount of \$1 million for the Juno Beach Centre in Normandy, France. With the support of this government, I understand that the Juno Beach Centre is now \$7 million closer to their \$8.1-million goal. The centre is scheduled to open on June 6, 2003, June 6 representing the date in 1944 when over 21,000 Canadian soldiers stormed the beach code-named Juno in the small fishing port of Courseulles-sur-Mer. Three hundred and forty Canadians gave their lives, 574 were wounded, and 47 were taken prisoner.

Minister, could you please tell this House what the Juno Beach Centre will mean to the people of this province?

Hon David H. Tsubouchi (Chair of the Management Board of Cabinet, Minister of Culture): First of all, I want to thank the member of Scarborough Centre for the question. I was pleased to be at the announcement, along with Premier Eves and Minister Runciman, which was also attended by many of the veterans, the men and women who have served this country so well.

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There are certain times in history which are defining moments for our country. In World War I it was Vimy Ridge, and in World War II it was Juno Beach. This is where our troops gained the recognition that they really needed to have. The Juno Beach Centre will be more than just a memorial; it's a memorial honouring Canadian veterans of World War II, and it will be a memorial museum as well.

I want to congratulate, in particular, Garth Webb, who is the president of the Juno Beach Association. I'd also like to mention Don Kerr, whom I've met, who is a volunteer and veteran who strongly believed in Juno Beach and brought this idea to my attention, through our member John O'Toole. These are the people who really served our country; it's important for us to recognize that, and that's why we're all very pleased to support this wonderful project.

Ms Mushinski: Thank you for that response, Minister. I also understand that the Juno Beach Association asked our government for a \$250,000 contribution and that Premier Eves in fact contributed \$1 million. I am sure this came as a very pleasant surprise to all who were present. The Juno Beach Centre is designed to honour Canadian men and women, and the people of the province of Ontario, who gave their lives in the fight for freedom.

I spent November 11 representing the province of Ontario at the Remembrance Day ceremony at the Toronto Zoo. I also spoke at the local Scarborough Royal Canadian Legion "Dambusters" branch 617 about Canada's extraordinary wartime effort, unparalleled by any other country. Could you please tell this House why we should continue to invest in Canada's military past?

Hon Mr Tsubouchi: I thank the member again, but the question shouldn't be, "Why should we?" The question should really be, "How could we not participate in a very important project?"

The Premier also announced that we now have a commitment to build a war memorial on the grounds of Queen's Park. I think it will serve the people of Ontario quite well. These were ordinary Canadians, my neighbours and your neighbours, ordinary men and women who served selflessly; people like Wayne Baker, a paratrooper who was dropped off behind enemy lines as an advance scout; Margaret Ackroyd, who was with us at the announcement, who joined the Canadian Army Show in 1943 and entertained the troops until 1946 and is still very active giving the stories of World War II to children across this province; Art Underwood, who was wounded in action; and Jack Harris, who just passed away at the age of 90, who was decorated for saving his tank crew.

These are the men and women for whom I am very proud to stand here today, as are all of us, and say we support the Juno Beach project to support our veterans and thank them very much.

HYDRO DEREGULATION

Mr Howard Hampton (Kenora-Rainy River): My question is again for the Minister of Energy. This weekend, your government launched yet another television advertising propaganda campaign, this time trying to convince people that the skyrocketing cost of hydro that has been privatized and deregulated is going to disappear, trying to hide it from the public. It's bad enough that you refuse to kill hydro privatization and deregulation; it's bad enough that you're going to use billions of dollars of taxpayers' money to subsidize private, profit-driven

hydro companies in the backroom, but to top it all off, you're going to use the public's money on another propaganda campaign to promote your pre-election bribe.

We called your officials in the Ministry of Energy and asked them the cost of this propaganda advertising campaign. They refused to answer. Perhaps you can tell the people of Ontario now how much of their own money you are going to try to use to convince them of this pre-election bribe.

Hon John R. Baird (Minister of Energy, minister responsible for francophone affairs): It may come as a surprise to the member opposite that I don't share his characterization. What we're doing is responding to the real concerns that a lot of working families have, not just about the high cost of the electricity bill on their kitchen table but the fear that they have for the future. The government has heard that concern, and we're responding with specific proposals and legislative measures. We think it's responsible to report back to the people we serve on this important issue.

Mr Hampton: Last spring you spent \$2.3 million on a propaganda campaign telling people that deregulated hydro was going to cost them less, that it was going to be good for them. Now it looks like you're going to spend \$2.3 million trying to hide the cost of privatized deregulated hydro, trying to tell people the bogeyman won't get them. Minister, if you spent \$2.3 million trying to tell people that it's good for them last spring and you're going to spend \$2.3 million trying to hide the skyrocketing hydro bills now, why don't you just admit it doesn't work, that it's a rip-off for consumers, and kill hydro privatization and deregulation? Why don't you do it now?

Hon Mr Baird: Again, it won't come as a surprise to the member opposite that we believe in an open, competitive market in the generation of electricity in Ontario. We've maintained the market and the wholesale aspect to try to encourage more generation. It was a better option than continuing to pile on debt at the old beast of Ontario Hydro. I say to the leader of the third party that that Hydro debt, the beast created by successive governments, isn't dead. That's why we've had to take some pretty solid action to try to deal with the challenges facing our electricity system.

We've had the courage to embrace that. While I've been disappointed that we haven't had the support of the leader of the third party, it warms my heart that all Liberal MPPs who were present for the voting on Bill 35 stood up and voted for it when we did it, on principle.

CONSUMER PROTECTION

Mr John O'Toole (Durham): My question is to the Minister of Consumer and Business Services. Minister, as you probably know, and I'm sure you do, later this afternoon we're debating modernizing Ontario's consumer protection legislation. You've actually taken some very bold initiatives in this legislation. One that attracted me was the capping of variations to written estimates for things like home repairs. That's just one. It also requires

goods bought on the net to be delivered within 30 days or the contract is void. Also, there is the banning of negative option billing. I commend you for these initiatives, great new proposals to have in place. I know your ministry has a great track record of shutting down bad operators. Minister, will this new legislation beef up the penalties—that's the question—against these bad guys in the marketplace?

Hon Tim Hudak (Minister of Consumer and Business Services): I appreciate the member's question. He's right. Before the House for debate later on is Bill 180 for CP21, consumer protection for the 21st century, the biggest overhaul to help protect consumers against scam artists in the last 30 or 40 years.

The member makes a good point. This ministry has had great success in terms of flushing out bad operators and stamping out consumer deception. For example, in the past year or two years, 1,000 charges have been brought forward with over \$1 million in fines that have been allocated, and over \$2 million in restitution has been returned to consumers who have been ripped off by scam artists.

The proposed legislation, if passed, would help to double the fines for individuals and for corporations, and jail times would be boosted to the maximum of two years less a day, the provincial maximum. Finally, we are also increasing the standard limitation period to two years to allow our prosecutors more opportunity to go after the bad guys and to put them out of business.

Mr O'Toole: Thank you for that information, Minister. I'll be pleased to share it with my constituents. I was very pleased to see that the Ernie Eves government and yourself are strongly committed to curbing consumer scams. Your proposed new legislation will be protecting consumers in areas where so far there is no consumer protection law, specifically in the Internet area.

I can tell that you are working for families, not just in my riding of Durham but across Ontario. They're jumping on the Internet quickly, as I'm sure you know, Minister. I can hardly not use this opportunity to recognize the important work done by Durham Regional Police Sergeant Ken Anderson as well as Detective Constable John Bradley, who is an investigator in the computer crime area in my riding of Durham.

I know the proposed legislation will protect on-line consumer competition, but Minister, how would your proposed legislation protect Ontarians who are dealing with companies in different parts of the country, indeed different parts of the world?

Hon Mr Hudak: The member raises an excellent question. We want to make sure that people who are jumping on-line for transactions, and doing so increasingly, can do that with increased confidence in the laws that back up the system. We want to take those rogues who are lurking on the Internet and reinforce confidence in this industry.

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We have worked with the other provinces for a harmonization agreement that would apply across Canada. For example, a 30-day rule for delivery of a good or

service when contracted for would be reinforced by our legislation, CP21, if passed, and would apply through harmonization to all such agreements across Canada.

Similarly, we want to work with operators across North America and throughout the world in harmonizing these rules where possible, so people will have confidence when making a transaction across the Internet. We want to make sure that Ontario is a much less attractive jurisdiction for scam artists and more attractive for on-line e-commerce.

The Speaker (Hon Gary Carr): I apologize; I did miss the rotation. It will equal out. We'll do two Liberal questions. I went to the wrong side, even though it said it here.

DIAGNOSTIC SERVICES

Mrs Sandra Pupatello (Windsor West): My question is for the Minister of Health. On Thursday after midnight you released your press release that announced private MRIs and private CTs coming to Ontario and that you would have requests for proposals from several communities to open private MRIs and CTs, what we believe is a two-tier health care system.

I would like the Minister of Health to tell the community of Huntsville—this is a community whose hospital has made a submission to you for permission to have a CT scanner. Those people have been waiting for an answer. They know they're responsible for raising the money to purchase the equipment. You've ignored that proposal, but you've gone forward to include Huntsville as a potential community for a private CT. Could you please explain to that community why you are so bent ideologically to the private sector when the hospital is waiting and begging for a CT?

Hon Tony Clement (Minister of Health and Long-Term Care): It will come as no surprise to this chamber that I take issue with pretty well everything the honourable member said in her characterization of this initiative to bring greater accessibility to diagnostic services to the people of Ontario.

First of all, she should know that this initiative was originally signalled in the throne speech of this government, in the budget of the Minister of Finance and by me in July. If the honourable member didn't take time to pay attention, perhaps she's the only one who is surprised.

She insists that this is two-tier medicine. Nothing could be further from the truth. This is about accessibility, using your OHIP card, to publicly financed universally accessible services—greater accessibility to diagnostic services throughout the province of Ontario, yes, in stand-alone clinics. We make no apology for the fact that we rely on stand-alone clinics as well as hospitals to deliver excellent services. We announced three MRIs and a previous CT as part of our initiative in advanced diagnostics. We are providing that in hospitals, throughout our community—

The Speaker (Hon Gary Carr): I'm afraid the minister's time is up.

Mrs Pupatello: Minister, based on your answer I'm going to presume that what you said in July still holds true. What the Minister of Health said in July is that people can pay cash for a CT or an MRI. That's what you said in July. When you were pushed by journalists to answer that question, you said, "Yes, people can pay cash." What you're saying today and in your press release is that suddenly you've changed your mind on that tack. The point is that you are not to be believed. All the things you say one week no longer hold true the next week. Hydro is a perfect example of that.

What you said last July was that people would pay cash in a private system. What we know is that there are a host of communities who have asked for permission from you, who know they have to raise money for an MRI or a CT. Those communities include Belleville, Chatham, parts of Ottawa, Cornwall, Hamilton and Etobicoke. What I'm asking this minister is, how can you ignore those submissions that are already on your desk asking for approval when they have to raise the money for the machines? You've ignored them and you've gone to other communities to announce private MRIs and CTs. What rationale could you possibly have—

The Speaker: I'm afraid the member's time is up.

Hon Mr Clement: The honourable member is confused. The honourable member should have checked very carefully the notes on the July announcement. The issue was queue-jumping, and I made it very clear that queue-jumping will not be allowed in the province of Ontario. We have stricter rules than anywhere else in Canada, and we are proud of that fact.

If the issue is uninsured services, our emphasis is on insurance services, but just as in a hospital right now you can get an uninsured service, that is the case in stand-alone clinics as well. If the honourable member has a problem with stand-alone clinics, she should stand in her place right now and say that the Liberal Party of Ontario is against stand-alone clinics. Perhaps she's against the Diagnostics Imaging Associates located at 600 Tecumseh Road East in Windsor. Perhaps she's against the Essex X-Ray Ultrasound & Mammography clinic at 2462 Howard Avenue, Windsor. Perhaps she's against the Windsor Radiological Associates clinic at 410 Giles Boulevard East in Windsor.

You stand in your place and say you're against stand-alone clinics and the Liberal Party is against them. You stand in your place and say you're against increased accessibility. You do that, and then we'll have the debate.

Applause.

PENSION LEGISLATION

Mr George Smitherman (Toronto Centre-Rosedale): I was pretending the applause was for me, Mr Speaker.

My question is to the Minister of Finance and it concerns provisions of Bill 198 which include significant amendments to pension law in this province. If passed, this bill will be retroactive to 1988, wipe out current, pending cases, overrule pension agreements and remove rights of appeal to the courts. Perhaps most incredibly, it

sets Ontario apart as a jurisdiction—because you can't do this in the United States of America—where CEOs will be encouraged to raid any pension fund where an actuary's report might indicate that a surplus exists.

Madam Minister, how is it that you could use a bill designed to restore investor confidence to rob employees of their rights and to encourage pension fund raiding through the introduction of the Conrad Black clause?

Hon Janet Ecker (Minister of Finance): I really suggest that Liberal research needs to hire somebody with a little bit of expertise in reading legislation, in reading policies and understanding pensions, because the legislation that he cites in this House does not interfere with court cases; it does not take away pensioners' rights; it does not allow employers to raid pension funds. For the honourable member to suggest this is being—well, I would like to stay polite, so I won't say what I think it is, but it is fearmongering at its best.

Mr Smitherman: Madam Minister, if you're so confident in your analysis, agree today, before this Legislature, to put this bill out to public hearings and let Ontarians have this debate, because a very clear reading of section 79.1 clearly indicates that an actuary's report will allow corporate raiding of surplus pension funds. Won't you agree that since 1988, when the member from York stood and introduced legislation, both employers and employees have been involved in the discussion around matters relating to pension windup? Those employee rates in this legislation, under the provisions that you've introduced, are eviscerated.

Will you put this out for public hearings? If you're confident in the positions that you take, put this out for public hearings.

Hon Mrs Ecker: Again, where has the honourable member been? There has been public consultation on this. As a matter of fact, we put out a discussion paper and invited all stakeholders to participate. We announced in the budget that we were going to be proceeding, and then do you know what we did? We did more consultations.

Interjections.

Hon Mrs Ecker: He asked the question and now he doesn't want to hear the answer. There has been considerable public consultation on this. There is nothing in this legislation that takes away the rights of pensioners or interferes with the rights of pensioners or their earned benefits. In fact, what this legislation does is ensure that the pensions are respected, to ensure the financial solvency of pensions, to make sure that the money is there when a pensioner needs it. That is the pre-eminent goal of the legislative amendments we've brought forward.

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SURFACE WATER MONITORING CENTRE

Mr Bert Johnson (Perth-Middlesex): My question is for the hard-working Minister of Natural Resources, the Honourable Jerry Ouellette, from Oshawa.

Minister, as you know, my riding of Perth-Middlesex has a large agricultural component. That's why I was very interested to hear your recent announcement about a new centre that will help predict and minimize the potential impact of floods and droughts in the province of Ontario. As we all know, information on flood and drought situations is extremely important. Would you please explain to us here today how this centre will work?

Hon Jerry J. Ouellette (Minister of Natural Resources): I thank the member from Perth-Middlesex for the question. Last month, as the member mentioned, I was happy to announce on behalf of the government the creation of the Surface Water Monitoring Centre. This centre will assist in the predicting and informing people of flood and drought conditions throughout the province. The monitoring program is based on over 400 gauges located throughout the province. These gauges will measure the amount of water flow in the rivers and streams as well as the water levels in lakes. The equipment will also record climate data such as precipitation and temperature.

As well, I am happy that we are able to move forward with partnerships with the Ministry of the Environment and the conservation authorities to provide this program.

Mr Johnson: Thanks very much for that answer, because we have heard a lot of misinformation about the number of gauges and testing stations in rivers and streams in Ontario.

As you'll recall, a couple of years ago in July, there was a devastating flood in my riding and the one next to it. It started at Brucefield and came down through Exeter, Woodstock, London and so on. It had a devastating effect by flooding thousands and thousands of good fields of crops, and it left livestock situations that were totally intolerable, with too much water.

I have heard that this new centre will be a consolidation of two old—

Interjections.

The Speaker (Hon Gary Carr): Order, members. The member has a sore throat. Could we keep it down, please? It's difficult for him.

Sorry, member for Perth-Middlesex.

Mr Johnson: Minister, it will be a fantastic advantage having the staff in one location, but what will the other benefits of this consolidation be?

Hon Mr Ouellette: I thank the member again for the question. Yes, there are over 400 gauges located on streams, rivers and lakes throughout the province. The centre, to be located in Peterborough, will bring together the drought experts along with the flood experts. Bringing these experts together maximizes their expertise for more informed decisions to help reduce the risks to both people and property. Increased public safety is the main motivation. As mentioned, this would assist with a quicker response and would aid communities such as the member's in situations that deal with floods, as he mentioned earlier on.

