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**Tuesday 25 November 2003**

**Mardi 25 novembre 2003**

Speaker  
Honourable Alvin Curling

Président  
L'honorable Alvin Curling

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## LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday 25 November 2003

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Mardi 25 novembre 2003

*The House met at 1845.*

### ORDERS OF THE DAY

#### FISCAL RESPONSIBILITY ACT, 2003

#### LOI DE 2003 SUR LA GESTION RESPONSABLE DES FINANCES

Mr Sorbara moved second reading of the following bill:

Bill 2, An Act respecting fiscal responsibility / Projet de loi 2, Loi concernant la gestion responsable des finances.

**Hon Gregory S. Sorbara (Minister of Finance):** As we begin this very important debate on this very important piece of legislation, I want to advise my colleagues in the House that I'm going to be sharing the time allotted to the opening speech on this matter with my colleague from Perth-Middlesex and my colleague from Guelph-Wellington.

Before I speak about the particulars of the bill, I want to put Bill 2 in some real and substantive context. I say that because these are very serious measures. These are tax measures that will begin to bring about real change in the province of Ontario and, most importantly, to ensure that we take the first substantive and important steps in putting back in good order the finances of this great province. But they are serious. Any time a government takes steps to raise taxes, whether they be corporate or private or, in this case, the reversal of some credit measures that the previous government took, they are serious measures and we take them very seriously.

No government relishes the notion of measures that will affect taxation on the upside, raising taxes, as was referred to earlier today in question period, and every government looks forward to a time when we can moderate taxes. For us, it's extremely important for this House to understand, for my colleagues to understand, for the province to understand and for the world to understand that this government is determined and committed to a tax system in this province that remains competitive with all the jurisdictions we compete with, not only in the Great Lakes basin but around the world.

What is the context that we face as we consider and, I hope later on in this session, pass Bill 2? I want to deal with that before I deal with the particular measures that are in the bill. The context is really quite simple. The government of Ontario, over the past eight years, was on a collision course with serious financial impairment and

serious sustainability problems if we had continued down the course we were on. In short and simple language, the tax policies and the financial policies of the previous government were simply not sustainable.

What were those? We heard about them over eight years of Conservative government. We heard over and over again successive finance ministers tell us that the economic strategy in Ontario is simple: We were going to lower taxes in order to provide better services. That was never believable, from the day the previous government took office until the day they were voted out of office on October 2—a clear plan of reckless tax reductions that put at risk all of the public services that the people of Ontario look to the government to provide. I want to remind you that those issues were clearly the subject of the election campaign that ended on October 2 with the election of our party with a strong majority in this House now.

#### 1850

In fact, I believe that the election was about two things: It was about leadership in the province, and it was about taxes. We heard it over and over again—the two competing stories from, on the one hand, the Progressive Conservative Party and, on the other hand, our party. The Progressive Conservative Party said over and over again, “We’re going to continue with our program of tax cuts, we’re going to balance the budget, and we’re going to provide greater services.” Finally, it became clear to the people of Ontario that that story lacked credibility, that that story was not believable, that that plan was not implementable, that you simply cannot continue to do that. It’s kind of like a business where, in order to keep market share, you keep lowering and lowering the prices of your goods until your revenues are so low that you have to close shop.

On the other hand, you heard from the now Premier, the then Leader of the Opposition, Dalton McGuinty, during the campaign. You heard a quality of honesty and integrity about our financial situation which I think certainly captured the support of the people of this province in large numbers but which had a clarity and honesty to it. I remember Dalton saying over and over again, “I would love to lower taxes, but the fact is we can’t afford it.” If we’re going to provide a high quality of education in this province, if we’re going to reform education, if we’re going to make health care sustainable in Ontario, we cannot afford to lower taxes.

The magnificent thing about the campaign was that the people of Ontario heard that message and supported it in numbers that, frankly, in my capacity as president of the

party, I say to my friend from Scarborough-Agincourt, surprised even me. But the message was clear and it was simple and it was straightforward: that in order to ensure that we can deliver a high quality of public services, it would be necessary to take certain tax measures that gave us the revenues to achieve our objectives. That's what the people of Ontario voted for. The bill that is before us now is the legislative steps that we take to achieve those objectives. That's the political context in which we find ourselves.

Let me just say a word about the financial context within which we find ourselves. We had the election on October 2. Cabinet was sworn in on October 23. Shortly after that, former Provincial Auditor Erik Peters provided to the people of Ontario an independent analysis of where we were at financially in Ontario, and the news was not good. The news was very, very serious. His report was simple and straightforward. He said that on the current course, the province will have, by the end of the fiscal year—that is, March 31, 2004—a \$5.6-billion deficit. In fact, in his report he listed another \$1 billion of risks which could result in an even higher deficit.

How did we get to that point? We got to that point by a government that kept lowering taxes. The increase in tax revenues over the course of the past three years was about \$1 billion. The increase in expenditures was about \$10 billion. Do the math. It doesn't work. You cannot continually lower taxes and deliver a higher quality of services without incurring an enormous deficit. In my view as finance minister of this province, \$5.6 billion is very serious indeed.

In fact, if nothing else had changed, if there had been no election, if the previous government continued on the course that they were on, the deficit for next fiscal year would have been \$7.7 billion, and the year after that \$8.6 billion. Those are deficit numbers that approximate the darkest times in this province when the New Democratic Party was in power and ran up deficits approaching \$11 billion. That's just not sustainable. You just can't do that. You can't run a province or any jurisdiction by simply borrowing money and asking your children and grandchildren to pay it off sometime down the road.

So this is very serious business. We're raising taxes, the very taxes that we said we would deal with during the campaign. No one likes to do that, but our responsibility here is to make sure that we get our financial house in order. That's not simply so that one day we can say, "Well, we've now got a balanced budget." We're doing it because the only way to make government sustainable in Ontario is to make sure that we have the resources to provide the services that the people who elected us expect us to deliver.

If I go back to the election, there was resounding support for the notion that we have to deal with our education system. In fact, we have to deal with our education right from the early years, through the primary and secondary and the post-secondary systems, because our only competitive advantage, the only way that we can thrive and flourish, is by expanding what's up here,

what's between our ears. You need the resources to do that. During the election campaign, over and over again, we made the point that it was reckless to cut your revenues and pretend that somehow you could improve services.

So I remind the members of this House, had the election not happened and the road that they were going on, which they called the Road Ahead, if Ontario had continued down that road, next year the deficit would not be \$5.6 billion, which it looks like it's going to be this year, but \$7.7 billion, and the year after that \$8.6 billion. That's simply reckless management of the province's affairs—unsustainable.