The MNR plays a very important and lead role in forecasting floods and droughts for the province, and in the protection of life, I might add. The centre will certainly expand those abilities here in the province of Ontario.

FUNDRAISING

Mr Tony Martin (Sault Ste Marie): My question is for the Minister of Consumer and Business Services. Minister, the alcohol and gaming commission is wreaking havoc on local fundraising efforts in my city, Sault Ste Marie. Organizations like the Marconi Club, the Elks, the Legion and many others are being told that the way they have always raised money to support community events can no longer happen. They are being denied lottery licences they have always gotten, and they are unable to pay their own expenses from the small amount of money raised. This means they can no longer fund community activities such as minor hockey and the local band that plays in hospitals for sick kids. Some are faced with closing their doors.

Minister, what are you going to do immediately to ensure that our local clubs can still conduct the small fundraising events that we've all always relied on?

Hon Tim Hudak (Minister of Consumer and Business Services): I appreciate the question of the member from Sault Ste Marie. I think certainly all of us in the Legislative Assembly understand the important role charities play in helping to support vulnerable citizens or other good causes in communities, whether it's Sault Ste Marie, Fort Erie or Beamsville.

With respect to the issue of legalized gaming—obviously a very important and sensitive issue, something that's governed by the Criminal Code as well as the alcohol and gaming control commission in the province of Ontario—we want to make sure that we can help support charities and work within the law. If the member has some particular concerns, I would be pleased if he sent them over to me here in the assembly, and I can ensure that they get the proper attention.

Mr Martin: As a matter of fact, I have a number of, I think, really good suggestions. I'd like to meet with you within the next week or two to talk about those, if you would agree.

Our local clubs and groups do not want to have to rely on outside fundraisers that keep up to 80% of the money they raise for themselves. They want to raise money from the local community and spend it in the local community. But the way this government is enforcing the rules makes that impossible. We need to be empowering these local groups, not cutting off their lifeblood.

Your government takes such pride in cutting red tape, but you are choking off these groups with that same red tape. The current rules aren't working and they need to be changed.

Will you promise today to conduct a review of the criteria for issuing lottery licences to ensure that the

small charitable organizations can fundraise and continue to provide essential services to the community?

Hon Mr Hudak: Certainly this government, the Ernie Eves government, takes great pride in eliminating red tape to help support job creation, in fact record job creation across the province of Ontario, and similarly, cutting red tape to help empower charitable groups in their important purposes.

Obviously when it comes to gaming regulations, we want to make sure that we maintain the integrity of the gaming and comply with Criminal Code law with respect to gambling enterprises. That having been said, I'd be very pleased to discuss with the member a meeting he wants to set up. In fact, I'm here both this afternoon and this evening if he wants to come over. We could talk about it and I could look into the specifics of the concerns he has brought forward on behalf of the community of Sault Ste Marie.

OHIP BUILDING

Mr John Gerretsen (Kingston and the Islands): My question is to the Minister of Health and Long-Term Care. Minister, you know there's a very serious health concern with respect to the OHIP building in Kingston. This matter has been like that for at least the last 10 years or so. As a matter of fact, there have been statements made that up to 14 employees who have worked in the building have suffered from breast cancer, and another 32 individuals suffer from other forms of cancer.

A recent study that was conducted by OPSEU Local 468 clearly indicates that there's a problem with respect to coal tar residue beneath the foundation of the building. The union has gone to the lengths of getting the study done. It clearly indicates that there's been a problem there for the last 15 to 20 years.

Minister, will you now do the right thing and completely fund an independent, third-party study so that we can once and for all get to the bottom of this, and also give us your commitment here today that when that study is done and completed, it will be released to the public so it can give a certain amount of surety and safety to the people who work in that building?

Hon Tony Clement (Minister of Health and Long-Term Care): Yes, I believe the Chair of the Management Board can answer that question.

Hon David H. Tsubouchi (Chair of the Management Board of Cabinet, Minister of Culture): First of all, I must say that all of us are concerned about the health and safety of any of our workers. Having said that, I will say this, that the Ontario Realty Corp is currently in the process of retaining a reputable consultant to conduct the testing required in the facility. It is important for us to complete this testing. It's of an urgent nature for all the employees there, and we certainly consider it that as well.

Mr Gerretsen: I appreciate that, and I hope we will actually see that happen, because there's been a concern of the employees there for quite a considerable period of time.

As you know, you no longer own the building. The building is owned by a third party. Although you are responsible still for the environmental situation that existed there at the time the building was sold, there are major concerns that the owner of the building will not give you access to the building, so that in effect the tests that GeoCor, which is a very reputable Kingston engineering firm that did the study for Local 468 but were not able to get into the building—that you once again, or whoever does the study, may be denied access to the building to do the necessary test hole drilling in the foundation of the building to determine exactly what the status is.

This is a major concern, Minister. I hope that you will not put this out for a further study but that you will actually get to it and agree today to fund the study and make it public once the study has been completed.

Hon Mr Tsubouchi: First of all, if I could say, the Ministry of the Environment has been asked to participate in the investigation, and the Ministry of Labour as well, so we're making sure that all the bases are covered with this particular area.

The studies, which will be done by ORC, would be shared with the joint health and safety committee. So that's important for the member to know as well.

If I could give some assurances, certainly this has occurred before in the past, as the member knows, that other studies have been done. In fact, the last one was done as recently as—I believe the testing results were received in January of this year, earlier on, which indicated that there were no air quality concerns at the time.

However, I'll say that when the concerns are raised again, it's important for us to give that assurance to our employees that we have committed to conduct another study to make sure their working conditions are safe. It's important for us over here, and that's why we, along with the Minister of the Environment and Minister of Labour, have committed to do these studies to give that assurance, because they are our employees.

1510

PETITIONS

CITY OF WINDSOR ADMINISTRATION

Mr Dwight Duncan (Windsor-St Clair): Last week, I was presented with a petition by Mr Al Nelman and 2,500 other citizens of our community of Windsor, which reads as follows:

"Whereas the citizens of Windsor, Ontario, have seen the greatest period of sustained growth and resulting prosperity in the city's history;

"Whereas the citizens of Windsor, Ontario, have been presented with a plan which acknowledges a debt of \$225 million by the year 2005;

"Whereas city council has been unable to control the city's administration, leading to unauthorized multi-million-dollar contracts;

"Whereas the mayor and a majority of councillors have failed to provide communal services and infrastructure maintenance efficiently and at the lowest possible cost;

"Whereas the mayor and city council have been reckless in the use of land expropriation, leading to the loss of millions of tax dollars;

"Whereas city council has used in camera meetings to excess, thereby depriving the citizens of Windsor of important public information;

"Whereas city council has arbitrarily reduced public meetings from weekly to biweekly, coupled with a five-minute limit for delegates to make a presentation drastically reducing public scrutiny and input;

"Whereas city council continues to enter into further unmandated risky commercial undertakings, the pursuit of which continues to divert tax dollars from necessary expenditures;

"Whereas there have been cases of criminal behaviour by members of the administrative staff which have been dealt with under a cloak of secrecy, denying citizens their right to know the extent of the damage they have sustained;

"Whereas taxpayers in the city of Toronto have benefited from a forensic audit, the taxpayers of the city of Windsor believe that an arm's-length investigation is essential;

"Whereas a significant number of the citizens of Windsor no longer trust city council to take care of their interests;

"We, the undersigned, petition the Legislative Assembly of Ontario as follows:

"Request the Minister of Municipal Affairs to immediately undertake a forensic audit of the city of Windsor's finances and administrative procedures."

I table this on behalf of Mr Nelman and 2,500 other citizens of Windsor.

POST-SECONDARY EDUCATION FUNDING

Mr Bob Wood (London West): I have a petition given to me by the University of Western Ontario's Society of Graduate Students and signed by 582 people. It asks the Legislature to "freeze tuition fees for all programs at their current levels and take steps to reduce the tuition fees of all graduate programs, post-diploma programs and professional programs for which tuition fees have been deregulated since 1998."

GOVERNMENT OFFICES IN BRANT

Mr Dave Levac (Brant): I have a petition to the Legislative Assembly of Ontario, signed by well over 1,000 people.

"Whereas Brantford is a community of more than 89,000 people, and combined with the community of Brant county, the population exceeds 110,000; and

"Whereas the business community of Brantford and Brant county warrant and deserve the service they have come to expect from the Ministry of Finance Brantford district tax office; and

"Whereas the Mississauga regional tax office continuing business plan strategic priority number one is building a customer-centred public service that provides service when, how and where the customers want it;

"We, the undersigned, petition the Legislative Assembly of Ontario as follows:

"We would like to propose that not only should the location and services offered by the Ministry of Finance be kept in Brantford, but they should be expanded to include a much-needed permanent location authorized to issue health cards by exploring the following alternatives: (1) maintain the status quo at 213 King George Road in Brantford; (2) relocate to 10 Fairview Drive, former OPP station in Brantford" owned by the government; "(3) build a new office in a central location; (4) investigate available vacant buildings that would be suitable" for the proper process of multi-government offices.

I sign this and support our constituents in Brant.

LONG-TERM CARE

Mr James J. Bradley (St Catharines): This petition is to the Legislative Assembly of Ontario.

"Whereas the Eves government has increased the fees paid by seniors and the most vulnerable living in long-term-care facilities by 15% over three years or \$3.02 per diem in the first year, \$2 in the second year and \$2 in the third year, effective September 1, 2002; and

"Whereas this fee increase will cost seniors and our most vulnerable more than \$200 a month after three years; and

"Whereas this increase is above the rent increase guidelines for tenants in the province of Ontario for the year 2002; and

"Whereas, according to the government's own funded study, Ontario will still rank last among comparable jurisdictions in the amount of time provided to a resident for nursing and personal care; and

"Whereas the long-term-care funding partnership has been based on government accepting the responsibility to fund the care and services that residents need; and

"Whereas government needs to increase long-term-care operating funding by \$750 million over the next three years to raise the level of service for Ontario's long-term-care residents to those in Saskatchewan back in 1999; and

"Whereas this province has been built by seniors who should be able to live out their lives with dignity, respect and in comfort in this province;

"We, the undersigned, petition the Legislative Assembly of Ontario as follows:

"Demand that Premier Eves reduce the 15% increase over three years in accommodation costs to no more than the cost-of-living increase annually and that the provincial government provide adequate funding for nursing

and personal care to a level that is at least at the average standard for nursing and personal care in those 10 jurisdictions included in the government's own study."

I affix my signature. I'm in complete agreement.

COMPETITIVE ELECTRICITY MARKET

Mr Tony Ruprecht (Davenport): I have a petition on the electricity increases in Ontario. The petition reads as follows:

"Whereas the Ernie Eves Conservative government has legislated the opening of the Ontario electricity market as of May 1, 2002, and the price per kilowatt hour for electricity in the province of Ontario has nearly quadrupled since May 1; and

"Whereas Ernie Eves has done a poor job in educating the public as to the ramifications of an open electricity market in the province of Ontario and has done little to punish the unscrupulous sales practices of door-to-door energy retailers; and

"Whereas the Ernie Eves government appointed the board of directors for Hydro One, who approved exorbitant salaries and compensation packages for Hydro One executives;

"Be it resolved that the Ontario government move immediately to protect our province's electricity consumers by addressing the serious generation problem in Ontario, by punishing unscrupulous electricity retailers and by moving forward with a rebate to offset the increasing costs of electricity in Ontario."

Since that is being contemplated, I am delighted to put my name to this petition as well.

Mr Pat Hoy (Chatham-Kent Essex): I've received petitions with hundreds of names, actually thousands of names in this regard.

"To the Legislative Assembly of Ontario:

"Whereas the Ernie Eves Conservative government has legislated the opening of the Ontario electricity market as of May 1, 2002, and the price per kilowatt hour for electricity in the province of Ontario has nearly quadrupled since May 1; and

"Whereas the Conservative government of Ontario has done very little to address key issues such as energy supply, which forces the province to import power and causes the price of electricity to skyrocket; and

"Whereas Ernie Eves has done a poor job in educating the public as to the ramifications of an open electricity market in the province of Ontario and has done little to punish the unscrupulous sales practices of door-to-door energy retailers; and

"Whereas the government of Ontario has saddled the population of Ontario with additional debt reduction charges, which further increases the amount that the citizens of Ontario have to pay per kilowatt hour, yet the Hydro debt continues to increase; and

"Whereas the Mike Harris-Ernie Eves governments appointed the board of directors for Hydro One, who approved exorbitant salaries and compensation packages for Hydro One executives;

"Be it resolved that the Ontario government move immediately to protect our province's electricity consumers by addressing the serious generation problem in Ontario, by punishing unscrupulous electricity retailers and by moving forward with a rebate to offset the increasing costs of electricity in Ontario."

I too have signed this petition.

1520

EDUCATION FUNDING

Mrs Leona Dombrowsky (Hastings-Frontenac-Lennox and Addington): "To the Legislative Assembly of Ontario:

"Whereas the funding for school boards is now based on the student-focused funding legislative grants for ... 2001-02....;

"Whereas the Hastings and Prince Edward District School Board is in a period of declining enrolment, a trend that is projected to continue over the next five years;

"Whereas application of the student-focused funding model for 2001-02 does not allow sufficient funding to the Hastings and Prince Edward District School Board for secretarial support in schools, principals and vice-principals, transportation or school operations;

"Whereas costs in these areas cannot be reduced at the same rate as the enrolment declines;

"We, the undersigned, petition the Legislative Assembly of Ontario as follows:

"To reassess the student-focused funding" formula for 2002-03 "to provide additional funding for those areas where funding is insufficient and to adjust future student-focused funding legislative grants to address the situation of declining enrolments faced by the Hastings and Prince Edward District School Board and other boards in Ontario."

I'm very happy to affix my signature to this petition.

LONG-TERM CARE

Mr John Gerretsen (Kingston and the Islands): I have here a petition that deals with the long-term-care rate situation. It's addressed to the Legislative Assembly of Ontario.

"Whereas the Eves government has increased the fees paid by seniors and the most vulnerable living in long-term-care facilities by 15% over three years or \$3.02 per diem in the first year and \$2 in the second year and \$2 in the third year, effective September 1, 2002; and

"Whereas this increase will cost seniors and our most vulnerable more than \$200 a month after three years; and

"Whereas this increase is above the rent increase guidelines for tenants in the province of Ontario for 2002, and

"Whereas according to the government's own funded study, Ontario will still rank last amongst comparable jurisdictions in the amount of time provided to a resident for nursing and personal care; and

“Whereas the long-term-care funding partnership has been based on government accepting the responsibility to fund the care and services that residents need; and

“Whereas government needs to increase long-term-care operating funding by \$750 million over the next three years to raise the level of service for Ontario’s long-term-care residents to those in Saskatchewan in 1999; and

“Whereas this province has been built by seniors who should be able to live out their lives with dignity, respect and in comfort in this province;

“We, the undersigned, petition the Legislative Assembly of Ontario as follows:

“Demand that Premier Eves reduce the 15% increase over three years in accommodation costs to no more than the cost-of-living increase annually and that the provincial government provide adequate funding for nursing and personal care to a level that is at least at the average standard for nursing and personal care in those 10 jurisdictions included in the government’s own study.”

It has been signed by approximately 1,000 residents from Halton. I agree with it. I affix my signature to it. I’m handing it over to Brian, our new page here.

COMPETITIVE ELECTRICITY MARKET

Mr Dave Levac (Brant): I have a petition to the Legislative Assembly of Ontario regarding hydro, signed by hundreds of residents in my riding.

“Whereas the Harris-Eves government deregulated electricity on May 1, 2002, in the province of Ontario without it being in their election platform in either 1995 or 1999 and without the mandate of the people of Ontario; and

“Whereas the price of the commodity of electricity has reached outrageous levels, having risen at times over 100% since May 1, 2002, causing Ontarians great financial hardship; and

“Whereas Ontario Power Generation (owned by the Ontario government) has applied to the Ontario Energy Board for a 20% reduction in the promised rebate to Ontarians if the commodity price of electricity rose above 3.8 cents per kilowatt hour; and

“Whereas competition in the electricity market has been scared off by the uncertainty of the Harris-Eves government’s attempts to sell off a portion of Hydro One, leaving electricity commodity prices high; and

“Whereas the Harris-Eves government authorized exorbitant salaries and bonuses in the amount of \$2.2 million per annum to be paid to the former president of Hydro One, and in excess of \$1.6 million per annum to the vice-president of Ontario Power Generation;

“Therefore we, the undersigned, petition the Legislative Assembly as follows:

“We demand that the Harris-Eves government take immediate action to ensure that Ontarians have fair prices for the necessary commodity of electricity in Ontario, and that the Harris-Eves government and its leader, Ernie Eves, call a general election on the instability of the

energy market so that Ontarians can have a voice on this issue.”

I sign my name on this petition and hand it over to Nicholas.

SCHOOL BUS SAFETY

Mr Pat Hoy (Chatham-Kent Essex): I have a petition to the Legislative Assembly of Ontario.

“Whereas some motorists are recklessly endangering the lives of children by not obeying the highway traffic law requiring them to stop for school buses with their warning lights activated;

“Whereas the current law has no teeth to protect the children who ride the school buses of Ontario, and who are at risk and their safety is in jeopardy;

“Whereas the current school bus law is difficult to enforce, since not only is a licence plate number required but positive identification of the driver and vehicle as well, which makes it extremely difficult to obtain a conviction;

“Therefore, be it resolved that we, the undersigned, petition the Legislative Assembly of Ontario as follows:

“That the measures contained in private member’s Bill 112, An Act to amend the Highway Traffic Act to protect children while on school buses, presented by Pat Hoy, MPP, Chatham-Kent-Essex, be immediately enacted. Bill 112 received the unanimous all-party support of the Ontario Legislature at second reading on June 13, 2002....

“And we ask for the support of all members of the Legislature.”

I too have signed this petition.

ORDERS OF THE DAY

KEEPING THE PROMISE FOR A STRONG ECONOMY ACT (BUDGET MEASURES), 2002

LOI DE 2002 SUR LE RESPECT DE L’ENGAGEMENT D’ASSURER UNE ÉCONOMIE SAINE (MESURES BUDGÉTAIRES)

Resuming the debate adjourned on November 7, 2002, on the motion for second reading of Bill 198, An Act to implement Budget measures and other initiatives of the Government / Projet de loi 198, Loi mettant en oeuvre certaines mesures budgétaires et d’autres initiatives du gouvernement.

The Acting Speaker (Mr David Christopherson): It’s my understanding that we will resume debate with the member for Toronto Centre-Rosedale, who may now assume the floor.

Mr George Smitherman (Toronto Centre-Rosedale): It’s my pleasure to have an opportunity to continue the Liberal lead in response to government Bill 198, dealing with certain measures related to the budget, but not in its title or in any of the communications of the govern-

ment—it needs to be said here very clearly at the beginning—dealing with the fact that this is the bill that repudiates the government’s track record and language around “tax cuts pay for themselves.” This is the bill, this is the very one, that if the government didn’t change a law, they would be breaking the law by stopping or slowing down tax cuts they had already proposed.

The Liberal Party is clear on this, but it’s worth repeating that the proposed cuts they want to slow down, we want to kill altogether. There is the private school tax voucher that sends an incentive to take kids out of the public system and into private schools. We’re going to kill that.

Hon Dianne Cunningham (Minister of Training, Colleges and Universities, minister responsible for women’s issues): That’s not what you said at your riding association last week.

Mr Smitherman: I don’t know what the minister from London—I’ll look forward to her opportunity during questions and comments to try and correct the record, but she’s obviously mistaken and should get to work.

Secondly, we are going to kill those corporate tax cuts, because we don’t believe that Ontario’s future is best reflected in a race to the bottom with Alabama. That’s what the government of the day proposes. We’re going to get rid of those.

Another thing this Bill 198 doesn’t in its face talk about is the unprecedented action of turning back the clock to 1988 on the pension funds of employees in this province of Ontario. This is the bill that is loaded with the ghost of that man who has decamped for London, England: Conrad Black. If you pay no attention to anything else with respect to this bill, particularly for those people at home who were watching question period, as they know, I asked a question with respect to section 79.1 of this bill. They know I asked that question of the minister. In her answer, the minister went to great lengths to deflect from the reality of what’s going on here. So I’m going to spend a reasonable amount of time informing people what the effects of this section of that bill are.

The minister spoke about consultation, about a consultation paper. First off, the paper she refers to did not in any way outline or raise the draconian steps they took when legislation was brought forward. So to say there was a consultation paper is true, but the contents of that paper did not reflect the actions this government took with respect to pensions in Ontario.

The minister said Bill 198 does nothing to change the role of employees as it relates to pensions. Not true. In 1988, under extraordinary pressure brought about by Conrad Black’s attempt—I think he was successful—at raiding the pensions of the employees of Dominion stores, the government of David Peterson, led at that time by the Minister of Consumer and Commercial Relations, my colleague Monte Kwinter, introduced legislation that ensured, on matters of pension windup, that both employees and employers had a role to play.

1530

Although pension matters are complex, for the better part of 15 years, through three successive governments, through governments of three different political stripes, this operated reasonably well, but we see in this legislation a capitulation to voices like the Canadian Bankers Association. The corporations in our society, as a result of their chartered status, had an opportunity to be very successful, and I celebrate their success, but their lobbyists have been lined up at the government’s door, at the minister’s door, in an attempt to ensure that these pension provisions were in there. They’re in this bill at the behest not of employees, not of average working-class Ontarians, not of the people who pay into their pensions and not of the people who depend upon them; they’re in there at the behest of the largest corporations in our province, and if it’s not bad enough that they’re changing the legislation for the future, they’re letting them reach back 15 years—retroactive legislation that has the effect of wiping out employee rights, of changing pension agreements—no protection whatsoever.

When the questions are asked of the Minister of Finance, she dodges and weaves and doesn’t answer with the full effect of the law in mind, and I say that’s a shame. I say it’s a shame that in Ernie Eves’s Ontario we have a government minister, the Minister of Finance, bringing forward legislation to claw back the rights of employees in a way that even Mike Harris didn’t contemplate doing. That’s how bad it’s gotten.

Is it anything more than a coincidence that the same law firm that Mr Eves was working at during his golden year, Borden Ladner Gervais, is also the pension specialist representing Scotiabank, which because of their purchase of National Trust stands as the biggest beneficiary of this legislation? Is that any coincidence? I don’t know if it’s a coincidence, but we’ve got a demonstrated pattern here whereby corporate players can always get the ear of the Minister of Finance, but the average person who depends upon their pension benefits for survival in their golden years—can they ever get the ear of the Minister of Finance? No.

When we ask to provide an opportunity for this massive bill, 168 pages, something like 25 significant statutes amended—when we ask in a reasonable way for the government to consider sending that legislation out for public hearings, to give the citizens of Ontario a voice so that they can highlight the extent to which they’re impacted by it in this section and in the sections dealing with changes to the operation of the Ontario Securities Commission and dealing with the sections that amend the way benefits will work for people involved in auto accidents—just three of those sections, all of them dealing with individual Ontarians—when we ask in a reasonable way for the government to send this legislation out to committee to give average Ontarians a chance to put their views on the record, what do we get from the government in response? We get stonewalling and we get rhetoric and we get a minister hiding behind a discussion paper that only ever went to the players, to the

insiders, to the \$350-an-hour types—nothing to protect the rights of those individual Ontarians who are now sitting in limbo, at one time certain and now uncertain of whether their pension funds will be properly paid out.

Then we've got the Conrad Black clause, 79.1. What does 79.1 do? Section 79.1 opens Ontario up to be the first jurisdiction in North America—no US state allows what is proposed in this bill. What is proposed in this bill is that any corporate CEO—some of them are better than others—who gets in his or her hot little hand a report from an actuary—and this is not a science around which there is ultimate agreement—which says, “You have a surplus in these funds,” the incentive is there to claw that money back to the benefit of the corporation without any consideration, any discussion, any consultation with the employees who have paid into it and who are depending upon it.

That's what we're asked to accept as an appropriate way of dealing in Ernie Eves's Ontario. Mike Harris didn't do it. Bob Rae didn't do it. David Peterson didn't do it. But under pressure, this Minister of Finance, led by that Premier, has capitulated in a way that will allow corporate raiders—not just allow them; it will incent them, it will encourage them—to find an actuary who will produce a report about their pension that says it's in surplus and grab it, take the money and run.

When this government introduced this bill, because they didn't want to talk about the fact that they were going backwards on their tax cut pledges, they used their little backdrop at their media event that said, “Restoring public confidence. Restoring investor confidence.” Well, let me ask you this: how much confidence should the public have in a government that sends a message to the corporate world that any time their pension funds get in surplus they should be a source of raider activities? How does that restore investor confidence?

Will we have a situation like the one we've had in the United States in the last month or two where two of the Big Three car makers, General Motors and Ford, I believe, were highlighted for the fact that their pension plans were in a dangerous way? Should we celebrate that we have pension funds which are solid? Should we celebrate that we have pension funds which have the capacity to withstand some of the ups and downs we've all learned too much about in these past two years? Or should we have pension funds which are highlighted in the corporate prospectus and put out there for the corporate raiders as some kind of signal, as some kind of golden pot, designed to lure the corporate raider in to scavenge those funds and to put at risk the corporation, particularly the pension fund's capacity in the long term to provide for the retirement funds of those individuals who have paid into it?

This bill is such a lopsided dividend payment to the corporate players in this province at the expense of the hard-working people. For the Liberal Party's part—sometimes you get to stand up in this Legislature and vote yes or no with a certain level of enthusiasm, but we vigorously oppose this legislation on so many counts. It

fails hard-working Ontarians. It jeopardizes their future capacity to rely on the pension funds that they have contributed to.

So we ask ourselves, why is the government bringing this forward at this time? We know these changes are ones that the corporate entities would have preferred in 1988, 1989 and 1990. We know that this has been the subject of intense lobbying of all finance ministers of all political parties. But we ask ourselves at this time, why did Janet Ecker, the Minister of Finance of the day, capitulate with this golden egg for the corporate entities? One is left to speculate, because the government does not provide us with a very clear understanding of it. I ask the question again whether the relationship where Mr Eves's former role at Borden Ladner Gervais, the lawyer for National Trust and Scotiabank, which are the most likely beneficiaries of this legislation—has that relationship got something to do with it? Did that help get people to the front of the line, or is it other elements of this bill, including slowing down, with a bit of a nudge and a wink to the corporate community, some of the tax cuts that had been promised?

1540

For our part, the Ontario Liberal Party position is clear: we vote against this legislation. We oppose it with vigour. We think it's a huge reward to the corporate community for their loyal support of the government opposite. We think it is an awfully profound example of the extent to which, when the decisions are being made, the voices and influence of the corporate community are at the table and in the ear of the people who make the decisions. And the people with their pensions, put at risk by this kind of legislation, their ear, their representatives and their desire to express at public hearings their opinion on this continues to be stonewalled against hiding behind discussion papers that were never circulated at their level and with legislation that goes so far beyond the discussion papers so as to make a mockery of that entire process.

Last week in the Toronto Star, I believe it was, there was an editorial cartoon that showed a US border jail and three inmates chained to the wall. The first said, “I'm a suspected terrorist.” One said, “I bought gas in Maine,” and the third said, “I'm a pension-fund-raiding CEO.”

But they're behind bars. Maybe they're behind bars because in the US circumstance, this kind of activity would be outlawed; it's illegal. I repeat what I said earlier: with this piece of legislation, Bill 198, section 79.1, the Conrad Black clause, the Minister of Finance, Janet Ecker, sends a message forth to the whole wide world: “Pension funds are up for grabs. Come and get yours today. To all of those CEO pension-fund-raiding types.” We know their faces sometimes glimmer at us on screens on Kudlow and Kramer and across business magazines. We know there are people out there whose individual bottom-line interest moves forward of the rights and interests of individuals, of hard-working people who invested in their pensions. When Liberals vote on Bill 198, we will vote against this bill, we will

vote against this government and we will vote against corporate raiding of pension funds. We're voting in favour of people.

The Acting Speaker: Members now have up to two minutes for question and comments.

Mr Gilles Bisson (Timmins-James Bay): I'm going to have an opportunity later to speak more fully on this, but I want to echo much of what was said by the member who just spoke, because I agree with him that this move on the part of the government with regard to how they're going to treat pension surpluses, quite frankly, is beyond the pale. There has been a standing rule since 1991 that was put in place by the former NDP government that basically says, in the case of partial windups, there is a mechanism for people to be able to deal with those windups. The effect of that was quite simple: employees, through their bargaining units, would sit down with employers if there were partial windups, they would look at how to utilize that money in order to build better pension plans so people can afford to retire with some dignity. If there was a reason to pull the money out—because there are times when a plan is fully funded, you've bought the maximum benefit and there is a surplus; you have to figure out a way to get that money out—there was a mechanism that basically said that when you do that, it can only be done with the consent of plan members, the people who are benefiting from the benefit. Usually that ended up being a 50-50 withdrawal. In most cases, that's where it ended up.

What this government is attempting to do by way of this move in Bill 198 is to basically say, "Employees be damned. You don't have a say. If there is a partial wind-up of a pension plan, the employer will have the right to be able to go in and scoop that money without any ability for the employees to do anything about it." Quite frankly, that brings us not only back to where Conrad Black was in 1988; I would argue it brings us even further back than that. I'll have an opportunity to speak to that a little bit further.

I also want to indicate that our caucus, the NDP caucus, will be voting in opposition to this bill, not only because of what's inside the pension regulations, which I'll get into later, but because there's much in this budget bill that is not the direction we think the government should be taking when it comes to this issue of finance, and we'll speak to that a little bit later in the debate.

Mr Raminder Gill (Bramalea-Gore-Malton-Springdale): It is a pleasure to have what they traditionally call a two-minute hit in terms of what the member for Toronto Centre-Rosedale spoke about. There are many issues and good things in Bill 198; it's not only about pensions. I want the people at home to know that there are many good things, and I must remind them that it's not the first time the opposition will be voting against it; they have made that very clear. They have voted against pretty well every measure we brought forward, even in terms of giving \$200 back to Ontario taxpayers. They didn't like that, and I'm not sure why.

Over the weekend, I was very happy to meet a couple, the Hardatt's who were at a social function I happen to be

at. I thought I had seen them somewhere, and I realized later that I had seen them in the newspaper. They were the people who were there when Premier Ernie Eves rolled out his plan about hydro. I was pleased to meet the ordinary, hard-working citizens of Mississauga who are quite pleased. In fact, they came over and complimented us on handling the hydro issue very well. I want to compliment the government for taking its time—they didn't rush into it. But the plan they brought out is up to the year 2006, and as well they promised to continue the freeze if they have to. So it's not a short-term plan but a long-term plan, and I'm pleased to speak on that as well.

Mr James J. Bradley (St Catharines): What we look at in a bill of this kind is the fact that it's an omnibus bill. That means it has so many components to it that it should probably be broken down into four or five different bills. As is the case with many omnibus bills, some of the provisions in this bill are supportable; others are not. What the government usually does is put a hostage in the bill so the opposition won't vote for it, and then they can say about the good and popular things in the bill, "The opposition voted against it." But you really can't fool people with that.

I want to say that I have been receiving communications—telephone calls, letters and e-mails—about the issue of pensions and the raiding of pension plans that might be permitted by the provisions of this bill. Those people are very petrified about this, and the reason they're concerned is that their costs have already increased substantially. They have had huge utility increases; consumers are finding that gas bills are going up. Gas at the pump is going up. They're finding that their water bills are going up. In other words, they're being met with a lot of increases that are exceedingly important to them. That is why they're concerned when they see that their pension plan could be raided under the provisions of this bill.

I want those individuals, and members of the government, to know that we in the Liberal Party in the official opposition will adamantly oppose that provision, which would allow the raiding of pension plans. I'm surprised there hasn't been more of an uprising about this matter within the government benches. We know that the government capitulated last week to very heavy pressure from the opposition and from the public on the hydro issue. We hope the government will once again see that it is wrong, in the provisions of this bill, and that it will withdraw the provision that will allow the raiding of pension plans.

Ms Marilyn Mushinski (Scarborough Centre): I'm pleased to join in this particular debate by the member of Toronto Centre-Rosedale. It's interesting that he sort of says, "We're not going to support any more tax cuts." It really shouldn't surprise any members on this side of the House. I can remember, when I was a member of municipal council in Toronto, that they introduced, I believe, 33 tax increases in their very short five-year term. One of them happened to be the commercial concentration tax. That commercial concentration tax drove

out more jobs from this city than any other kind of tax increase I can think of. That was one of the reasons that we, as a party, said in 1995 that we were going to cut taxes, because we believe that cutting taxes is going to create jobs. And guess what? Seven years later, one million jobs have been created in this province. One million jobs. It's interesting because there's an article in the clippings today that says Alberta and Ontario lead the way in job creation in Canada. So if anybody wants to know about the virtue of cutting taxes, just look at this government's track record in the last seven years. We have grown jobs in this province every month of every year for the last seven years. So you try and tell me that tax cuts don't work.

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The Acting Speaker: The member for Toronto Centre-Rosedale has up to two minutes to respond.

Mr Smitherman: Following on the comments by the member from Scarborough Centre, you'd think she doesn't know that when she votes for this piece of legislation she's voting for a tax increase. What this bill does is, it makes it legal for you guys to break your own law. So thank you very much for making my point. Talk about consistency. To the members from Timmins-James Bay, Bramalea-Gore-Malton-Springdale, St Catharines and Scarborough Centre, I thank you.