I remember hearing the Leader of the Opposition talk during the campaign about, "Don't worry about it, it's going to be a balanced budget." Well, how were they going to balance that budget? Selling assets. We saw the disaster that occurred in 2000 when they did that with Highway 407. I remind the members of this House, particularly new members, that the budget that was presented—well, it wasn't presented here; it was presented outside of the Legislature. But we're not going to get into that story.

I recall that in that budget there was the number that made it all work: \$2.2 billion in asset sales. No one knew what they were. No one knew what these assets were that the Conservatives were going to sell. There was speculation about perhaps the Liquor Control Board of Ontario; speculation that once the election was behind him, the member from Dufferin-Peel-Wellington-Grey, now the Leader of the Opposition, would once again go after Ontario Hydro—I'm sorry, Hydro One—and we remember how much trouble that caused him and the various positions that he had on the sale of Hydro One. So \$2.2 billion in asset sales to balance last year's budget. None of that materialized. There was never going to be any sale. The notion that we would—

#### 1900

**Mr Cameron Jackson (Burlington):** There's half a year left.

**Hon Mr Sorbara:** I hear my friend from Burlington say that there's half a year left. I think he's suggesting that maybe we should get on with selling assets like the LCBO or perhaps GO Transit or who knows what. In my view as finance minister, their policy of selling public assets is like selling your house to put a meal on the table for the next 30 days. It just doesn't work.

I remind my friend from Burlington that the notion of selling the Liquor Control Board of Ontario is just a way of taking the revenues that would pay for programs for the next 20 years and bringing it all into year one. It's not good economic policy, I say to my friend from Burlington. It never has been. It wasn't in your budget—

**Mr Jackson:** You did it when you were the government last time—David Peterson sold off—

**Hon Mr Sorbara:** Well, there we go. When they were in government, they spent so much time talking about the Peterson years and how they had overcome the Peterson

years, but I tell my friend from Burlington that it's not going to work now.

They were going to sell assets—\$2.2 billion—in order to balance that budget. In addition, in that budget they overestimated by almost \$1 billion the revenues they were going to receive from a variety of crown corporations. That was a failure of very serious proportions to represent things appropriately.

The point is simple, and it is that what the previous government was doing was unsustainable, and in the election of October 2 the people of Ontario saw that clearly and voted them out of office.

Our job now is to set ourselves on a new course. We've got very serious work to do, and it starts with this bill. But this bill is only a start. Our responsibility is to transform government in a way that makes it sustainable again. These measures are a good first step, but it's not the only work. In fact, we have already announced that over the course of the next two or three months leading up to the budget, which we'll be presenting in the new year, we are going to undertake the most intense consultation a government has ever undertaken in a pre-budget context to help define how government can be transformed in order to make it sustainable.

We said during the campaign that there were certain tax cuts, reckless as they were, that had to be rolled back, and Bill 2 is the legislative implementation of that commitment. I want, if I can, to just speak a little bit about the particulars of this bill.

Bill 2 cancels the equity in education tax credit, effective January 1, 2004. I remember when the previous government, in a surprise move by the finance minister of the time, the member from Whitby-Ajax—do I have that right?—delivered a budget in this House, I believe without any consultation with the Minister of Education, announcing that Ontario was going to start funding private schools in the province. No support from the Minister of Education—I'm not sure there was much consultation about it even with the then-Premier. It was something that the member very much had a bee in his bonnet about, that it was time to put taxpayers' money, public taxpayers' dollars, into private education. Notwithstanding that 96% of the children of this province attend public schools, notwithstanding the fact that our public schools were in such a horrible state of disrepair as a result of Tory policies over the course of the past seven years, at that time, when the measure was introduced; notwithstanding the fact that an entire profession of teachers had been demoralized by attacks from the Conservative government over the course of the past seven years, in that budget the then finance minister said, "We've got a great new initiative. We're going to start funding private schools." One of the reasons why the people of Ontario supported us so strongly in the past election was that we said, "We're not going to do that. We are not going to put \$500 million a year into private education."

We have no quarrel with private education; we have no quarrel whatever. Personally, as a father of six, all six

of my children went to a wonderful private school called the Toronto Waldorf School. I never looked to my neighbours or taxpayers to help me with that burden. It adds to our strength in Ontario to have high-quality private schools. It's part of the diversity of the province, nothing wrong with it, but taxpayers' money for public services should go into public education. Therefore, this bill, Bill 2, cancels the equity in education tax credit. That's what the people asked us to do, and that's what we're doing with this bill.

Second, this bill repeals the Ontario Home Property Tax Relief for Seniors Act, 2003. I remember the discussions about this during the campaign. I was so touched when I heard from seniors, who said to me on the election trail, "This is wrong." Notwithstanding that the tax credit would come to them, "This is wrong." All of us should share the burden of education in the province of Ontario.

But even worse than that, I think one of the most reprehensible aspects of that bill—passed just before the election and designed to try to garner support from seniors—remember, it was a campaign of attempting to divide and conquer—one of the most reprehensible parts of the bill is that the measure most assisted those in the province who needed it the least. If you're a pensioner with a fixed income and you own your home—and let's say that home is worth about \$200,000—your education taxes, for argument's sake, let's say are about \$200 a year, perhaps \$300 per year. So you think, "Wow, I'm going to get \$300 a year back from the government in the form of a credit." On the other end of the scale, if you're a senior and your house is worth \$1 million and your education taxes are \$3,000 or \$4,000—and that's what they run—you get \$4,000 back.

Why would any government want to take taxpayers' money and divide it up in that way: so that the ones who need the most help receive the least and the ones who don't need any help at all get the most?

The people of Ontario saw through that. They said, "We don't accept that. That's not equitable; that's not the way government should work. That was just electioneering on the part of the Progressive Conservative Party." They rejected that notion. They threw it out.

Bill 2 also increases the general corporate income tax rate to 14% from 12%. These are the famous rollbacks of corporate tax cuts that Ontario did not need and could not afford.

In question period earlier on this afternoon, I heard questions directed to the Minister of Economic Development and Trade, the Progressive Conservative Party trying to suggest that somehow, with these measures, Ontario would no longer be competitive. Absolutely not true. The tax rates that the Conservative Party would have left in place would have had corporate tax rates in Ontario some 25% lower than those in our competing jurisdictions, particularly in the United States of America and other Ontario jurisdictions.

#### 1910

Your tax rates don't have to be that much lower in order to compete. We heard about Pennsylvania this

afternoon. Their corporate tax rate is 41%. Do you think the Governor of Pennsylvania wouldn't like to lower his corporate tax rates? Of course he would. We all would, but not at the risk of public services.

I remember during the campaign talking to leaders of corporations, large and small, who said, "We understand your tax policy and, frankly, we support it."

*Interjections.*

**Hon Mr Sorbara:** Do you hear some babbling over there from the other side? I heard some babbling. We'll just ignore it.