It is interesting: the government members had four minutes to respond, but not a word about the central point that I talked about for 17—pensions. Not one word from the solemn masses of government members who lumbered back to Queen's Park today. Not one word about the fact that they are going to come in here, time allocation, and vote in favour of the Conrad Black clause. They're going to vote in favour of a piece of legislation that asks of corporate raiders in Ontario to steal as much as they can from the surplus and put at risk the pension funds of hard-working Ontarians. That's Bill 198 and that's a bill the government members, with great enthusiasm, will support.

But here in the opposition benches, in addition to our pronouncement that we will vote against it, is our request—and I say it this time in the presence of the member from Etobicoke Centre, the great government House leader. Please use that in your literature. I want to say to that member while he is here, why, why, why will you not allow the people of Ontario to have an opportunity to comment on this bill in public hearings in their centres? The Minister of Finance likes to hide behind her consultation papers, but I dare you to bring this to Scarborough municipal hall. Bring it there and hear from the people that are seeing this government support the big corporate raiders over the little guy. We're Ontario Liberals and we're with the little guy.

The Acting Speaker: Well, it must be Monday.

Interjection.

The Acting Speaker: "There's an election coming" is right. We will now move on to the leadoff speech for the third party.

Mr Bisson: That was quite interesting, the last comment. First of all, I want to thank you or give you my

condolences, Speaker, that you have to be in the Chair today as our critic, the day that we have this debate coming up. I appreciate your leaving me the opportunity to utilize your lead on this, because normally it would be your opportunity. I want to make sure people know that I just wrestled it from you hand and foot because there are a number of things that I wanted to speak about on this bill.

I want to speak about three particular issues inside this bill. The first part I want to talk about is the pension legislation that the government purports to change by way of this bill; I want to speak about, obviously, Ontario Hydro and the fiasco around deregulation; and I also want to speak about auto insurance and insurance in general because it's an issue that is coming back, as many people would know.

First of all, let's be clear about what the government is trying to do here. Specifically I want to deal first with the pension issue. There has been, since about 1988, a change in the way that we deal with partial windups for pensions. The problem existed in the province of Ontario that if you had an employer that had 10,000 plan members inside a pension plan and there was a massive layoff or plant closure but not everybody was gone—in other words, you may have multiple plants and one or two plants were closed down and another couple of plants were left open—you went from being an employer that had 10,000 employees to one having 5,000. There was this whole issue of how you deal with the surplus that exists within a pension plan in the event of that partial windup.

You go from 10,000 employees to 5,000 employees. They figure out what the actuarial costs are to cover off all plan members and it's found that there is a surplus but there has been a partial windup; there's been a layoff in the plant that affects that there are less people working and contributing to the plan. An issue existed—how do you deal with that pension surplus?

What happened prior to 1988 was that there wasn't much in the way of rules, and employers were taking advantage of those situations and stealing money from pension plans. When there were those layoffs, they would do what was called a partial windup to their pension plan.

The most notorious of them all is the one we all remember—the Conrad Black affair. With Conrad Black and Dominion Stores, exactly that situation existed. There was a partial windup of the pension plan, and Conrad Black scooped out money that was paid by employees in the plan, took that surplus in the plan out and then ran with the money. I think at this point he has been knighted or something for having done it. I guess that's kind of a weird thing. You've got to wonder when you have a system that recognizes people like that as making a valuable contribution after having taken money out of the pockets of pensioners. You say to yourself, "What's wrong with their system?" But that's another debate.

What happened was that there was a huge outcry in Ontario. People across this province said there was some-

thing wrong. Pension surpluses shouldn't be used for employers to scoop money out to do whatever with. Those dollars should stay in the pension plan in order to negotiate better pension systems.

For example, in Northern Ontario, as across other parts of the province in the 1980s and the 1990s, we saw huge changes within the mining sector. We had employers like Inco, for example, that had about 15,000 employees that dropped down to below 8,000 by that period in 1988. Quite frankly, what do you do in a community of some 100,000 people when the major employer has laid off a full third of the employment figures? So the union, the United Steelworkers of America, went to the bargaining table and said, "We want to use surpluses that exist within pension plans, and we want to use those surpluses to negotiate better pensions for members, because we know there are going to be fewer jobs in the future. We want to be able to negotiate better pensions for those workers who exist and those who are out on pension so that once they do retire there will be enough money there within the pension plan to allow them to retire with some dignity," recognizing that the employer of today or the 1980s didn't want to keep a person at 65 years of age working in a mine in Sudbury or a mine in Timmins; they wanted to try to find a way to make the workplaces reflect a much younger age.

So we, the union, went to the table. I'm proud to say I am a Steelworker and I was part of that process that negotiated, not necessarily the Inco agreement, but other agreements where we went to the table and we said to the employer, "Listen, because of the windups and because of the layoffs we've had in our company, we want to utilize the surpluses that exist because of that and because they've made money as far as the investments in the market with the money from the pension plan. We want to take those surpluses and we demand that we negotiate better benefits for our members." By and large, with a lot of difficulty, in most cases dragging the employer kicking and screaming to the bargaining table, often being out on strike—in fact, the longest strike in Sudbury at Inco was about eight or 10 months, if I remember correctly, and it was over exactly this issue. It was over what you do with pension surpluses.

So in the end the Steelworkers and the members won the right to be able to negotiate themselves a much better pension. As a result of those surpluses and the negotiated settlement that the United Steelworkers had with Inco in Sudbury, the pension plans in Sudbury are pretty rich; they're pretty good. People are able to retire with a decent income at 55, 56 and 57 years old, depending on their years of service. That's good for the community. It means that not only does that person retire with dignity, with enough money in his or her pocket, but those people live and remain in the Sudbury area and spend those dollars from their pension plan in the community. So it has been a good thing for the employees. It has been a great thing for the community, because it has meant that people in retirement still have dollars to spend, and as a

result Sudbury does fairly well. It's not just because of the pensions, obviously, but it's a large part of it.

In 1988, when Conrad Black came in and scooped the pension surpluses out, there was a huge cry across the province of Ontario. The NDP at the time—and I remember it was Floyd Laughren and Elie Martel who came to the Legislature day in and day out and basically demanded that the then Liberal government make some changes to the pension legislation so that type of raiding of pension surpluses was not allowed. To the credit of the Peterson government, some changes were made and that practice was abolished. I give credit to the Peterson government of the day.

When we were elected in 1990, the Bob Rae government at the time made some regulatory changes which much changed the way we do things. In effect, what our regulatory changes said was that if there are any pension surpluses that exist within a pension plan, the only way an employer, by way of partial windup or full windup, is able to draw money out of the surplus is with the consent of the plan members. What that did was effectively to force the employer to sit down and negotiate how to deal with that extra money.

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I talked about Sudbury. The problem we had in Sudbury was that when we tried to safeguard the surplus within the Inco pension, the employer didn't want to do it, and there was no need for them to do it because no law required them to deal with those surpluses in a progressive way for the employees. In fact, they had the right to take the money out. So the workers there went out on strike for 10 months in order to achieve the ability to negotiate that that money not be taken out and be used to negotiate better pensions.

What we did in 1991, under the Bob Rae government, was to say, "Listen, we're going to change the rules. We're going to say that if there are any surpluses existing within a pension, if there are any changes in how to deal with those surpluses as far as withdrawals, you can only do so with the consent of the plan members." Since 1991, that has worked very well. What that has done is that employers who want to get their hands on the surpluses say, "Whoa, we can't get the money, so we've got to get to the table." So they sit down with the union or the association, whatever it might be, and try to negotiate how to deal with the surplus. I would say the more progressive unions have said, "Hey, we need to use this money to build better pensions," and by and large that's what happened in most cases. In other cases, where there has been a pension that is quite rich, the union has decided and agreed with the plan members, their membership, that a withdrawal from the pension should be allowed. Normally, that has been done by way of a 50-50 split. That pretty well has been the regime since about 1991, that basically no employer in this province would try to scoop the surpluses out of a pension plan because they knew by way of law and regulation that they didn't have the right to do so. Up to now things have been fairly good.

We've been hearing for about a year now some rumours that the government was looking at abolishing the NDP regulations that were put in place in 1991. It was first rumoured when Mr Flaherty was in cabinet. I remember at the time that I sat down with many people within the pension industry because this is an interest I've always had. Then we did some lobbying with Minister Flaherty. We had a letter-writing campaign going on and other things, trying to encourage the government not to go down that route. The argument we made was, "Do you remember what it was like before we had rules such as you're proposing? We had the Conrad Black situations." So we said, "Leave the regulations in place." At least this way they're negotiated settlements. If employees decide at the end that they want to cash out 50% of the surplus by way of negotiations, that's their business, but let's not let the heavy hand of government go in and tell people how they should do it and, more importantly, don't give the employer the right to do what they want.

That's where we thought things were at. I know, in speaking to people at the Ontario Federation of Labour, in speaking to the law firm of Koskie Minsky and others that I've dealt with in this particular area—and I'd like to thank Ari Kaplan, who works at Koskie Minsky, who spent a lot of time with me in order to deal with a lot of the pension issues. Many of our conversations, in meetings we've had and information he's given me, are going to be part of what I'm going to talk about today and also part of what we're going to talk about in the next election, when it comes to the need for pension reform.

But what the government now has done is surprise everybody to all get-out. Nobody believed that the government was going to move in this direction. We figured that we had done our job well in lobbying the government to get off this point. We were surprised to learn, when the bill was introduced a couple of weeks ago and I was leafing through it, along with our research people, that there were some changes to the part that dealt with the Pension Benefits Act. We started looking through it, and I've asked our research people to give it a really good look. We've actually gone out and talked to law firms that deal with this on a regular basis—not only Koskie Minsky but others—and we've dealt with people at the Ontario Federation of Labour as well as other labour unions out there that know far more about pension legislation than most, and we found that this government plans to turn things on their heads when it comes to how we deal with the issue of pensions in Ontario.

What this government is trying to do is quite sinister. They're saying, "Here we are." They're going to allow, by way of this legislation, the employer unilaterally to move on their own to remove pension surpluses from pension funds. We're saying that should not be allowed. So today our first demand to the government is that they withdraw this entire section from the bill. This is totally unacceptable. This is coming out of left field. Nobody saw it coming, and it is certainly not where most progressive people would want to go when it comes to pension legislation.

Let me walk through the bill and explain exactly what it does. The first section of the bill where it deals with the Pension Benefits Act says, "Amendments to the Pension Benefits Act relate to the payment of surplus out of pension plans, the authority of employers to take contribution holidays and the authority of the superintendent to permit refunds to be made to employers in specified circumstances."

When you read the relevant sections, they say that the employer, if he or she finds themselves with a pension surplus, will no longer have to go and negotiate with the employees, as was required under the rules set in place by Bob Rae in 1991. They will be able to just go on their own and say, "We're making an application to the superintendent of pension funds to withdraw," based on future regulations and rules the government is going to hand down after this bill is passed. Do you know what? At the end of the day, there's nothing the employees will be able to do about it, because we also lose the right to bring the employer to court and to appeal a decision to the courts in the case where there has been a decision to raid money from the pension funds.

I listened this afternoon and the minister said, "Oh, there's nothing like that in the legislation. We don't know what the hell you're talking about." I say, read your own legislation. This is out of your bill. I'm not making it up. It's under Bill 198. What it specifically says in Bill 198 is that it gives authority to the employers "to take contribution holidays and the authority of the superintendent"—that's the person who runs the pension plans for Ontario—"to permit refunds to be made to employers in specified circumstances."

Mr Peter Kormos (Niagara Centre): Bingo.

Mr Bisson: Exactly, "Bingo."

So now we're going to have this situation: we have all kinds of employers across the province where, because of what's happening with the restructuring of our economy, there are going to be basically surpluses that will be created in pension plans as a result of layoffs.

Mr Kormos: What about windups?

Mr Bisson: That's where I'm going.

In the case of surpluses by partial windup, there are going to be cases where employers are going to go through the process of layoffs and of reorganizing their plants. They're going to have a situation where they'll end up with possibly a surplus because of that, and also because hopefully their investments will do better than they did in the last eight months—but that's another issue. The employer's going to sit there and say, "Oh my, look at this. There's a \$2.5-million surplus in the pension plan," or, "There's a \$10-million surplus," or whatever the number might be. Then the employer's going to say, "Jeez, I'm going to scoop that money out of the plan to assist myself with the financial difficulties I'm having now." I'm saying we should not allow that.

Even if the employer paid that money out of their own pocket, my argument is that's money that's owed to the employees. If I go to work for an employer and I get paid \$10 an hour or \$20 an hour—it's irrelevant—and I go out

and negotiate a pension plan with my employer where the employer says, "I pay all of your pension contributions," or 50%—I don't care; that's money that belongs to the employees; it doesn't belong to the employer. So even in the case where the employer pays the entire pension plan, my argument is that's not the employer's money. Those are dollars that should have gone to the employee by way of wages, that instead were negotiated to pensions. It's workers' money, pure and simple.

For the government to agree that you should all of a sudden allow an employer to scoop out pension surpluses by the argument, "I made the contribution because I paid 50% of the pension contribution," or, "I, the employer, paid 100%," is a bogus argument. That's the employees' money. The employer should not be allowed to take that money out of the pension plan. Those dollars need to stay there to build better pensions for workers who are currently in the plan and workers who are going to be in the plan as time goes on. For the government to say they're going to allow an employer unilaterally to go out and scoop pension surpluses out of the plan I would say is beyond the pale even for this government, because now what you're doing is, by way of legislation, allowing the employers to steal—and I want to use the word "steal"—the money out of workers' pockets. That's what this government is allowing to happen.

I say to the government, this is not something we're going to support. It's something that quite frankly we want you to withdraw from the bill.

There's another amendment to section 55, and this comes right out of the bill, that says, "An amendment to section 55 of the act permits employers to suspend or reduce their contributions to a pension plan in prescribed circumstances."

In simple English, that means they're going to be able to take pension holidays. What they're doing—and there's a case that happened in Timmins, and I want to talk about what happened at the Royal Oak mine—what they're basically saying by way of this legislation is that an employer sees there's a surplus in the plan, so you have an employer with, let's say, 250 members in the plan and they've made contributions, as they should have, every month into the pension plan. Then all of a sudden here you are, you're in a situation where there's a surplus in the plan. The employer is going to turn around and say, "Do you know what? I don't need to make pension contributions for the next six months, the next two years or whatever it might be, because of the surplus in the plan," and is going to stop making payments to the pension plan. It's what we call a pension holiday.

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What we've got is the government, by way of section 55 in the legislation, saying that where an employer can determine there is a current surplus in a pension plan they will be able to apply unilaterally and go in and say, "We're taking a pension holiday." I'm saying that's wrong. Why? Because we know far too well there are many pension plans across the province of Ontario that are inadequate. Where there's a case where there's a

surplus, the argument has to be made that the employer should continue making the payment and then we should be able to get to the bargaining table by building up the money in the pension plan to build a better pension for workers who are currently within the plan.

What this government is giving the employers, quite frankly, is *carte blanche* to say that any time there's a pension surplus, all you have to do is apply to the superintendent of pensions and basically take a pension holiday. Well, under that scenario, how are you ever going to build better pensions? You never will be able to. The only way you'd be able to build a better pension is if a union is successful in negotiating with their employer to up the contributions to the pension plan. That's difficult enough, but if you can't deal with surpluses, far too often you're not going to be able to negotiate better benefits for workers when it comes to retirement benefits.

So this government is basically allowing employers to renege on their moral obligation and their legal obligation to provide pensions to the workers who work for them for a period of years. I'm saying that is wrong. We should not be doing that.

Let me give you an example of just how destructive this could be. I represent the riding of Timmins-James Bay, the city of Timmins being one of the communities inside the riding. There was a mine called Royal Oak. It was originally a mine that was owned and operated by Noranda through the Pamour Group. This place operated probably for the better part of about 70 years. What happened is that Peggy Witte basically bought controlling interest in the Pamour Group, called it Royal Oak and basically went about operating the mines that were owned by Pamour.

The long and short of the story is that she basically high-graded the mines. For a period of five years she basically said, "I'm not going to spend any money when it comes to doing really major, advanced exploration. I'm going to rob the best I can find in the mines in order to maximize my profits so I can make as much money as I can." When the day came that she didn't have very many good workings that paid well, she started to get into financial problems.

One of the things she did, without the knowledge of anybody, is stop making pension contributions. When she stopped making those pension contributions, she put the pension plan in jeopardy. Now we've had to go to court to deal with a remedy on this particular issue. Thank God there is some remedy under current legislation. We were able to go before the courts to deal with that issue by way of the Insurance Commission of Ontario, to make sure we covered off the shortfall that existed within the pension plan because of her taking a pension holiday by way of what she did in the insolvency of that company.

What I would argue is that section 55 of the act should be renamed the Peggy Witte-Royal Oak section, because what you're going to be doing is allowing employers to make applications to stop making payments into the pension plan, and as a result of that, I believe you're going to have employers who will put their plans at risk. It's as simple as that.