Our corporate tax rates are going to remain competitive and they're going to help us raise the revenue that we need in order to provide a high quality of public services. That was the story in the campaign. It's OK to tax at rates that are appropriate if the revenues are used to deliver high-quality public services, notably in the areas of education and health care, and growing stronger communities and having a cleaner environment. That was the story of the campaign.

In fact, as I was saying, during the election campaign I talked to many business leaders who said quietly, and some publicly, that we were going down the right road in terms of corporate taxes. The reason they said that is simple: They knew the problem of unsustainability in government. Businesses know better than anyone else that if government is not sustainable, then government cannot provide the services that businesses need in order to thrive and grow. Our responsibility is to make sure not just that we sustain the current economy but that we grow a new generation of a stronger economy. That means better transportation systems in the greater Toronto area. We're choking on our traffic. That means better-educated students. That means universities that are on the leading edge of knowledge in all areas. We have to provide that.

Our changes to small businesses in Ontario are minimal. In fact we made a distinction, before the campaign and during the campaign, between large corporation taxes and small business taxes.

Finally, as I see my time is running out, I want to say a word about the increase in tobacco taxes. It probably would have been more effective in terms of our health care objectives to raise the taxes on cigarettes to a much higher level immediately. We have a plan to go to the national average. In taking the steps that we did, which were effective last night at midnight, tobacco taxes will rise by about \$2.50 per carton.

We have very clear health objectives here but we also, as we frame our tax policy, have to be absolutely certain that we do not once again create a black market in tobacco of the kind that we saw 10 years ago. We will not put ourselves in a position, in short, to raise tobacco taxes to the extent where smokers and people of some questionable motives engage in a market that—well, I think you remember it. Eight or nine years ago, it was just commonplace that smokers would buy tobacco on the black market. We're not going to let that happen again. So in a measured way we will be raising taxes to the national average. Bill 2 contains the first step there.

Finally, I want to say a word about the borrowing authority that is part of the bill. Some people have asked me about the fact that the bill provides for, under the Loan Act, borrowing powers of \$7.1 billion. I want to be very clear about that.

With the additional tax measures that will impact our finances for this year, we think we can get to a point where the deficit by the end of the year will be lower than \$5.6 billion, but that's speculative. Revenues from these measures will begin to affect the balance sheet for this year right away. But governments have to be prudent and Ministers of Finance, I tell my friend from Niagara, Falls, have to be very prudent. The loan authority provides loan authority up till, I think, December 31, 2006. We thought it simply would be appropriate to put it all in one bill. That explains the difference between the deficit that we anticipate for the end of this year and the borrowing that is technically authorized through the bill.

In conclusion I simply want to advise you that I look forward to comments on Bill 2 from colleagues right around the House. It's very serious business. The roll-back of the taxes that are affected by this bill will generate some of the revenue and start us down the road to better financial health in Ontario. I look forward to support for the bill from all members of this House.

**The Acting Speaker (Mr Ted Arnott):** I'm pleased to recognize the member for Perth-Middlesex.

**Mr John Wilkinson (Perth-Middlesex):** I'm sure you can all imagine the fear, trepidation and excitement that I have this evening to rise at my seat for the first time. Many of you in this House of course have all had to do this, and there are others among my colleagues who will be attempting to communicate to the House and to our fellow colleagues this evening. So it's with great pride that I rise, and I would be remiss if I did not begin by thanking the voters of Perth-Middlesex for sending me here for the next four years.

I think it's appropriate, actually, that I've been asked to speak on Bill 2, a money bill, because I am by profession a certified financial planner, someone who deals with money day in, day out. I think it's important that in our caucus all views are represented. I think it's important that we all bring certain attributes to this place, and there are things that are never more important because all things deal with money, ultimately, in this House.

But I've been shocked, coming to this House and seeing—I believe the term "parliamentary shenanigans" was the question. I am surprised by that because I remember it was interesting to find, for me, how there seems to have been a time warp—a time warp perpetrated by certain parties that have made a tremendous flip-flop from where they were just a few months ago.

It reminds me of a story about a man who went to a priest and said, "As you know, Father, my brother has died and I would like you to give the eulogy tomorrow at the funeral mass." The priest said to the man, "I'm sorry, but I really cannot do a eulogy. I can't do the eulogy because I can't speak about the things that I hear in confession. But I do know that your brother cheated on

his taxes, and really it would not be appropriate for me to give a eulogy for your brother."

The man said to the priest, "It's very, very important to our family, Father, that you give the eulogy. I'm prepared to make a donation of \$5,000 to this parish if you'll give the eulogy." The priest said, "Well, \$5,000 is very generous but, and I can't speak out of the confession, I can tell you that I know that your brother was not always faithful to your sister-in-law. So it would be highly inappropriate for me to speak and give a eulogy"—

**Mr Rosario Marchese (Trinity-Spadina):** What about 10,000 bucks?

**Mr Wilkinson:** I'm going to try to tell the story this evening.

**1920**

And so the priest responded to the brother and said, "No, I can't do that," but the man said, "No, it's very, very important that you eulogize my brother. I'm prepared to make a donation of \$50,000 to your parish." The priest said, "No, I cannot do this. I believe that your brother actually murdered someone. I could not give his eulogy." The man said to the priest, "Father, you think about it tonight."

So the next day there was the funeral, the eulogy came up, and the priest stood up and said, "I've been asked to eulogize the dearly departed. I can tell you that he cheated on his taxes. I can tell you that he was unfaithful to his wife. I even believe that he murdered someone. But compared to his brother, he was a saint."

So I find it very odd to come to this House, after going through a lengthy campaign and being involved in politics in this province, to have certain parties somehow morph through some time warp and fail to realize that they were responsible for the fiscal state of the province that we are in today. I can tell you that if on Bay Street there was a CEO who, in the course of seven months, underestimated his expenses by nearly \$2 billion and overestimated his revenue by nearly \$5 billion on a \$70-billion corporation, that CEO would not only be fired; that CEO would be going to jail. It strikes me as odd that in this place, where we look after \$70 billion worth of taxpayers' money, we can have a government that could make these types of fundamental accounting mistakes and then somehow come back into this House and say, "Really, it had nothing to do with us. We were planning a great big fire sale. Ontario for sale. What part would you like to buy? We're desperate. We'd like to sell that."

Thank God, for the taxpayers of this province, we are not going to have a fire sale. As I mentioned, I'm a certified financial planner. Clients come to me—and I think this is exactly what the Premier and the Minister of Finance did. The first thing you have to understand is, exactly where are you today? Before you start figuring out where you're going to go, you have to know where you start. That is why we hired the eminent Erik Peters to review the books of this province, because there had to be no doubt as to the serious fiscal position that this government has been placed in.

I applaud Mr Peters for actually coming forward and making a very difficult choice, because I understand that he would go to the Ministry of Finance and he would ask them questions like, "So, what were you planning on selling, since your leader mentioned that in the campaign and has postulated about this after the campaign, that there were things to be sold?" They said, "We don't have anything on that, Mr Peters. There are no files here. We don't see anything about the LCBO being sold off or turned into an income trust. We don't see anything going on about the 401."

The next thing you have to do is you have to know, in financial planning, where you're going to go. I can tell you that our party knows exactly where we want to be four years from now: right back here. That's what we're going to make sure happens, because to get back here, then people have to know, "Did you keep your promises?" People have said to us, "You have four years to get this right," and you start by starting at the most fundamental question, and the most fundamental question is, "Where are you today?"

We know where we are. We know where we have to be. The problem is getting there. There's always the devil in the details—always. But we have been elected to make those tough choices. What I'm heartened about—and what makes us Liberals, I might add—is the fact that we are willing first to consult with people. We're not going to come in and slash and burn—like a previous government that we all know has been relegated to the history books—and make mistakes. The thing to do is to get it right, because we are dealing with people's lives.

I find—and I take great pride in this point—that there have been many pieces of correspondence come to me, including this piece here, from people who are concerned about our repeal of the private school tax credit. These pieces, I might add, are derogatory to the Premier, the person for whom I have the greatest respect.

I was asked by a local private school, a Christian-based school, to come and visit that school. I was more than happy to do so. In a sense, they challenged me in the local paper to come and visit their school. I called the principal and said, "Listen, I didn't come to your school because you haven't invited me." But he invited me, so I said, "Well, I'll come for the day." He was shocked that I would come for the day, but I did go for half the day. It's a wonderful school—and this is very, very important: The principal is a fine man, and a man of faith. The children were beautiful children. They're hardworking and very disciplined. If I taught at that school, I'd be proud. The teachers have forgone being paid at the higher rate that they would in the public system because of their love of their students and their love of their faith. So I was impressed.

The school itself had problems—a bit shabby, because the parents have to come up with the money to try to keep the school up. That's very, very difficult. There is a faith statement on the wall. The faith statement was a wonderful statement about how people who went to that school all believed in the same thing. The basis of that

was Biblical. As a Christian myself, I could understand that. I said to the principal, "If there is a child here whose parents are lesbian, would that child be welcome in this school?" The principal told me, "Yes, as long as their parents could attest to the ..." No. That child would not be welcome in that school. That's why my taxpayers' money does not go to that school.

This is a free province. It's fine that those people are able to go to that school. In a publicly funded system, there is a place for every child. We don't pick and choose which children go to publicly funded schools based on who their parents are, who their parents were, what their parents do, what is their lifestyle, what is their religion. There is a place for every child in the publicly educated, publicly funded system.

I say with greatest respect to the people of Ontario and my constituents: If you want to send your child to a private school, that's fine. You pay for it. There is a system that will take your child, no questions asked. There is a system that will take your neighbour's child, no questions asked. For us to have a strong and prosperous society, we have to have all children being lifted up. If parents want to send their children to an alternative system, it's a free country. But every child must be lifted up.

That is why I am so proud and so shocked that the NDP—

**Interjection:** Whoa.

**Mr Wilkinson:** —that another party of independents would decide in this House to vote against that. Here we are to repeal something that we fought in the trenches together, and now all of a sudden, because we're in this time warp, we've decided that we're going to be on the other side of the issue. Now all of a sudden you have a question.

*Interjection.*

**Mr Wilkinson:** That's right. I've been able to watch some of the members in this House and the opposition go on and on and on, so I've had some of the greatest of teachers just watching and tuning in at night to some of the other members.

### 1930

I'd like to close by saying that I am very, very, very happy to support Bill 2. I'm very happy to support the minister and his hard work. There are many difficult choices we have to make. I ask the good people of Ontario to engage us, to be part of the solution. There are difficult decisions that have to be made, but we will not be able to build the province that we want, we will not be able to have the province that our children and our grandchildren deserve if we do not make those difficult choices. If we do not put out the fire in the basement, we can't have the addition later on. That's why it's very, very important that as the people of Ontario listen to us this evening, they have an opportunity to become engaged in this debate.

Thank you so much for your indulgence.

**The Acting Speaker:** Continuing to share the time set aside by the Treasurer, I now recognize the member for Guelph-Wellington.

**Mrs Liz Sandals (Guelph-Wellington):** Thank you, Mr Speaker. It gives me great pleasure to see my colleague from Waterloo-Wellington to the north in the chair tonight.

I must begin by thanking my constituents, the good voters of Guelph-Wellington, who have sent me to this place. I really appreciate the faith they have shown in me and in our party. It is time now for our government to get down to work.

As we knocked on doors during the campaign—and we knocked on a lot of doors during the campaign—as we campaigned on this bill—because we did campaign on this bill—we found that people truly supported what we are doing here tonight, because the public understands that you get what you pay for. Time after time, as we knocked on doors, voters talked about their mother who needed home care and couldn't get it. They talked about their family who needed a family doctor and couldn't get it. They talked about the cuts at the local schools. They talked about programs that had been cut because there wasn't enough funding. They talked about a government that was always attacking teachers. As we went from door to door to door, people understood that if you want affordable housing, if you want a transportation system that works, if you want a province that works, then you have to pay for what you're going to get. And they understood. They said, time after time after time, "I don't want you to cut my taxes. I understand that if I'm going to have a health care system that works, if I'm going to have an education system that works, I have to pay for it and that you can't cut my taxes."

They also understood that Tory good management is a myth and that that has turned into the reality of Tory mismanagement. People understood that you can't keep selling provincial assets. They would say, "You can't sell 407." They would say, "You can't sell Hydro One."

**Mr Marchese:** It's already sold.

**Mrs Sandals:** They kept trying to sell it, but nobody would buy it because hydro was such a fiasco.

They understood that we need to hang on to our public assets like generators and Hydro One. They understood that you couldn't sell off the public nuclear inspection service, for heaven's sakes. Thank goodness we've been able to stop that. They understood that if you just sell off public assets, that's a one-year wonder. You do it once and then it's gone, and then what are you left with? You're left with a deficit. We thought it was a \$2-billion deficit; we find out it's a \$5.6-billion deficit. And we have to take care of that.

We have to make sure to be responsible to the taxpayers in this province, that we take care of our fiscal house and that we're going to have to pay for what we get.

One of the first things we will be doing is cancelling the private school tax cut. As my colleague from Perth-Middlesex has mentioned, the wonderful thing about the public education system is that every child can attend the public education system. It doesn't matter whether you've got a learning disability; whether your child is

autistic; it doesn't matter whether your child has a physical disability; it doesn't depend on whether your child is really bright, or maybe a little bit slow, or maybe just a good, all-round average kid who's bouncing along, trying to get through the day. It doesn't matter who your child is, it doesn't matter what neighbourhood they live in, it doesn't matter what their ethnic background, it doesn't matter what their religion; every child in Ontario can attend a public school or a Catholic school. Every child in Ontario has access to publicly funded education, and we want to keep it that way.