The other section of the act which is quite interesting is section 78—there are new sections 67.1 and 67.2 and subsections 78(1) and (4). It talks about how you deal with terminated employees, and I'm just going to read it: "They also authorize the superintendent to consent to the payment of certain amounts out of a pension fund to an employer. If a pension plan provides defined contribution benefits, the superintendent may consent to a payment to the employer of the employer's contributions relating to a person whose employment was terminated before he or she became entitled to a pension" under the deferred pension plan.

What it basically means to say is that if I go to work somewhere and am not vested, and I am there under two years and get terminated for whatever reason, the employer doesn't have to give me my money back. I'm saying that's bizarre. Last time I checked, if I work for an employer for a period of a year and a half and I'm told I'll be paid 10 bucks an hour, the employer pays me 10 bucks an hour. When the employer fires me, I get fired, but I still receive the \$10 an hour for the whole time I worked there. Well, the pension benefit is the same thing. That's money the employee got in lieu of wages.

Now we're saying in the legislation that if anybody who is not vested gets terminated by an employer, the employer will have the right to scoop not only his share of the pension contributions, but also the employee's share of the contributions. Boy, there's something wrong here. Giving employers the ability to take that money out is very wrong.

There's another section in here that's really something, and that's how they're going to deal with what they call "missing persons" in section 74.1 under the legislation. There are situations where an employee may have worked somewhere for a number of years, let's say 20 years, and moves on to another province, goes somewhere and nobody knows where that person went, but the person was entitled to a pension benefit. Normally what happens is that sometimes it takes 10, 15, 20 years for somebody to come along and say, "My father worked here for 20 years and he died in a car accident out in Alberta. As I understand it, he was entitled to a pension benefit." Because there was a will that willed that money to that individual, you're able to get the money back to the person's estate.

What the government is saying is that they're going to put a time limitation of 10 years on what they call any missing person's money. In other words, if you work somewhere from age 20 to, let's say, 45 years old, that's 25 years of contributions. You've still got 20 years of work before you're 65, so that brings you to 55. They're saying that after 10 years the employer will be able to—not the employer. This is even better. The government of Ontario by way of the crown will be able to scoop that money out of the pension plans.

I couldn't believe that one when I saw it, but let me read it. It basically says, "The new section 74.1 of the act concerns missing persons who are entitled to benefits and payments when a pension plan is being fully wound up....

The Lieutenant Governor in Council may order the superintendent to pay small amounts held in the fund for over 10 years to the Minister of Finance, and such amounts forfeit to the crown." Wow, that's something else.

What we're saying here is that I worked at a place from age 20 to 45 and I've got 25 years of contributions. I move to Alberta. I'm working in Alberta and I'm now 56 years old. I've been gone from my employer for 11 years. I'm counting on this money, by the way, to retire. I'm counting on this 25 years as part of my retirement, but it's 11 years later in Alberta and I don't happen to read the Timmins Daily Press when I'm in Alberta. My employer has been shut down and they're winding down the plan. If I don't make claim to that money within the first 10 years of the plan being wound up, I'm basically out of luck. The government's going to take my money.

I can't believe you guys are doing this. This is really scary stuff.

I understand there was a problem in this area because monies were left in pensions and people did not know how to deal with this because, for all kinds of reasons, people move away. They've got 20 or 25 years of contributions and they go somewhere else. Twenty years later nobody hears from them again. What happened? Did they die? Did they move to another country? Nobody knows what happened to them. The money ends up sitting in the pension plan and it stays there sometimes for quite a long period of time. But at one point the money's still there for the family or the individual to come back, or anybody who was named in the will if the person died, to get those pension benefits back because often a pension benefit is able to be willed to somebody else in the case of a spouse.

What the government is saying in this case is that if your pension plan is wound up, the government's going to make changes that will allow them after 10 years to take out the money you and your employer contributed to your pension plan if you haven't made contact. Like I say, it's very feasible that somebody who worked for 25 years in a plant and has gone away and worked in another province for 20 years wouldn't even know the pension plan was being wound up, and wouldn't even make claim to it and wouldn't find out until they retired at age 65, at which point they'd find out that Janet Ecker, or whoever the Minister of Finance was at the time, took their hard-earned money and used it for general revenues for the province of Ontario. I'll say this is really regressive legislation.

Let me talk about what I think we should be doing and what we, as New Democrats, suggest should be done when it comes to pension legislation. First of all, what you guys are proposing in this legislation comes out of nowhere. Nobody's been consulted. The minister got up today and said, "Oh, we consulted widely." No, you didn't. All of the people I've spoken to who are in the pension field have said there were rumours a couple of years ago or a year ago that you were going to make some changes as I described, but you guys backed off. At

no time in your consultations over this bill did you sit down with somebody in the pension industry and say, "We want to have a situation where this kind of thing would happen." At no time did anybody ask for that from the Progressive Conservative side.

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We know from a letter that we have here—and I just want to read a letter that was written to Peter Kormos from Don Menzies. This is from Baker Street in Peterborough and it reads:

"Dear Peter,

"I am writing to inform you that I represent many former employees of the Johnson & Johnson medical products plant that closed in Peterborough in 1998 and moved to Mexico, first partial winding down and further fully winding down the pension plan for hourly employees.

"I urge you not to support this legislation, as it would allow Johnson & Johnson to run away with the surplus of the pension plan that the workers' contributions helped build in the same fashion as Johnson & Johnson ran away with their jobs."

He's basically sending his best regards, and that's signed Don Menzies, who is a Canadian Auto Workers union person dealing with pension issues.

The last point on this is that where the government is going here is far beyond the pale.

I forgot to mention one thing about the changes that the government is doing on pensions—I just don't want to forget it—and that is, what the government is doing is making this legislation retroactive to 1988. So that means to say that anybody as far as a group who is trying to deal with the issue of pension surpluses who have not had their matters resolved as of yet will be caught up in this whole pension regime change. We know there's about 200-and-some-odd plans out there that are currently waiting for what was called the Monsanto case to be heard at the Court of Appeal.

The Monsanto case was an issue where Monsanto had taken his employer to court on the basis of what the employer was doing with his surplus when it came to a partial windup, because even under our regulation there was some concern in how to deal with the actual partial windup. While the Court of Appeal that was hearing the Monsanto case was dealing with that issue there was a whole bunch of people that sat back and waited to see what happens with the Monsanto case before moving forward. What this government is doing is saying, "We're making this legislation retroactive and we're going to allow the employers to use anything back to 1988." So it means to say that all of those people who are waiting for the Monsanto case to come in are going to get caught up in this.

I want to talk about what should be done when it comes to pensions. I would invite fully a debate by this government by way of committee hearings when it came to pension rules. I think we all can agree on one thing: the workplace of today is much changed from what it was 20 years ago. Twenty years ago it was not un-

common for somebody in a community somewhere in Ontario to say, "When I get out of high school, I'm going to go work for Kidd Creek Mines or Dome Mines or Mallette waferboard or wherever it might be and I'm going to work there 30 years, 35 years and that's where I'm going to retire." That was not uncommon 20 years ago.

Today, most people out there I think would agree: not very many people get to work in one place for 25 and 35 years. I would argue that probably about 80% of workers in the province of Ontario don't work for any one employer more than 10 years. I would argue that probably 60% of employees in Ontario don't work for one employer more than five years.

The difficulty with that is, nobody is able to really build up a good pension plan in the new economy of today. You go and work for one contract employer for two years; you move on to a full-time job somewhere else for five; you move on somewhere else for another three, and at the end of your work cycle you have, like me, a person who has worked for many different employers, some who had a pension plan and some who didn't, and you end up with no pension protection for the time that you retire. In the close to 30 years that I've been working, I'd probably have contributions that equal about eight years of work. That's the only pension time that I've got to show, and that's the time that I worked at what was then Pamour Mines. Even here in the Legislature, and members would know, the government cancelled the MPPs' pension plan. I don't even have a pension to show for the time that I was here. So I would argue—

Mr Ted Chudleigh (Halton): Did we cancel that?

Mr Bisson: If you think that's a good thing, you're dumber than I thought.

Mr Chudleigh: Why did we do that?

Mr Bisson: I think it's a pretty dumb thing, but that's another story.

Anyway, I would argue that most Ontarians today are like me and many other people across this province, and that is, not many of us are able to work for one employer for a sufficient amount of time to build up a good pension plan. That's why we're proposing, by way of our NDP caucus, that we move to a system of automatic vesting, that we should introduce changes to the Pension Benefits Act that basically says "Any worker who goes anywhere to work in the province of Ontario is vested on day one." That way if the employee works six months in one place, works two years somewhere else, works for whatever amount of time, at the end of 35 or 40 years of service they're able to accumulate all of those pension credits into one benefit so they're able to retire with some dignity.

That would deal with a lot of people. As you well know, Mr Speaker, many people in your community, as in mine, are contract employees; they don't work anywhere for more than two years. They get a contract for six months or a contract for one year, then the employer lays them off and brings them back under another

contract. At the end of the day they might have been with the same employer or different employers for a period of 10 years but have never built up two years' consecutive service to be vested in the employer's pension plan.

That's why we're saying that at bare minimum the first thing we need to do is to vest employees as of day one: you walk in to an employer, and if a pension plan exists you become automatically vested, and you bring those benefits with you. We include temporary and part-time employees in that definition, so employers don't do what they're doing now—and the province of Ontario does this as well—where they say, "Oh, come to work for me. I've got a six-month contract for you." You go there for six months, they extend you for two or three months, you may get eight months, and then they say, "OK, now we don't need you for the next three or four days, so we're not renewing your contract." Four or five weeks later, they call you back and say, "Come back. I've got another six-month contract for you." You end up working for the same place over and over again on successive contracts but you can never build any pension time.

We're saying that the first thing we'd do as an elected NDP government is to reform the legislation to say you're automatically vested and have it include all temporary and part-time employees, so the employer can't play that game. It would say, "You worked here. I don't care how you worked here. As long as you got paid a wage or a benefit or whatever contractual arrangement, you were automatically vested within your pension plan." At least in that way it would recognize the workplace of today. Workers would be able to say, "I've worked a number of places over my work cycle, and at the end of the day at least I've built up some pension time."

The other thing we propose to do is to create something—it's very technical, and it's a longer argument than I could put in this debate today—called multiple-employer plans. The problem we have in the pension industry today is that for a large employer, it tends to be fairly effective for them to get themselves insured by some company to buy a pension benefit, but for smaller employers with five, 10, 15 or 25 people, it's difficult for them to go out and find somebody who will take on their company as a customer. It's because most employers don't think of it, and when they do think of it it's fairly complicated; there are no easy vehicles by which the employer can get into providing a good pension for the employees.

So we would create multiple-employer plans which would look at various types of sectors. Possibly for the industrial sector there'd be a multiple-employer plan where if you work for a welding contractor, an electrical contractor or anybody in the industrial construction field, there's a multiple-employer plan for you and there are various benefits the employer can buy. If you work in the hotel-restaurant-tourism industry, there may be another multiple-employer plan. There may be a different multiple-employer plan for people in the contract industry.

The point is that employers would have an ability to say, "If the employees, by way of negotiation, or I as the employer wish to buy a pension plan for my employees, there's a multiple-employer plan." They wouldn't have to go out and reinvent the wheel. All they'd do is pay a benefit and their people would become insured in terms of having a pension scheme. That would basically ease the burden for the employer in terms of pensions. They wouldn't have to get into the pension business; it would allow somebody else to underwrite the pensions for their employees and do that in a way that's not too cost-prohibitive for the employer. The other thing it does is it allows you to build portability much easier, because through the multiple-employer plan you would be able to do that.

The big decision we have to make, and I think it's one that we can only make after forming government when we have an opportunity to go out to committee to talk about this in more detail, is, should we make pensions mandatory? That's really the big one. A lot of people won't recognize that, but back in the early 1960s when we first went into the debate around pensions, there was an issue that we should make pensions mandatory. In fact, I think that's what it said in the original legislation. But that section of the act was never proclaimed and it always stayed as a voluntary system.

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What we have to ask ourselves in the province of Ontario is, should we, by way of legislation, make it mandatory that all employees in the province of Ontario be covered by a pension plan? I would argue yes. I think that is not a bad thing; that would be a good thing. But recognizing that that's a debate where both the employer and employee community would have to come to the table and have some discussions, I'm saying we need to have a little more consultation on the mandatory portion to make sure that people understand what that means. It does mean for the employer, for example, that they would have to make those contributions. We all know that employers or employees don't like to pay for something if they're made to, so I think we need to get into a discussion about how you make that happen. For employees, if you do make it mandatory, it means that at negotiations employers are going to argue, "We're making a pension contribution. We can't afford to give you more money." So we need to get into a bit of discussion with the public about making them mandatory.

But at the very least, we argue two things. We argue that you need to vest employees on day one, with total portability of pensions. Number two is that we have to make sure we create multiple-employer plans so we allow employers to get into insuring their employees for pensions in the province of Ontario. The third point we would have to deal with is, do we make that mandatory? That's a decision we haven't made yet.

The other thing we believe is that we should be indexing pension plans. There was a provision put in place in 1988 when the Liberal government made changes to the pension legislation that called for indexing

of pension plans across the province. Unfortunately, that never got enacted either. The government never proclaimed that particular section of the act, and we're left without indexing unless the union has negotiated indexing at the bargaining table. One of the things we believe, the other thing we'd want to do is index the pensions altogether.

The other issue is the whole issue of governance of pension plans. I want to recognize that there are some models out there and some pension plans that have a good structure of governance, where they give an equal voice to the employee plan members on the pension plan along with the employers. But that's only where it's been negotiated. I would argue that one of the things we would want to see in our legislation is that there would be actual requirements in the legislation that say you have to create a situation where employees have an equal voice on the pension board to deal with issues about their own pension. You don't want to end up in the situation I did; I was in a pension plan entirely paid by the employer, so the employer said, "You don't have any seat on our pension board because you've made no contributions." I'd go to the table as a union negotiator and say, "Hell, we're prepared to make contributions. At least that way we can build ourselves a better pension." The employer refused, basically, to negotiate that item off the table when it came to negotiations. So we're saying that one of the things you need to do is make sure, in terms of governance of the pension plan, employees are represented on the structure that governs individual pension plans.

As well, there is the whole issue of basically creating a new pension regime in Ontario. As New Democrats, we believe it's important that people in this province should be able to know that when they work for 35 or 40 years, they have an opportunity to build into a pension plan and that that pension goes with them wherever they go; that their pension plan is totally portable so that at the end of the day, when they're finished working, they are able to retire with some dignity.

I say to the members across the way that we, the New Democratic Party, will oppose the sections in the bill that deal with the Pension Benefits Act. We are calling on the government to withdraw that from the legislation altogether. Rather than going in that direction, we encourage you to get into a dialogue with us and the public of Ontario to make a huge reform in the pension legislation to say that all pensions should be automatically vested; that you should have total portability of pensions to recognize the workplace of today so that when people travel through their work cycle, with different employers throughout their work cycle, they have total portability; and that we index those benefits. That would make sure that people have a pension that at the end of the day makes some sense and they are able to retire with dignity.

As well, I want to take the opportunity on this particular debate to talk shortly about the issue of insurance. I know my colleague Peter Kormos raised this issue in debate, but I just want to say that the whole issue of

insurance is rearing its head yet again. I think all of us, in our constituency offices, have been getting phone calls from our constituents that their auto insurance and their insurance for their households are going through the roof. We are seeing double-digit increases over the last couple of years, and people are really starting to feel, "Never mind hydro—that was bad enough—but look what's happening to my auto insurance," or, "Look what's happening to insurance generally in the province of Ontario."

I have had a number of instances this summer where people, especially people in the trucking industry, saw their rates increase by 200% over what they were the year before. In many cases, the small, independent operators have not been able to stay in business. I've got some cases where people were paying about \$180,000 a year for insurance for a fleet of trucks. They found themselves with an increase up to \$400,000 in total for their insurance for the new year. As a result of that, they have been unable to keep their doors open. A \$200,000 increase in insurance has basically put them out of business.

There's a whole bunch of people in the logging industry—the Minister of Natural Resources will know this—who have been decimated by what's happened with insurance. The insurance companies, quite simply, do not want to underwrite people in the lumber industry. They're saying, "We don't want to insure haulers in the bush, let alone insure people on the highway." What they've done is got out of that business altogether, and what's left is that independent haulers of logs have to go to the facility market in order to get insurance for their trucks, and their rates are going through the roof.

I just want to say that what's in this act doesn't deal with that. There was an opportunity in this act, and maybe there still is if the government is prepared to work with us here, to try to find some mechanism to ensure that those people are able to buy insurance in a way that is reasonable when it comes to rates.

I met with a number of operators over the spring, summer and fall who are really—I'm going to use the word—pissed off about what's going on. They are at the point where they're saying they cannot afford to stay in business with the insurance increases they're getting.