The interesting thing about this private school tax credit that we're getting rid of is that there are no rules. In order for a school to qualify for this private school tax credit, you don't have to have certified teachers; you don't have to follow the provincial curriculum; you don't have to have provincial tests; there's no public accountability for the spending of public funds. There are no rules. Even Mr Eves, the Leader of the Opposition, seemed to recognize this once upon a time. When he was running for the leadership, he said it was ludicrous to give schools money if they wouldn't teach the provincial curriculum. He said it was ludicrous. Well, once upon a time Mr Eves was right, but then he flip-flopped.

No other province in this country has private school funding without rules. Our colleagues in the Tory party here like to tell us, "Other provinces do it. What's the problem?" The truth is, no other province in Canada funds private schools without setting rules, and the tax credit that we are proposing to cancel here tonight gives public money to private schools with absolutely no strings attached. Do you know the only rule to be registered as a private school in the province of Ontario—the only rule—is that you have to be able to round up five school-aged kids? And if anybody ever gets to inspect you—because in fact the Ministry of Education has laid off the private school inspectors—the only thing you really have to do is make sure there's a safe fire exit. Five kids and a way out if you set the place on fire, and you can qualify for funding, with no rules and no public accountability. Of course we're cancelling this.

Our friends in the NDP here, on the other side of the bifurcated rump, used to support getting rid of the private school tax credit. In fact, I know my colleague from Trinity-Spadina has been a long and vocal supporter of getting rid of the private school tax credit, but what has he done now? He's voted in favour of keeping it. Can you understand that? I don't understand it, because I know he's been such a vocal supporter of getting rid of it, supporting our position. Yesterday he changed his mind.

**Mr John R. Baird (Nepean-Carleton):** What's up?

**Mrs Sandals:** I don't know.

So we can't have Mr Eves make up his mind, and the NDP seems to be having trouble making up its mind. Do you know, the one person who's been absolutely consistent on this subject is Premier McGuinty. The day the former finance minister announced this, without consulting with his Minister of Education, the day the Tory finance minister announced this, I was in the lobby

outside this door, and Dalton McGuinty walked into this lobby and said, "The Liberal Party, when we are elected, will get rid of the private school tax credit." He has been absolutely consistent on this subject—no wavering, total consistency. We campaigned on this subject. We are keeping our promise and we are going to repeal the private school tax credit.

**1940**

What about the seniors' property tax credit? My colleague the Minister of Finance has talked about the fact that it advantages well-to-do seniors more than low-income seniors. That's one reason to get rid of it. But the other reason to get rid of the seniors' property tax credit is because seniors don't want it. Again, as we went door to door to door, we heard time and again people saying, "I don't want this. I want to pay to have my grandchildren go to school. I want my children"—

**Mr John O'Toole (Durham):** One big tax increase.

**Mrs Sandals:** It's not a tax increase. No senior in this province has gotten one single cent from this Tory property tax credit. They've talked about it a lot. They promised something was going to happen in August or September, but nothing happened. No senior in this province has received one single cent from this tax credit. We are not doing anything that will make their property taxes different this year from what they were last year. We are not increasing their property taxes for education. What we are doing is listening to seniors, who have told us over and over again that they want their grandchildren to have an excellent education. They know that if their grandchildren are going to have an excellent education, they have a responsibility to help pay for it.

Do you know that the Canadian Association of Retired Persons, the group that represents the over-50s in this province, the group that in fact would be the beneficiaries of this, came out against this property tax credit and said, "As an organization, we don't want it because we understand that, number one, we must educate our children. We also understand that this doesn't help seniors most in need. As seniors, we want the government to spend money on health care. We want it to spend it on accessible housing for seniors. We want the government to pay for home care so that seniors can stay in their homes"? The Canadian Association of Retired Persons understood that if we have another tax cut, then we cannot afford to pay for those very important services for seniors. We are going to get rid of this property tax cut. We're going to listen to the seniors.

One of the interesting evenings I had during the campaign was an all-candidates' meeting. The all-candidates' meeting was at a retirement village, the Village by the Arboretum in Guelph. It's a seniors' community. I thought when we went in there that we would get hammered in a seniors' community about the private schools—sorry, private schools are on the brain here—about the property tax credit. Do you know what happened that evening? The people who lived in that retirement village said, "No. We want the education system to work. We want the health care system to work. We don't

want this property tax credit. We want you to make our province work.” That’s what we campaigned on, and that’s what we’re going to do.

We are going to cancel the next round of corporate tax cuts, although we will continue to protect our small business people. We are going to cancel further personal tax cuts because that’s what people said they want us to do. We’ve listened to the public. The public agreed with what we had to say and we are now acting on it.

It gives me great pleasure to be able to stand here tonight and say that I support Bill 2 because we understand that if we are going to make this province work, first of all we have to get our house in order. We cannot get our house in order, we cannot provide the services that the people of this province want, if we continue to give away our revenue stream.

We are also refusing to sell off the LCBO, Hydro One or private generators. We’re not having a fire sale of public assets. We’re going to do the responsible thing. We are going to make sure the province of Ontario gets its fiscal house in order. Once we get our fiscal house in order, then we can deal with making sure that public services work the way they are supposed to work.

I would like to thank you now for this opportunity to speak for the first time in the House. It has been a pleasure. I’m sure that there will be many more opportunities to speak.

**The Acting Speaker:** It is now time for questions and comments. I recognize the member for Nepean-Carleton.

**Mr Baird:** Thank you very much, Speaker. You look very good in that chair, and we look forward to an early opportunity to make official appointments.

To listen to these three members was quite a challenge. I listened with great interest to the member for Oakville. I said to my friends from the NDP that he’s going to be fun, because he’s hardly a rookie. We’re going to have lots of fun—

**Hon Mr Sorbara:** Perth-Middlesex. Get it right.

**Mr Baird:** Sorry. Perth-Middlesex. I apologize. They all give the same message.

He talked about the tax credit for private schools. It’s actually the tax credit for independent schools. He asked, why would we give taxpayers’ money to something where we couldn’t control it? If the member opposite knew about the equity in education tax credit, he would know that not a single dollar goes to the school. Rather, it goes to the parents. We give churches tax credits, give people tax credits for monies that go to a church, yet we don’t regulate a church and say, “You’re having a food bank,” or running a homeless shelter. “We’re going to come in and audit you for that.” But yet they get tax credits from people.

The reality is that there are many modest-income families in Ontario who want to enjoy the same rights as other members in this place who send their children to independent schools, to enjoy the same rights that parents of the Catholic faith have. They just want that same option, if they’re of modest income means, whether they send their child to a Montessori school or whether they send their child to a Jewish school.

I was very impressed with the debate intervention by Monte Kwinter, the member from Wilson Heights. He put forward some very good arguments and he convinced me. I’m with Monte Kwinter on this issue, and I was with Michael Bryant—

**The Acting Speaker:** Thank you. The member for Timmins-James Bay.

**Mr Gilles Bisson (Timmins-James Bay):** I thought it was a very interesting comment by the previous member—I forget her riding—who said, “We first of all have to get our fiscal house in order.”

I’d just remind members that I sat on the estimates committee last spring with one Gerry Phillips, the finance critic for the Liberal opposition at the time, who said basically that they were going to have about a \$5-billion deficit this year. When you added up the numbers, the Tory numbers were wrong and there was a \$5-billion deficit. We knew that back last spring. I find it a little bit interesting that the Liberals come in and make this speech and start talking to us, “Oh, well, you know, we’re really fiscally responsible.” I just wonder how responsible you are, because there’s been a whole bunch of promises that your party made during the last provincial election that haven’t held together.

I just look at the Taxpayer Protection Act, because I think it’s salient to this point. I’ll just read a couple of things.

A promise made by Mr McGuinty in a quote from September 11, 2003, said, “I promise to abide by the Taxpayer Protection and Balanced Budget Act.” That was the taxpayer protection promise that he signed on September 11. He said he was going to abide by it.

Then I hear Mr McGuinty shortly after, on November 21 in the Ottawa Citizen, quoted as saying, “We’re going to have to do something about the balanced budget legislation.

“It’s having at present, in its existing form, a perverse effect on governments.” If they knew that they had a deficit last spring and they were prepared to sign the taxpayer protection act pledge last election, which was this fall, while all of a sudden are they saying that it’s perverse?

I’m saying, they knew what the numbers were last spring, they made a bunch of election promises, and what we’re now seeing is the Liberal government breaking promise after promise. If it’s not the Oak Ridges moraine, then it’s not funding education immediately, as they promised in the last election. If it’s not that, it’s breaking a promise on hydro rate caps. Liberals speak one language in an election; they do quite different when they get elected.

**1950**

**Hon Gerry Phillips (Chair of the Management Board of Cabinet):** I want to compliment the Minister of Finance and my other colleagues.

The public of Ontario should be aware of this: About five days before the actual election, I was on a TV show with the then-Minister of Finance. I said, “Listen, we think there’s a deficit here. You say it’s balanced. Are

you telling us five days before the election date that the budget of Ontario is balanced? Is that what you're saying to the people of Ontario today?" She said yes. So there we found, five days before the election, a deliberate clarification by the Minister of Finance that there was a balanced budget. What did we find a few days later? The deficit of the province of Ontario was \$5.6 billion.

I will also say that the independent members perhaps don't understand what was said at a committee and they choose not to quote very accurately, so the people of Ontario can judge them accordingly. Again, to the Minister of Finance I said, "Listen, I'm adding up these numbers and I believe there's \$5 billion of risk in your budget, offset by a roughly \$2-billion reserve. So we believe the deficit is going to be approximately \$2 billion." To the then-Minister of Finance, Ms Ecker, I said, "Give us the real numbers. Will you do that?" She refused.

I say to the Minister of Finance today, thank you for the bill. It will begin to address the mess we've been left with here in the province of Ontario. I say to the people of Ontario, don't forget that the Conservative finance minister, five days before the election, swore there was a balanced budget, and that simply was not the case.

**Mrs Elizabeth Witmer (Kitchener-Waterloo):** I heard what has just been said regarding the former finance minister, and we have to be pretty clear and we have to be pretty honest with the public. What Mr Peters did was a review of some numbers. This is not a deficit; it is his projections. It is the worst-case scenario. It is not an audit, and don't pretend that it is. Let's not try to fool the public in Ontario.

The reality is that it takes into consideration the problems caused by SARS, mad cow and the energy crisis. Furthermore, it did not include the money that the province has since received from the federal government for SARS, for health care. It doesn't take into consideration the fact that the economic projections for the province of Ontario and Canada have changed. It doesn't take into consideration a lot of things. This is not an audited deficit. It is a projection of what may happen based on the worst-case scenario. So I think it's rather misleading to call it a deficit, because it is not.

I would also like to speak to the tax credit for people in this province who want to send their children to schools which may be of a religious or of a cultural or other type. We have to keep in mind that perhaps some people in this House have the financial resources to send their children to a private school. By far, many, many of the people who were receiving the tax credit and who wanted their children to benefit don't have the same financial resources.

**The Acting Speaker:** I now return to the Minister of Finance for two minutes.

**Hon Mr Sorbara:** It's only appropriate that these measures be in the first substantive bill that we bring to this House, given the debate in the election campaign. I just want to congratulate both my friend from Perth-Middlesex and my friend from—help me out here—

**Mrs Sandals:** Guelph-Wellington.

**Hon Mr Sorbara:** Guelph-Wellington. Oh my goodness, the hour is getting late.

I remember in the previous Parliament that even seasoned members of this House, when they were speaking on government bills, would have a speech prepared by the minister's office and they'd read it into the record with no emotion and no animation. To hear both of these members really bring life to this debate brought joy to my heart as a parliamentarian.

Second, there is no better authority on the finances of this province than my friend the Chair of Management Board. The people of Ontario should be very glad indeed that he is in the position he is in, because the Chair of Management Board is responsible for overseeing the expenditures, and he is going to be probably the most important element as we transform the way in which government does business over the course of the next four years.

Finally, to listen to the comments of my friend from Kitchener-Waterloo and suggest that what the former Provincial Auditor did was a misrepresentation or misled the public really quite saddens me. He said it wasn't his estimate of the deficit because there were other factors, and one does not know what the deficit will be until the end of the year. The economic circumstance that we inherited was the result of eight years of faulty economic policy from a party that she wanted to lead.

**The Acting Speaker:** Further debate?

**Mr Baird:** I am not pleased to stand up and speak to this bill. This bill is single-handedly the biggest tax increase since Bob Rae was in government. Every single time that Bob Rae stood up and raised taxes he brought in less revenue, because high taxes kill jobs. When there are fewer jobs there are fewer people paying taxes, there are more people on welfare, and the jobs leave the province and that leads to fewer jobs, less hope and less opportunity.

I'd like to address head-on the baloney that is trying to be spun by the evil spin doctors on the Liberal staff. You know these evil Liberal spin doctors. The stench of fresh paint and new carpet reeks from their offices. I was walking down the halls here on the second and third floors and there is a stench of fresh paint and new carpeting.

For those of you watching on TV, they've taken over 13 MPPs' offices here at Queen's Park. They don't want to rule from across the street; they want to rule from across the hall, and bring in their reign of fear and intimidation on their caucus members.