Interjection.

Mr Bisson: I'm just telling it the way it was told to me. There is not a sugar-coated way of putting this. These people are really hopping mad and they're saying the government needs to do something about insurance.

I have also had the opportunity to meet with mill owners and mill operators in the sawmill industry over the last week. During constituency week I met with the owner-operators at the Opasatika mill in regards to Excel and talked to others, and they're telling me the same thing is happening in their plants. The insurance rates for sawmills went up by 30% last year. Figure out what that means to an operator of a sawmill somewhere in northern Ontario—and I'm sure it's not just sawmills; I am sure there are other industries that are faced with the same thing. Insurance costs for those people are going up by

30% and 40%, and they're expected to go up even more next year. They're thinking to themselves, "You know, at one point we are going to become self-insured, and we are going to hope that we don't get sued, because if we do, it's going to close our doors."

The government has yet to find a way to deal with the whole issue of how you provide regulation and legislation to deal with insurance. Maybe the time has come to bring back public auto insurance, something we should have done when we were in government, and I bemoan the fact that we didn't do it. Maybe we need to get back to public auto insurance.

Interjection.

Mr Bisson: Government members can laugh all they want, but if you take a look and compare auto insurance rates across the country, it's quite interesting. Guess how much they've increased auto insurance rates in Manitoba in the last four years. In the last four years, the total increase in auto insurance rates for Manitobans insured under public auto insurance has been zero. They have not increased their rates once—the same thing in Saskatchewan.

British Columbia for the first time has had an increase under the Liberal government of today. But prior to that I think they hadn't had an increase in their insurance rates for six or seven years, because the regime is a much different one.

Now the insurance companies here in Ontario are saying, "We have to raise it because we are not making money." If you're not making the money, get out of the business. Maybe what we need to do is take a look at the government having a role in providing auto insurance to people in Ontario.

I know some people would say, "Why didn't you do that when you were in government between 1990 and 1995?" Do you know what? You're right. Maybe we should have. Quite frankly, Bob Rae backed down on auto insurance. I was very uncomfortable with the decision, as I think were most people in our caucus. Nonetheless, he was the Premier, and as we all understand, Premiers have a lot of authority. Maybe it's something we should've done. Certainly, as I look at auto insurance rates going up today, I've got to say that maybe we should have done it, and maybe the time has come to take a look at that again.

1640

I also want to deal with the issue of hydro, because the government, by way of this bill, is making a number of changes in the legislation that deal with the whole issue of hydro. I just want to say it's really interesting how the government has moved in this whole area over the last while. They came to this Legislature last spring and said to us, "Do you know what? Just trust us. We're going to open up the market to competition. We're going to deregulate so competition can happen in the province of Ontario. Trust us, hydro rates are going to go down." We stood here, Howard Hampton and the NDP—because we were the only ones saying this was going to be a disaster. The government members got up and the Minister of

Energy at the time said, "Hey, you guys don't know what you're talking about. You're fearmongering. It's not going to happen. Hydro rates won't go up. Only Howard Hampton and the NDP are saying that." Nobody's going to believe you, because you were saying six months ago that rates were going to go down, and here we are some six months later and hydro rates have gone through the roof. It's not nice saying, "I told you so," but I'll tell you, we told you so. This whole thing has been a fiasco.

The government decided they were going to do a couple of things: first of all, they were going to open up the market to competition with the promise that competition was going to lead to lower prices. It has been nothing short of a disaster. In fact, prices have not gone down; prices have gone up. They then split Ontario Hydro into three parts. They now are moving to privatize two parts of the hydro grid. First of all, they want to privatize 49% of the hydro grid itself through Hydro One, and then they want to sell off the power plants that exist under OPG. I'm just saying that's a recipe for disaster.

What we've seen happen over the past while is hydro prices going through the roof. Basically, the government had to try to figure out what to do, because if they were going to survive the next election they couldn't afford to put themselves in a position of having hydro bills keep on increasing the way they were, because people would not have waited for an election. There might have been a mutiny in the province of Ontario vis-à-vis what was happening with hydro rates.

So the government thought it got smart. It announced last week on Remembrance Day—and I thought, boy, that was rather interesting: the government picks Remembrance Day to make a keynote announcement around hydro. You'd think they'd have the decency not to do that on Remembrance Day and, like the rest of us, respect and reflect on the contribution made by our war veterans. Instead, the government made the announcement on Remembrance Day. Nonetheless, the government announced that they were going to freeze the rates. Well, the government, quite frankly, has done the worst thing that it could have done in the way it has dealt with it. What they should have said was, "Yes, we'll freeze the rates, but we're going to basically re-regulate the industry. We're going to stop the privatization, stop the deregulation and bring the rates back to what they were in May of last year." Instead, the government says they're going to protect consumers from rate increases by providing a rebate and freezing the rates and keeping the market in the open system. I'm just saying—and it's not just me saying it; a lot of people are saying it—that's really a recipe for disaster, because now what you have is the taxpayers of Ontario on the hook to pay the difference between what the rate was in May 2002 and what it's going to be in May 2003.

Let's just think: if the rates happen to go up to even 6.5 cents or 7 cents per kilowatt hour, which is not unreasonable because quite frankly they've gone up way beyond that over the summer, the government could be

stuck with being on the hook for over \$2 billion. And what have you accomplished? All you're doing is using public dollars to subsidize the market.

This is only an attempt, in my view and in the view of our leader, Howard Hampton, for you to basically buy your way through the next election. You're trying to do what Ralph Klein did back in 2000-01, where he deregulated the market and started the privatization initiative, and rates started going through the roof. They went from 4 cents per kilowatt hour to 25 cents per kilowatt hour. People were hopping mad. The government was going into an election cycle. They said, "We have a response. We're going to freeze rates and provide a rebate." They did exactly what Ernie Eves has tried to do in this instance. Eight months after the election in Alberta, Ralph Klein basically made the rate cap disappear and has now left Albertans to the largesse of the market. As a result, people are now paying 80% more for hydro than they paid when the rates were deregulated and opened to the marketplace.

I'm just saying to people and to the members of the assembly that I don't buy for one second that if the government was to get another majority or the Liberals were to get a majority—they would take that rate freeze off in a minute and would basically allow the private sector to make as much money as they have.

It was interesting to note today the position that Dalton McGuinty took on the whole issue of deregulation. I was listening to the scrum outside and I'll tell you, it was more confusing by the minute to listen to what Mr McGuinty was saying. He comes into the House, purports to be the champion of the working people of Ontario and says, "We're opposed to all of this." Then he's out in the scrum saying that no, he thinks that deregulation is good, that the market opening is a fine thing and that he favours the rate freeze as a mechanism to allow privatization to happen. I just think it's kind of interesting, the position Mr McGuinty has taken on about three sides of the same issue at the same time.

C'est intéressant, l'aspect de ce que le gouvernement décide qu'eux autres vont faire avec l'hydro ici en Ontario. On sait que le gouvernement avait promis de trouver une manière de couper les tarifs à travers la province quand ça vient à ce qu'on paie comme consommateurs pour l'électricité. Ils nous ont dit que la solution était de déréglementer l'électricité. En effet, c'est ça qu'ils ont fait.

Ce qu'on voit aujourd'hui est que l'augmentation du coût de l'électricité était un désastre complet, que les tarifs que le monde a payé pour l'électricité depuis mai ce printemps ont augmenté à un point qui n'est pas supportable pour les contribuables, et qu'eux autres se trouvent dans une situation où ils disent, « Écoute, tout ce qu'on sait est que nos tarifs ont augmenté et on est fâché contre le gouvernement conservateur. » La réplique du gouvernement est de dire, « Ah, n'inquiétez-vous pas. On va tout arranger. Ce qu'on va faire est de s'organiser pour geler les tarifs à un point, puis on va vous donner un rabais. »

Moi, je dis, « Écoute, à la fin de la journée, ça ne va pas marcher. Tout ce que vous faites est que vous êtes en train d'organiser une situation où vous allez subventionner le secteur privé quand ça vient à ce qu'eux autres font dans le secteur privé avec le prix de l'hydro. » Ce qu'on a présentement est le gouvernement qui dit que n'importe ce qui arrive, après 4,3 cents le kilowattheure, ils vont garantir ça en gelant les tarifs, et que le gouvernement va payer la différence entre les 4,3 cents jusqu'à l'augmentation totale, ce que va coûter l'hydro. Je dis ça parce que, supposément, on est présentement à environ 6 cents le kilowattheure ou un peu plus. Si le prix de l'hydro continue à augmenter, tel qu'il a fait, et arrive à 7 cents ou 8 cents le kilowattheure quelque temps cet hiver, le gouvernement va être dans une situation où au-dessus de deux milliards de dollars vont être en danger d'être accumulés au déficit d'Hydro Ontario, et que le gouvernement provincial eux autres vont dire, « On va prendre l'argent du revenu général de la province de l'Ontario pour payer le tarif qui a été gelé. » Je dis simplement que le gouvernement a mis en place une situation où il essaie d'acheter les contribuables et les consommateurs de l'hydro en Ontario envers les prochaines élections.

We often find ourselves here in the Legislature dealing with matters that come before the House by way of the government. Far too often we find ourselves in a situation where the government is bringing in bills that are very large. In this case, Bill 198 amends sections in a whole bunch of other acts by way of hiding under the stealth of being a budget bill.

The government has sections in this bill that deal with everything from the Commodity Futures Act, the Business Corporations Act—makes changes to the Fuel Tax Act, makes changes to pensions and education acts and a whole bunch of other acts. The government is basically bringing many changes through this legislation. I just want to say that we've gotten into a practice in this Legislature where you're not giving the process of legislation ample time to deal with how you build better legislation. A good example of that is what has happened under the changes you're making to the pension act. The government said they're bringing in a bill to deal with budget matters. Instead, they've slid into the bill changes to the pension act and, as a result of that, the government is making changes to the pension act that are not, in my view, budget matters but more a gift to employers to be able to rob pension surpluses from pensions that exist.

I see the government members shake their heads. I know they're shaking their heads because I can hear them rattling from over here. I ask members to read their own legislation. The legislation is very clear: it says that the employer is going to get some ability to withdraw funds from Ontario pension surpluses under certain circumstances, and no circumstances specifically will deal with what to do with partial and full windups of pension plans. I make the argument, as I did at the very beginning, that a pension is money in lieu of wages given to employees for the work they do on behalf of the employer. When we go

to the bargaining table to negotiate on behalf of members we represent in the union movement, often we say, "Rather than giving an extra 5 cents or 10 cents an hour over the next couple of years, we'd like to take that money and put it into a better pension plan."

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So to suggest that the employer should be given a unilateral right to take a pension holiday or to withdraw pension surpluses in the case of a partial or full windup of pension plans is in effect taking money out of the pockets of the employees. I would say that the government is wrong-headed in doing so and what the government needs to do is withdraw that section of the bill and let that stand alone in its own piece of legislation so it can undergo the full scrutiny of the public. The problem we have with this is that this bill will become law after three days of second reading, minimal days at hearings and one day of third reading. Nobody's going to have an opportunity to do anything about it because of the way the government rams legislation through the House.

We cannot allow those types of changes to happen because, quite frankly, they're aggressive; they're changes that really tilt the balance in favour of the employers. I say again that you will rue the day you made those changes to the Pension Benefits Act because I know that in discussions I've had with many people within the pension field, especially members of pension plans, they don't take very kindly to people who decide, for whatever reason—in this case, the Conservative government—to allow people to scoop money out of pension plans that doesn't rightfully belong to them.

That's why I would repeat again that what we need to do is take a look at some of the ideas we're putting forward as the NDP, which basically say we should deal with pensions in a positive way. We should allow for full portability of pensions, that all workers in the province of Ontario have the right to a portable pension plan that says wherever you work in the province of Ontario or wherever you go, your pension comes with you. We should be allowing that to happen as a matter of dignity for workers, which recognizes that in today's workplace, people don't work at any one place for 25, 30 or 35 years; most people work for the same employer for less than a couple of years. So what we need to do is make sure that we change the pension regime in the province of Ontario so that workers, no matter where they work, on the first day they walk into their employer, are covered by a pension plan and they are automatically vested so when they retire, they're able to bring all of those pension credits, are able to accumulate them to build a better pension plan so they're able to retire at the end with some dignity.

With that, I'd like to thank you for this time to debate. I'm looking forward to the comments made by the members opposite with regard to what I've laid out today in my speech.

The Acting Speaker: It is now time for members to take up to two minutes for questions and comments.

Mr Chudleigh: The member suggests that we on this side of the House should read the legislation. I would suggest that the member opposite should also read the legislation, and not just the summary on the inside of the front page. I would direct his attention specifically to section 79.1 and 79.2, and don't confuse the two when you're talking about pensions.

The government is moving to protect the pension benefits of all current and former employees by protecting the long-term viability of pension plans and their surpluses. Nothing in this legislation affects the earned benefits of pension plan members or retirees. The purpose of the legislation is to provide more flexibility in how employees, employers and the plan members negotiate surplus-sharing agreements, which were severely restricted by a recent court case.

The new surplus provisions introduced by this budget bill provide that employers may withdraw surpluses from a pension plan only at a time when there is an agreement in place. If there is no agreement in place on how that surplus has to be withdrawn, then the current employers' employees have to vote by a two-thirds majority to agree to any surplus windup of a partial plan, plus former employees of the plan must also vote in a two-thirds majority in order to allow the windup and the removal of funds from any plan.

I can't see anything in there that would be detrimental to any employee or former employee of any pension plan in Ontario. Very, very few pension plans in Ontario do not have an agreement in place as to how those surpluses are dealt with. So I would recommend that the member spend some time reading the full document, not just the Coles Notes version.

Mr Dave Levac (Brant): I appreciate the opportunity to discuss what the member for Timmins-James Bay has been talking about. I compliment him on his passion and concern for the employees, past and present, regarding their pensions. I would assume that everyone in this place is deeply concerned about making sure that the people of the province of Ontario who have made contributions to any pension plan are protected in terms of anyone having the authority or the right to remove those funds without input from those particular employees who, over the years, have accumulated that pension under the promise to themselves and their families that that's why they're doing it, to protect themselves and their families down the road when they've finished their work careers.

I also compliment the member for Toronto Centre-Rosedale, who earlier spoke with passion about this issue to make sure we're doing the right thing in this particular piece of legislation. One of the concerns I have that I would like to express is that the members on the other side are saying, "Don't worry about it. It's taken care of. You're misinterpreting everything we're saying." The fact is, when they say, "Make sure you read the details," when we do go over them and point out some of the concerns we have, it's very few times that I've seen it when the government says, "Yes, we did make a mistake. It's going to be used for another purpose."

I saw evidence of that today, believe it or not, in the discussion at committee of Bill 179. After consultation with the people from the affected areas, they finally stepped forward and said, "The idea you're presenting is going to cause us some problems, and you need to withdraw it." Guess what? The government actually passed an amendment to withdraw the section that was offensive and actually was going to cause more harm and destruction. I'm hoping the same thing is happening with Bill 198, in terms of all of the stuff we've counted, and we know we've announced to the government time and time again the record number of time allocations—and I mean record; Guinness would be very proud of this government—that have been used and the lack of real analysis. I'm hoping they do that.

Mr Wayne Wettlaufer (Kitchener Centre): I'd like to direct my comments to the comments the member made insofar as automobile insurance is concerned. For more than a generation, the level of rhetoric that the NDP has raised toward the automobile insurance industry has designated automobile insurance to be an art form, under their interpretation. It's a very complicated subject, and it's one with which I am intimately familiar. I have travelled to Bermuda, I have spoken with international insurers and re-insurers about the problem facing Ontario automobile insurance companies. The member said, "Why don't they leave the province of Ontario if they're not making any money?"

Speaker, I submit to you that they are, in fact, leaving the province of Ontario. Some of them have actually gone out of business, and some of the foreign carriers are leaving the province of Ontario. It is impossible to purchase terrorism insurance in Ontario since September 11 because the insurance companies are losing so much money that they are not even providing terrorism coverage, not just on automobile insurance, but on homeowner's and commercial insurance. Anybody who's watching this is painfully aware how little the NDP understands about insurance. Unfortunately, their rhetoric has made it seem that anybody can understand automobile insurance in the province of Ontario. It is a very difficult and complex topic. If they had embarked on the level of rhetoric toward doctors in this province to the extent that they have automobile insurance, they would have everybody in Ontario believing that doctors are crooks. We know that's not true. The NDP should learn a little bit about from where they are speaking.

Mr Ernie Parsons (Prince Edward-Hastings): I'm pleased to speak to this. I would mention that I've noted a number of stories in the media lately from doctors in Ontario who are concerned about how this current government is treating them as crooks, coming in and saying, "You're not doing enough paperwork, so we'll take the money back." So now we have doctors filling out forms rather than serving patients. I can understand the need to simplify things, and I wish the government would start, but instead things get complicated in this world.