You know which MPPs' offices they're taking over? They're the big ones, they're the nice ones, and they're the ones where the interior designers are in, the new carpet-layers, the new paint—

**Mrs Witmer:** The new furniture.

**Mr Baird:** "The new furniture," the member for Kitchener-Waterloo says. I encourage all of you members: Walk up and down the halls on the third floor. There are no MPP names on any of these doors. When

they're not updating your offices, they're updating themselves.

**Mr Norman W. Sterling (Lanark-Carleton):** At what cost?

**Mr Baird:** My friend from Lanark-Carleton, who has been elected eight times to this Legislature, says, "At what cost?" It's so much money that the assembly doesn't even have enough money to pay for it. They have to pay for it through the executive council.

**Mr Sterling:** Over a million bucks for this move.

**Mr Baird:** A million bucks for this move, the member for Lanark-Carleton says. But I digress.

I return to the so-called Peters report. They say, "It's an audit. He's done an audit of the books." Page 1: "...my review does not constitute an audit"—exactly what the member for Kitchener-Waterloo said.

*Interjection.*

**Mr Baird:** He audited the books for the last eight years and gave this government an unqualified opinion as to the finances of this province, something that Paul Martin could simply not get a single time.

He goes on to further say, "I express no opinion as to what the actual deficit ... will be." "I express no opinion."

**2000**

A \$5.6-billion deficit? No, it's right in here, in black and white: "I express no opinion as to what the actual deficit will be." What this is about is a government which decried negative campaigning during an election, undergoing the most negative campaign ever seen after an election.

Week 1, they smacked down my friends in the New Democratic Party. What they want to do more than anything is take away their spirit, show them a lack of respect by constantly referring to them as independent members, and I don't think that'll work.

**Mr Peter Kormos (Niagara Centre):** My own colleagues refer to me as that.

**Mr Baird:** His own colleagues has referred to him as independent for many years, the member for Niagara Centre says.

Week 2 was saying, "We don't want these Tories coming back in four or eight years. We want to make it 12 and we'll undergo a negative smear campaign against the former government."

That's what this is all about. This is classic Liberal strategy. They've got all of the Chrétien has-beens now working around here, telling them what to do, telling them how to demonize the former government.

I think of all the lawsuits that have had to be settled in Ottawa when they tried to accuse Brian Mulroney of illegal activity. Alan Rock had to apologize to him and pay hundreds of thousands—because I think of things like the Pearson deal. I think of things like the helicopter deal. This is the kind of maligning strategy we're seeing from the spin doctors in this government. This government, I say, is in big danger of overplaying its hand.

I look at what some of these things have said. To hear lectures, as we did just earlier, from the member for Vaughan-King-Aurora and someone whom I respect

from Scarborough-Agincourt, Gerry Phillips—these guys were ministers in the government who campaigned around Ontario two years and 10 months into an election term, promising we had a balanced budget in Ontario, and left a \$3.6-billion deficit. That was the audited statement.

**Mr Richard Patten (Ottawa Centre):** Not correct.

**Mr Baird:** That's exactly what happened. Floyd Laughren had the class not to get down into the gutter like the regime over on the other side. So to hear lectures from a team which has been audited, left a \$3.6-billion deficit, is too much. In 1990, they didn't introduce a balanced budget.

**Mr Patten:** You're lying.

**Mr Baird:** What did you say?

Madam Speaker, the member opposite just said I'm lying. I'd like you to rule on whether that's parliamentary. You didn't hear him? Would you ask him maybe if he said it?

**Mr Patten:** Yes, Madam Speaker, I did say he was lying. I retract that.

Your nose is growing.

**Mr Baird:** That's class, Madam Speaker.

So to get lectures from two validated people who left a \$3.6-billion deficit is a bit much when, Mr Peters says it himself, it's a projected deficit. This government was elected only six months into the fiscal year. Imagine the captain of the Titanic leaving Great Britain saying, "I know there's an iceberg on the other side of the Atlantic, but it's too late for me to do anything." Certainly, something can be done.

Standard and Poor's said shortly ago—and I'll read them, as far as their latest research reports: "Standard and Poor's expects that the province will take the necessary steps to deliver a balanced budget by the end of the current fiscal." They go on to say: "Standard and Poor's expects that, despite near-term economic challenges and some risks to the revenue and expenditure outlooks, the Ontario government will remain committed to restoring fiscal balance and further reducing net tax-supported debt as a share of GDP in the medium term."

"Ontario's finances have remained in fairly decent shape overall, but the province has had to put out a number of fires to stay on track with the balanced budget envisaged for fiscal 2004."

"Ontario's budgetary performance is comparable with those of its international peers. The province's operating surplus of 3.6% of operating revenues is comparable with operating surpluses posted by Alberta and Manitoba."

So what we have is a government that sees a big financial challenge, much like my former cabinet colleagues in the Legislature tonight saw after the September 11 bombings in 2001, where we were facing some big challenges, but we rolled up our sleeves, we went to work and we said, "Where there's a will, there's a way."

But with this government the story is something else: Where there's a problem, there's a whiner. What are the headlines like now in Ontario? I just look to last week's Ottawa Citizen: "Ontario: Home of the Whiner." It's this

government, where they are whining about not being able to balance the budget and yet are not prepared to do a single thing to balance the budget, when something can be done. This isn't John Baird saying this; this isn't a member of the Tory party saying this; this is John Manley, the Deputy Prime Minister and Minister of Finance. The member for Ottawa South is quoted in the paper as saying that it would be timely for expenditure reductions to take place, like those in our financial plan that were brought forward in this year's budget. John Manley says that it can be done and that it would be timely for that to happen: "It may be timely for that to happen in the Ontario government as well." But this government is more concerned about maligning the former government than it is about taking action.

Was it a surprise? The Minister of Energy is right now on CBC Radio saying that he didn't know there was a financial challenge in this fixed rate cap. He didn't know it. He was actually on CBC Radio saying that, when we'd gotten at least 10 questions posed by members opposite who were concerned about it. I did read the Hansard, and I encourage all of you to read the Hansard, from the estimates committee and a discussion that the member for Scarborough-Agincourt, whom I have a great deal of respect for, had with the Minister of Finance. He identified all these risks. He called them risks. He didn't say it was a deficit; he did say "risks." But all of these issues he identified back in June—there were no surprises—were all well known.

The issue of asset sales: They said they were surprised that there were \$2.2 billion in asset sales. They didn't know that. There was no commitment saying that they were ever sold. I do say that even Mr Peters acknowledges that there was \$400 million more; the sale of our 50% interest in Teranet had gone through. Mr Peters says he couldn't find any knowledge anywhere of any asset being sold. I can show you documents, signed by senior public servants, where they acknowledge that after we had sold the Mississagi system in the fall of 2001-02, we were going to sell the decontrolled Mattagami River system—market value of almost \$1.3 billion. But they said no one knew about that. Well, I've got the documents that have senior officials' names on them.