I look at Bill 198, a fairly massive document, and certainly we've had a lot of discussion about the pension

portion of it. We need to get over the mindset from this government that working families are the enemy, that they don't know how to handle money and others will do it for them, because it is absolutely insulting and wrong.

1700

I look at this bill, and there's one very intriguing comment in it under "Pension Benefits Act." I'm sure that we all, as politicians, are interested in hearing comments from the public as to whether part of an act is good or bad. One sentence in here—it's one paragraph consisting of one sentence—says, "An amendment to section 55 of the act permits employers to suspend or reduce their contributions to a pension plan in prescribed circumstances." What does that mean? It permits employers to suspend or reduce their contributions. We seem to be living in an era now where we can rewrite history, and this government seems to be focusing on rewriting legislation back 10 years ago or more. It's an absolute affront to justice when people make comments, participate in a pension plan and have negotiations, never imagining that 10, 12 or 14 years from now someone will come back and change it.

I don't believe it is sound practice or even morally correct to make things retroactive. What happened up to a minute ago is now history. We're now dealing with what happens today. This small portion of the bill very clearly needs to be put out for public consultation and public education on it as to what is being snuck in here.

The Acting Speaker: The member for Timmins-James Bay now has up to two minutes to respond.

Mr Bisson: The member for Prince Edward-Hastings responded to the point that I was going to respond to from the member for Halton, which is that we should take time to read the legislation. I just want to point out that we have taken time to read the legislation. That's how we found out what was in it in regard to pensions. Not only have we read the legislation, but we've given the legislation to people who are much more learned about these issues, I would argue, than any of us in the Legislature. We've given it to people in the legal profession who deal with pension legislation on a day-to-day basis, and their interpretation is exactly as we fear, which is that this legislation gives employers a right to withdraw pension surpluses out of pension plans in the event of a windup or partial windup.

I argue that if that's the case, we would never have been able to negotiate half-decent pensions for many people around this province, because the pension surplus often is what we use to be able to negotiate a better benefit when it comes to being able to pay for those better benefits.

The other thing this legislation does, under section 171 of the bill, is that it basically says an employer can take a pension holiday if there's a surplus in a pension plan. I argue that if you do that, you'll never be able to build a better pension plan and people will not be able to retire in dignity, as they should have the right to do. So at the bare minimum, we argue that this part of the legislation should be taken out altogether and the government should not include that in this particular bill.

The member for Kitchener Centre says the NDP should learn something about auto insurance. It seems that we learned quite a bit in Manitoba, Saskatchewan and British Columbia. What we learned was that when public auto insurance is in place, people pay less. That's what people have found out in the case of public auto. I agree that as a government we should have done it between 1990 and 1995; no argument. But don't make an argument to me that somehow what we have in Ontario is better, because all I know is that we pay far more than they pay in most provinces.

The Acting Speaker: The floor is now open for further debate.

Mr Chudleigh: The member opposite knows full well that publicly paid-for auto insurance is subsidized through the tax system one way or another. If the rates don't go up, the taxpayer is paying for it in other ways. But he knows that.

I rise very proudly to talk about Bill 198 today, because Keeping the Promise for a Strong Economy Act (Budget Measures), 2002, is a wonderful bill. I rise today on the great potential impact this vital piece of legislation is going to have. It is an act with a very broad scope. It is an act with a very broad vision and a broad range of beneficiaries. It is an act with the potential to improve the lives of Ontarians in all income tax brackets, in all business sectors, and in all regions of the province.

It is a necessary act so that our government can move forward with our commitment to our province, that of ensuring Ontario is the best jurisdiction in North America to work, to live, to invest and to raise a family.

Today I would ask for your support for Bill 198. I am asking you to support reduced pressures on auto insurance rates for Ontario drivers. I'm asking you to support better and faster treatment for auto accident victims, especially including children. I'd ask you to support tough new rules and penalties for malfeasance in our capital markets. I'd ask you to support new financing tools for municipalities through opportunity bonds and tax incentive zones. I'd ask you to support increased investment and job creation. I'm sure there isn't anyone here who wouldn't support that, as you would all want to support a robust economic growth in this wonderful province.

Your support of this act will ensure Ontario remains the brightest star among North American economies.

My colleagues will outline for you in greater detail some of the headline initiatives that Bill 198 would, if approved, implement.

I would like to take a broader view of this legislation. I would like to show you why it is important to support the Keeping the Promise for a Strong Economy Act, 2002, by highlighting how every Ontarian in virtually every corner and walk of life in this province stands to benefit from the measures that it proposes.

First, let's talk about auto insurance. To begin, Bill 198 would implement reforms to Ontario's auto insurance systems, reforms that would provide greater protection to consumers and help improve the system for everyone who uses it. If approved, the act would expand

the legal rights of innocent victims with serious and permanent injuries to sue for damages in excess of no-fault insurance benefits. It would also expand the rights to sue for damages to cover health care costs for injured children. It would introduce treatment guidelines for minor injuries such as whiplash to help promote quicker access to proper treatment by eliminating the need for prior approval. It would also improve industry competitiveness by providing measures to streamline operating costs.

We are committed to keeping auto insurance premiums competitive, while providing more support for consumers. Quite simply, all Ontario drivers would stand to benefit from this commitment and from the measures proposed in this act.

Secondly, we would like to promote investor confidence. Bill 198, if approved, would implement reforms, among the toughest in Canada, to punish wrongdoing and protect investors in our capital markets. These measures would include tougher penalties to ensure compliance with Ontario's securities laws: maximum court fines for general offences would increase to \$5 million from the current \$1 million, and maximum prison terms would increase to five years less a day from the current two years; new powers that would give the Ontario Securities Commission the authority to impose administrative fines of up to \$1 million for securities law violations and order that offenders give up the amounts they have gained through these violations; stronger powers for the Ontario Securities Commission to review the information that public companies disclose to investors; greater clarification of offences such as securities fraud and market manipulation, and for making misleading or untrue statements; broader rights for investors to sue if companies make misleading or untrue statements or fail to give full and timely information; and finally, new rule-making powers for the Ontario Securities Commission to hold CEOs and chief financial officers accountable for the accuracy of their financial statements. This will give investors much more confidence when doing business in Ontario.

Our government believes business and investors alike deserve a consistent framework within which to grow and invest. Through the measures announced in this act, if passed, we will ensure even higher standards of consumer protection and business practices, making Ontario a trusted destination for investment and business.

Thirdly, we're introducing in this bill opportunity bonds and tax incentive zones. Strong cities, towns and rural communities are vital for achieving continued economic prosperity.

Our government recognizes that. The challenges faced by the sprawling metropolises of this great province are quite different from those faced by small towns in rural Ontario. The financing tools traditionally available to each of these sizes of communities have not served them well or equally.

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Among the many initiatives included in this act is legislation that would allow the province to provide

opportunity bonds and create tax incentive zones for municipalities facing pressing infrastructure and economic development challenges. Both these initiatives complement the Smart Growth agenda of helping municipalities with their infrastructure needs and becoming more attractive to investment and as a place to live, whether you live in small-town Ontario or in the metropolises of Toronto, Ottawa, Hamilton, London or Thunder Bay.

Opportunity bonds are a tool to raise low-cost financing that would assist Ontario municipalities that need to make significant improvements to their infrastructure over the coming years. Opportunity bonds would allow municipalities to finance long-term capital projects with long-term financing. They would also benefit investors in that they would offer investors an income tax exemption on the interest earned on the bonds, as well as an attractive rate of return with a large degree of safety. The last municipality in Ontario that was insolvent was back in the 1930s, so it's a tremendous track record and a very safe investment tool. Opportunity bonds would provide Ontarians with an opportunity to invest in the quality of life in Ontario, thereby making an investment for themselves and their families.

Establishing tax incentive zones in Ontario is another important initiative that would stimulate investment in Ontario communities. By declaring an area a tax incentive zone, businesses would be encouraged to invest, locate or expand there to help support economic growth and job creation.

To develop the program, the government has been consulting with community and business leaders since early September on how to design and implement a program that works for communities experiencing challenges in attracting investment and jobs. It's been a very interesting process to travel across Ontario and listen to the people in small-town Ontario, in medium-sized Ontario and in large cities in Ontario and how they view the economic challenges they face. Small towns face infrastructure problems that large cities might take for granted. Large cities have no idea of the challenges faced by small communities. Designing a program that takes into account the needs of all those different-sized communities is one that has been truly challenging and extremely interesting, and we look forward to bringing those regulations in and seeing how that balance between the large and small communities can be enhanced to ensure that the viability throughout Ontario for all sizes of communities and all jurisdictions can be met and indeed enhanced.

We recognize that many communities have been actively pursuing economic development opportunities and would welcome the opportunity to use a tax incentive program to further these efforts. Opportunity bonds and tax incentive zones are tools that, if approved, will support the implementation of the government's Smart Growth strategies to build strong, vibrant and prosperous communities across this province, from one end to the other.

This act would allow the province to put in place a program that would allow municipalities to invest prudently in improving and maintaining their infrastructure. The direct beneficiaries would be the people who live in these towns and cities, wherever they may be in Ontario, but we believe the broader positive effects, including economic growth and increased investment opportunities, will be felt by Ontarians across this province. I would urge your support for Ontario's cities, towns and rural communities, and I would urge all members in this House to support those communities from which they come by supporting Bill 198.

Fourthly, the delayed tax cuts are another aspect of this bill, and they've created some conversation and some controversy over the past few weeks. One of the measures included in this act is the proposal to delay certain tax cuts for one year. As you know, this proposal was first announced in the 2002 Ontario budget last spring and has generated its fair share of attention since that time. Some have questioned the motivation for delaying previously announced tax cuts and have also questioned the government's commitment to reduced taxes. I would like to make our motives and commitments very clear. The delay is in response to a temporary fiscal challenge resulting from last year's economic downturn and affects only scheduled cuts to personal and corporate income tax. This delay is for one year only. The planned rate reductions to personal and corporate income taxes and the phase-in of the equity in education tax cut would recommence January 1, 2004. I repeat: the planned rate reductions to personal and corporate income taxes and the phase-in of the equity in education tax credit would recommence on January 1, 2004.

By 2004, Ontario's additional 20% personal income tax cut would be delivered. Once it is fully in place, Ontario's marginal tax rate would be the lowest among all provinces for individuals earning less than \$60,000 a year. By 2006, Ontario's corporate income tax rate cuts would be fully implemented. As a result of these cuts, Ontario will have the lowest general combined corporate income tax rate of any province or any state in the US.

Clearly, tax cuts continue to be on the province's agenda. The delay we are proposing is only a delay, and only for one year because of our short-term economic and fiscal situation. The province's long-term goal remains the same. The proposed one-year delay would not impair Ontario's tax cut plan. We abide by the proven notion that cutting personal income tax and business tax leads to significant long-term productivity and growth, and nowhere is that more evident than in the one million new jobs that have been created by the private sector in this province since 1995, the direct result of cutting taxes, both personal and corporate, along with the employer health tax as well.

We are pursuing the development of a new multi-year tax reduction plan that would include the next steps toward eliminating the capital tax and Ontario's income tax surtax. We are laying the groundwork for continued tax cuts for next year and the years beyond.

In the meantime, we are continuing with certain other tax cuts. Because nearly half of all new jobs are created by small business, we are continuing with already planned reductions in the corporate tax rate for small business. Due to the importance of mining to the northern Ontario economy, planned reductions in the mining tax rate will also go ahead on schedule. And in order to remove another 50,000 people—50,000 people—from the income tax rolls in Ontario, we propose to enrich the Ontario tax reduction program, bringing to 745,000 the number of Ontarians who no longer pay any provincial income tax whatsoever. We would challenge the federal government to match that number.

The next step in these tax cuts would be implemented as scheduled on January 1, 2003, a few short weeks from now. Of course we'll all have our Christmas shopping finished by the time that tax cut is implemented.

The current state of the Ontario economy is proof that past government policies are working well. Ontario's real gross domestic product increased by 1.7% in the first quarter of 2002. Private sector forecasters on average expect Ontario to grow by a robust 3.6% in 2002, accelerating to 3.7% in 2003. The unemployment rate is down to 7.3% and housing starts are up 15% from September 2001. Judging from the economy in the Halton area, I think most of that 15% has taken place in the the towns of Milton, Georgetown, Acton, Oakville and Burlington.

1720

Consumer confidence is up 21.9%—almost 22%—from October 2001. Since 1995, 613,000 fewer Ontarians depend on welfare. That number continues to grow as the number of people dependent on welfare continues to shrink in Ontario. The measures included in Bill 198 would help ensure that this positive environment of growth and prosperity continues.

Community small business investment funds: a very important aspect for job development in Ontario. We are proposing to extend the deadline for registering new community small business investment funds for an additional year, from December 31, 2002, to December 31, 2003. This would allow the program to continue to raise venture capital for small business, especially in the areas of university and hospital research commercialization where it has been very successful.

As well, this bill talks about school bus safety incentives. We've talked about Ontario's towns and cities, taxpayers of all income brackets, businesses, both large and small, and motorists. This act also addresses the needs of children who ride on certain school buses. Bill 198 would extend the Ontario school bus safety tax incentive from May 4, 2002 to December 31, 2005.

This incentive was first introduced in the 1999 Ontario budget as a result of the province adopting a new standard for school buses developed by the Canadian Standards Association. This incentive provides a 30% deduction for the capital cost of acquiring a new school bus for use in Ontario and has successfully encouraged school bus operators throughout this province to replace

old buses with new ones that meet these new safety standards.

Our government is committed to providing the children of this province with the tools they need to grow into the leaders of tomorrow.

Among the measures proposed in Bill 198 are a number of administrative refinements to various acts and other general housekeeping amendments. The proposed housekeeping measures included in Bill 198 would repeal obsolete provisions, refine terminology, update references and clarify the application of definitions.

It is true that such measures are not the stuff of headlines, but they are the hallmark of a responsible, prudent and accountable government. Our government is committed to reviewing policies and procedures on a regular basis to ensure the efficient and effective use of taxpayers' dollars.

There you have it, Mr Speaker. I have stated my reasons for supporting the Keeping the Promise for a Strong Economy Act, 2002. As I mentioned earlier, it is an act with the potential to improve the lives of Ontarians in all income tax brackets, in all business sectors and all regions of the province. By supporting Bill 198, you will be supporting our province, our prosperity, our children and our future.

The Acting Speaker: Members now have up to two minutes for questions, comments.

Mr Pat Hoy (Chatham-Kent Essex): I'm pleased to rise and make some comments. I did note that the member opposite spoke about incentives for school buses. I suspect that is a good idea. There are some 16,000 school buses in Ontario and from time to time I'm sure they need repair. Those of us who live in agricultural communities and others recognize that one cannot repair machinery over and over again. There comes a time when upon putting the second, third and fourth motor in a bus, for example, you're going to have to replace it with a new piece of equipment.

I've talked to bus operators in terms of bus transit who have run into this exact problem for their local needs whereby they have repaired the bus so many times, two and three times over with motors, transmissions etc. That's very well and good, but at some time the buses need to be replaced in total and modernized for various reasons.

I would have liked to have heard the member opposite say that the government was going to enact Bill 112, a school bus safety bill that would have allowed for the identification of those who offend the law by passing a school bus when the red lights are flashing. Members here know that that bill has been brought to this Legislature five times, on two occasions, and currently has received second reading and support from all sides of the House. I would urge the government—and was hoping they were going to say, "Yes, we're going to replace school buses and provide some kind of incentive for the purchase or repair of school buses." But we need a law to protect the children who ride on the 16,000 school buses each and every day, and of course Bill 112

would provide the conviction mechanism that's required to protect the over 810,000 children who ride our school buses daily.

Mr Bisson: To the member for Halton, to get up and rhyme off that Bill 198 in no way, shape or form puts in danger people's life savings by way of pensions I think is really beyond the pale.

The member says, "If you only took time to look at the legislation, you'd see that what we're really doing here is protecting workers and their pensions." The reality is that if you'd read the legislation, you'd find out it does exactly the opposite. It does away with the current regulation in this province that says, "If there are any surpluses that exist inside a pension plan and the employer is in a position of having had a layoff or plant closure and a partial or full windup has to be done on the pension plan," it basically does away with current regulations that say, "You can't take any money out of the pension plan without the permission of the plan members."

What you're doing is putting in place a regime that says, "Under certain circumstances, the employer is going to be allowed, in the case of windups and partial windups, to take surpluses out unilaterally, provided they apply to the pension board."

Second, you're allowing the employer to have pension holidays. It means that if you work for an employer who happens to have a situation of a pension surplus, that employer will be able to unilaterally say, "I'm not making any pension contribution, because there is a pension surplus in the pension plan. I don't have to put any more money into the plan until that over-contribution, which is basically the surplus, is taken care of." I'm saying that if you allow that to happen, the effect of that is that employees will not be able to negotiate better pensions, because far too often the only way we can get the employers to agree at the bargaining table to increase a benefit is by way of the surplus that exists in a plan. If you're going to allow a mechanism for the employers to take away those surpluses, either by way of a pension benefit holiday or by way of taking out surpluses, you're not going to be able to allow those employees to get better pension plans. I say, that's wrong. I say, take it out of the legislation. If you do so, at least you'll do something right in this bill.

Mr Rob Sampson (Mississauga Centre): I'm pleased to spend a couple of minutes here to speak about the bill and, more specifically, the auto insurance components that our member from Halton and some members as well have already spoken to.

To the NDP, I must say they are at least consistent in championing public auto. At least, I think they're consistent in championing public auto. They championed it for a while and then, as you got closer to the election, unchampioned it, and now you're back on it again. That's all right. Their point is reasonably consistent: that somehow public auto is a cost-saver. "See the rates in BC, Quebec, Manitoba and Saskatchewan," they say. What they don't tell you is that of course you need to also take a look at the public health care system in those

provinces as well, which picks up the lion's share of the health costs associated with auto accidents. That doesn't happen here, but it happens there and never shows up in the premium. You can't really see the full story by taking a look at just one of the chapters.

Mr Bisson: You want to subsidize the private sector.

Mr Sampson: I say to my colleagues across the floor that the initiative you see in this particular legislation is actually recommendations and suggestions that have come forward from a consortium of people involved in delivering automobile insurance: those selling it, those providing the health care system and services to those who are involved in accidents, and those who are actually charged with the responsibility of designing and implementing the various insurance products that we have in this province. It's a consortium that has been developing for a number of years. I dare say, in 1995 when we first looked at auto insurance, it was not there, but it is here now. That's why we have on the table here as part of this bill some interesting amendments that will actually benefit consumers, since that is where this group is now focused.

1730

Mr Bruce Crozier (Essex): I want to direct my comments to those made by the member from Halton with regard to pensions. He would dismiss the changes this bill brings forward as something not to worry about. He would tell those employees who are fortunate enough to have pensions in this province, "Don't worry. This isn't going to hurt you. We're going to allow companies to take surplus money out of pension plans. That's OK. It won't hurt you."

I go to the point of one of my other colleagues. Many times over the years surpluses in pension plans were used to enhance those pension plans. I don't think those surpluses will be there any more to do that. We have changes in the economy. A few years ago there may have been surpluses in pension plans because the stock market was good. I take it that these days there are a lot of plans that don't have surpluses.

So what I think the government has to do, if they feel that way, is to communicate it and have public hearings so the public can address their concerns about it. For example, I know all of us are receiving a substantial number of e-mails, because I can see the addresses on the top of them, about the public's concern on this. I'll read just one letter of many from a concerned constituent who says:

"I am writing to inform you that I represent many former employees of the Johnson and Johnson medical Products plant that closed in Peterborough in 1998 and moved to Mexico, first partially winding down and further fully winding down the pension plan for hourly employees.

"I urge you not to support this legislation, as it will allow Johnson and Johnson to run away with the surplus of the pension plan that the workers' contributions helped build in the same fashion as Johnson and Johnson ran away with their jobs."

There is concern there.

The Acting Speaker: The member for Halton has up to two minutes to respond.

Mr Chudleigh: I'd like to thank the member for Chatham-Kent Essex for his reasoned response about supporting school buses. A very important part of our government and of this House is to protect the leaders of tomorrow, one of our most important resources, the children of this great province. I thank him for his comments, and of course the member for Mississauga Centre and his reasoned and level support for our auto insurance.

However, the members from Timmins-James Bay and Essex talked about my comments regarding the pension plan. I don't know, you can check Hansard tomorrow, but I don't believe I mentioned the word in my speech. Let me reiterate very clearly, and you have to read sections 79.1 and 79.2, those two sections and understand them, understand that they are different. There is nothing in this legislation that affects the earned benefits of pension plan members or retirees. Nothing. Sorry. There isn't any bogeyman hiding in the closet.

In fact, if you are going to remove or wrap up a pension plan, you can't do it under this legislation unless you have a two-thirds majority from the people in the pension plan—the employees—and a two-thirds majority from the people who are already on pension—the retirees. I think if you get a two-thirds majority from the employees and a two-thirds majority from the people already retired, I don't think they are going to be hurt too badly by that agreement. They're agreeing to it by a two-thirds majority. What could be safer for a pension plan than to have that in place to ensure that pensioners and people who are going to go on pension in the future are going to be protected? That's what this legislation does: it protects the future of those pensioners.

The Acting Speaker: The floor is open for further debate.

Mr Crozier: I am pleased to spend some time this afternoon debating Bill 198. I am particularly pleased to have the opportunity to debate this bill early in the process because I fully expect that within a very few days there will be a motion to limit debate on this. Very likely, part of that motion will be to minimize public hearings, if any, and I suspect part of that motion may be that there not even be any third reading debate, if that follows the pattern this government has followed recently. Therefore, in this Legislature these days, you have to get your name on the speakers' list early, because chances are you won't have the opportunity to speak to it.

Bill 198, An Act to implement Budget measures and other initiatives of the Government, certainly is a bill that's going to address other initiatives of the government, because it amends some 28 acts. It's a so-called omnibus bill of some 146 pages.

Interjection.

Mr Crozier: I heard a comment from over there. I'm sure what he said was, "It's not really an omnibus bill; it's an ominous bill," because we should be concerned about all that might be contained in this bill.

There are certainly parts of it that should be dealt with separately. I think the pension sections of the bill should be dealt with separately. The challenge I gave to the government—in fact, I didn't even comment at this point as to whether those amendments are right or wrong. What I said to the government was, "You should, number one, communicate what it is you want to do, because there are a significant number of people in this province who are concerned about those pension amendments. So through public hearings, you give them the opportunity to bring those concerns to you, and you have the opportunity to convince them that you're doing the right thing." I think therein lies the problem, because I think you might have a very, very difficult time convincing people that you're doing the right thing.

He says there are no bogeymen in this bill. Again, not being a gambling person, I still would be willing to bet that there are, that there are some hostages in this bill that, even through the work we've done on it up till now, we may not know about, but there certainly will be.

This Eves-Harris bill is called a "budget bill," which sets economic policy and general direction for the government. So, since I oppose the policy and direction of this government, I have no hesitation in saying that I won't support this bill.

The budget bill proves that the Harris-Eves Tories promised things they couldn't deliver. They promised tax cuts, the Taxpayer Protection Act and balanced budgets without cutting services. Let's look at what they plan to do. In the corporate tax cut area, this budget continues the corporate tax cut, but it adjusts and delays the cuts until after the election. What we in the official opposition want to do is simply take the \$2.2 billion in tax cuts to profitable corporations and get rid of them altogether. We think it's simply a bad economic policy.

My colleague Gerry Phillips has said on a number of occasions in this Legislature that there's no point in racing to the bottom. We have competitive tax rates in this province now. What's the point in being 25% below your competition? I doubt that there are many retail businesses in this province that go out and knowingly and on purpose put their prices 25% below those of their competition. Should they be competitive? Absolutely. Should we be competitive as a province? Absolutely. But what we think you should do with those \$2.2 billion in tax cuts to profitable corporations, I say again, is invest them in a high-quality workforce, high-quality education and high-quality health care—by the way, I think our health care system attracts more business to this province from other countries than do tax cuts—and not just go for bargain basement corporate taxes.

1740

The Taxpayer Protection Act: the Harris-Eves government, without some changes, would be breaking its own law. This proves again what we've been saying all along, that Ernie Eves will do anything to cling to power.

The member from Scarborough Centre went on about job creation, if I recall what she said, that there's been an increase in jobs every month, every year that this

government has been in power and it's all due to tax cuts. If that's the magic answer, we could go to the point of saying, why have any taxes at all? And then things would really be booming. But I'll go to what you're doing. You're saying that tax cuts are the answer to a great economy, a booming economy, and yet you're delaying your own tax cuts. There's something wrong here. Either tax cuts are good and you should continue with them, and in fact maybe increase them, or tax cuts are bad and now you want to delay them. It's a little difficult for the public to figure out exactly what it is you're saying when you're so proud of these tax cuts and yet you've now decided to delay them. We know what it is. They've gotten themselves into a financial bind. That's what these tax cuts have done.

I can remember, for example, when I came here in 1993 and Michael D. Harris was sitting over to the left-hand side here and he stood up and told the government of the day, "This province is bankrupt." He went on and on about it. What did Harris do when he first got in? He gave a tax cut. I was in a retail business, a private business, for some 22 years. I was the financial officer of that business. I can't imagine that we would have taken—we didn't in fact take money out of that business if there was any concern about having a loss. There was never a concern about being bankrupt, but certainly we had to look at that business and say, "Can it afford a dividend at this time?"

That's one thing I've never been able to figure out about Mr Harris's philosophy—and now Mr Eves's philosophy, although he's delaying it—and that is, if the province were bankrupt, like a business which might be bankrupt, why for goodness' sake would you ever start out by giving a dividend? Why wouldn't you first put your fiscal house in order, take care of those things that need to be taken care of, like health care, like education, like the environment, and then, when you have those things in order, give the dividend to the people of Ontario?

This bill, in my view, is anti-democratic. I started out by saying it was an omnibus bill—there I go; I almost said "ominous" again—that covers some 28 acts. In our democratic charter for Ontario, Dalton McGuinty's democratic charter, we pledge not to bring in omnibus bills that deal with substantive issues. Certainly in this case the delaying of the tax cuts I think you would consider as a substantive issue; the changes to the automobile insurance in the province as a substantive issue; the changes that this will make to pensions in Ontario as a substantive issue. So there are only three instances out of some 28 acts that we think should be dealt with in bills that stand on their own. The auto insurance part of this act deals with three acts, as a matter of fact.

This bill deals with everything from auto insurance to electricity restructuring to tax policy. The bill implements measures, as we've been told, that were contained in the 2002 budget. The 2002 budget was brought in I think in May. Here we are in November, dealing with

issues that we are told were part of the budget. I don't know where the government was in June and in September and in October and early November. Wait a minute; I do know where they were. They certainly weren't on the agenda that they had planned for. I don't think that this government has dealt with any substantial issues that they had on their agenda, if there was one, because this fall has been one that's been completely taken over by a government that completely mismanaged an issue, and their agenda, quite frankly, has been taken away from them.

Principally, the delay in corporate and personal income tax and the delay in the increase in the private school tax credit are of note. Again, we want to see not just a delay in the corporate tax cuts, but we want to do away with them altogether.

We also oppose the private school tax credit. Our education system is in dire need of funding. I too, like my colleague from Chatham-Kent Essex, have recently met with school bus operators. That's something I hope to deal with over the next few days or a week with the government. But there are parts of our education system that are in such dire straits that it's almost—I'm trying to choose my words carefully. I can't think of why the government at this time would consider giving, over a period of time, up to half a billion dollars in credits to private schools when our public school system is so much in need.

Here again, it goes to my way of thinking that what you should do is fix what you are responsible for today before you start to try and fix something else. Get the publicly funded education system in order before you go off doing something else. As a matter of fact, there are any number of so-called private schools that could come under the umbrella of the Education Act if they would apply the same rules that apply to our publicly funded education today. So there's an area where we think that half a billion dollars could be much better spent now in publicly funded education and, later, you can consider some other initiatives that you might want to take under your wing.

The legislation delays the government's planned personal income taxes as well. It makes significant changes to the system of settling auto insurance in the province and settling auto insurance debates. The tax cut delays confirm what we have been saying for some time, and that is that we can't afford the tax cuts at the present time. There are probably even more significant areas, more important areas in this province that need the funding that could be provided by some of these tax cuts. When I go beyond the thought of our health care system, our education system, I can think of, for example, the environment.

The environment has been significantly underfunded under this government. In fact, the cuts to the protection to the people in this province is only evidenced by the absolute tragedy that took place in Walkerton. If some of these tax cuts were eliminated, as opposed to delayed, that money could be put into safe water in this province. Municipalities are amongst the leaders when it comes to

protecting their citizens and certainly don't dispute the need for safe water in this province.

I take the example of Pelee Island. Pelee Island at the present time, as a matter of fact, has charges against it from the Ministry of the Environment when it comes to their water system. How, for goodness' sake, are they ever going to be able to fix this without help from the government? I suppose these charges may very well result in fines. How can you pay fines when you can't raise the money, you don't have the assessment base to raise the money to repair the system in the first place? Pelee Island is just an example of a small community that's going to need a great deal of assistance. I suggest that these profitable corporations need that money a lot less than do small communities like Pelee Island.

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The government says it's delaying the tax cuts due to a short-term fiscal problem. I hope the government isn't trying to solve its short-term fiscal problem by selling some \$1.8 billion in assets, for example, like Hydro One. Because that's not only a short-term fiscal problem, it's being short-sighted in the way that you're going to solve this problem.

I want to take the last few minutes of my time to speak about auto insurance. As has been mentioned by several of the members, auto insurance rates, as we know, are up across the province an average of about 10%. I have to laugh at that, because I sent my renewal in August to the finance minister, Mrs Ecker; my insurance was up 47.6%. At first blush, I said, "Obviously, this insurance company doesn't even want my insurance." My friends across the way will understand this very well. There was no change in risk; I hadn't had any accidents or claims, I hadn't had any tickets and I was driving the same automobile—absolutely no change. Mine went up 47.6%. I can assume that it was underpriced to begin with; I'll accept that. But certainly not all of that 47.6% was simply underpricing. There are some initiatives in this

bill that are going to try and address that. It's going to try to address fraud, because it's going to have a process laid out for soft tissue injuries, for example, so that there's a protocol that's gone through on the treatment of certain injuries, so that we don't go through a long and drawn-out and expensive process of settling those claims.

I tell the people of Ontario, in its attempt to limit fraud, unfortunately there are going to be some good, honest people who are going to be hit by it. I don't know whether these are the out-and-out solution to the problem. I guess, like changes in the past, time will tell. We thought we had this fixed a few years ago. That obviously is not the case. So there are going to be some people who are going to be caught in this.

There's also another part in this bill that says under the Compulsory Automobile Insurance Act, "The Minister of Transportation may enter into agreements authorizing one or more persons to collect and keep information, provided under subsection (3) on behalf of the registrar, and require those persons to provide the information." It always makes me nervous when an act like this says that "one or more persons" may collect and keep this information. We know what happened with the Province of Ontario Savings Office, and that was that some private information got out where it shouldn't have.

My final word on the auto insurance part of this bill is, if the people of Ontario expect that their auto insurance rates will go down—they won't. Auto insurance rates are going to continue to climb until we get it right in this province. I'm not so sure that we have it right in this bill, and it should be a separate bill so that we can discuss that issue fully.

The Acting Speaker: It being almost 6 of the clock, this House will stand adjourned until 6:45 pm this evening.

The House adjourned at 1755.

Evening meeting reported in volume B.

LEGISLATIVE ASSEMBLY OF ONTARIO
ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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Speaker / Président: Hon / L'hon Gary Carr

Clerk / Greffier: Claude L. DesRosiers

Deputy Clerk / sous-greffière: Deborah Deller

Clerks at the Table / Greffiers parlementaires: Todd Decker, Lisa Freedman

Sergeant-at-Arms / Sergent d'armes: Dennis Clark

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Barrie-Simcoe-Bradford	Tascona, Joseph N. (PC)		
Beaches-East York	Prue, Michael (ND)	Halton	Chudleigh, Ted (PC)
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Etobicoke-Lakeshore	Kells, Morley (PC)		
Glengarry-Prescott-Russell	Lalonde, Jean-Marc (L)		
Guelph-Wellington	Elliott, Hon / L'hon Brenda (PC) Minister of Community, Family and Children's Services / ministre des Services à la collectivité, à la famille et à l'enfance		

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Nickel Belt	Martel, Shelley (ND)	Simcoe-Grey	Wilson, Hon / L'hon Jim (PC) Minister of Northern Development and Mines / ministre du Développement du Nord et des Mines
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Northumberland	Galt, Hon / L'hon Doug (PC) Minister without Portfolio, chief government whip / Ministre sans portefeuille, whip en chef du gouvernement	St Paul's	Bryant, Michael (L)
Oak Ridges	Klees, Hon / L'hon Frank (PC) Minister of Tourism and Recreation / ministre du Tourisme et des Loisirs	Stoney Creek	Clark, Hon / L'hon Brad (PC) Minister of Labour / ministre du Travail
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Sarnia-Lambton	Di Cocco, Caroline (L)	Windsor-St Clair	Duncan, Dwight (L)
Sault Ste Marie	Martin, Tony (ND)	York Centre / -Centre	Kwinter, Monte (L)
		York North / -Nord	Munro, Julia (PC)
		York South-Weston / York-Sud-Weston	Cordiano, Joseph (L)
		York West / -Ouest	Sergio, Mario (L)

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

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