I had discussions with senior officials at the Ministry of Finance in preparation for the Epp report on the future of Pickering. We wanted to look at the very successful model at Bruce Power, and we could have done that. I spoke quite openly about adopting the Bruce model with respect to Pickering.

Clearly, nothing outlined in the Peters report, not a slim iota of information, was new. If there was any doubt, there is the Hansard, where the member for Scarborough-Agincourt outlined it all, but they tried to say that it was somehow a surprise, and now a disguise and a guise for not keeping any of their campaign commitments.

They put forward a throne speech. What are people saying about this throne speech? Let's look at the headlines:

"Liberal Promises on Back Burner." The Chatham Daily News.

"Rural Ontario Feels Left Out: Critics Say Liberals Too Urban-Focused." The Chatham Daily News.

"Service Cuts Likely, McGuinty Warns." The Kitchener-Waterloo Record.

"Smaller Class Sizes not a Great Idea." The Kitchener-Waterloo Record.

"These Liberals are Looking a Bit Conservative." The Kitchener-Waterloo Record.

"Rural Ontario 'a Dirty Word.'" The St Catharines Standard.

"McGuinty Hints at Tax Increases." The Kingston Whig-Standard.

"Liberals are in a Tight Spot." The Kingston Whig-Standard.

"Expect Service Cuts." The Peterborough Examiner.

"Smoking Ban Would Hurt Bars, Restaurants: Group Fears." The Peterborough Examiner.

"Organized Labour Less than Impressed." The Welland Tribune.

"Liberal Message: Think Small." The National Post.

"New Premier, New Mayor but Same Old Problems." The National Post.

## 2010

"The Liberals Missed the Boat." The Pembroke Daily Observer.

"Throne Speech Bad News for Seniors." The Cornwall Standard-Freeholder.

"Throne Speech Concerns Educators." The Cornwall Standard-Freeholder.

"Throne Speech Downplays Promises." The Ottawa Citizen.

"New Premier, Same Old Song." The Ottawa Citizen.

"A Threadbare Throne Speech." The Globe and Mail.

"Tories are Bad—Get the Message?" The Toronto Sun.

I could go on and on.

Look at what others are saying. In Dalton McGuinty's own hometown newspaper, Randall Denley, one of the premier columnists, writes, "There was a bit of hope, obviously naive, that Dalton McGuinty might actually be a different kind of Premier. The throne speech yesterday was further discouraging evidence of how unlikely that is." The Ottawa Citizen, November 21.

"Bad Tories, oh, bad, bad Tories, was the message. Okay, now click your heels three times and you're back in Kansas. The reality is there is no \$5.6-billion 'deficit.'" Christina Blizzard of the Toronto Sun—a very independent, credible journalist; very reputable.

**Mr Dave Levac (Brant):** Very reputable.

**Mr Baird:** Very reputable. The member for Brant doesn't think Christina Blizzard is reputable?

**Mr Levac:** I'm saying she's very reputable.

**Mr Baird:** Exactly. The member for Brant is saying she's very reputable, backing up what I said. Thank you, member.

"They promised us a shopping trip at Holt Renfrew, but we're going to Wal-Mart instead." Murray Campbell at the *Globe and Mail*.

I could go on reading; there are literally hundreds of them. But this is the reality, that Liberals right across the province went out and said things that cannot be delivered on. I can only imagine what the reaction would be if Mike Harris told people to temper their demands, if he said to schoolteachers or children or others to temper their demands.

To speak more specifically to Bill 2, though, one of the things I was a bit surprised at was the income tax changes in this bill. The Liberals I heard speaking in this chamber, in Kanata, in Nepean, in Ottawa, in Mississauga and in other places were saying, "We're going to raise the taxes on these big, evil companies"—you know, the eat-the-rich strategy that the NDP used to use. They said they were going to raise taxes on individuals. But part of this act—and I don't know if you've read this act—they say it's a small, little act. This is what I was given. This is the act. It's an omnibus act. It's changing the Corporations Act, the GO Transit Act, the Income Tax Act, the Municipal Act, the Ontario Home Property Tax Relief for Seniors Act, the Retail Sales Tax Act, the Tobacco Tax Act, and I could go on. It's a huge piece of omnibus legislation that you folks would have decried had you been sitting on this side of the House. It's one of the biggest bills brought in this early in the government. I think the member for Lanark-Carleton will agree.

What I'm surprised at is that there are specific sections. I would encourage all of the members, particularly the new members: you should read this. You have a responsibility to go through and read some of the drivel in this bill.

There's a section of this bill which specifically increases taxes for the lowest income tax rate. Why would you even touch that? Why would you even touch the lowest income tax rate, the working poor? You can brag all you want about raising the minimum wage and giving more money in the left hand, but when you're taking more out in the right hand? Why would you touch the lowest tax rate, those people who get up every morning, work hard to provide for themselves and their families, often struggle to get by? You're going to take more money out of their pockets. More people are going to go on the tax rolls than were on before this bill will become law. That's outrageous.

Not just to go after the poor, the weak and the meek; this bill also goes after—reading right from this bill. The member for Lanark-Carleton is obviously shocked and wants to become more aware of it himself. They're also going after the middle tax rate. So you're whacking the middle class.

I think one of the responsibilities of government should be to grow the middle class, to try to encourage working families to be able to provide for themselves and their children. It doesn't just do that in the income tax portion; it does that in the new home sections, where we're trying to encourage people to purchase their own

homes. That's a real shame. That's what this government is also up to.

I did ask the Minister of Economic Development and Trade—we always hear, "Well, Ontario's too competitive. We don't need to be that competitive." I said, could he name me any provinces in Canada that will have lower business taxes once this bill is passed? He went on about some arcane formula with respect to corporations in North America. The reality is that corporate taxes will be lower in both Alberta, the province we're competing with to be the economic leader of the country—until this government took office—and Quebec, our largest trading partner in Canada. There will be a Quebec advantage. When a company is looking at investing, and making investment in creating jobs, they're going to see that. At the boardroom table they're going to see that taxes will be lower in Quebec, and then we'll wonder why the jobs go to Montreal instead of coming to Ottawa, the GTA or the technology triangle of Kitchener, Cambridge and Waterloo.

They talked about US states: "We're already competitive enough." But let's add up all the demands and costs on business south of the border—the regulatory environments. In the United States, 19 states have right-to-work laws. It's been decided we're not going to do that in Ontario, so our taxes had better compensate for that to make it a brighter place to invest.

When I first got here, the member for Kitchener-Waterloo will remember, the Liberal Party would cry, "Where are the jobs? There are no jobs." Then the jobs started to come. They said, "Yes, but you promised 725,000 new jobs." Then, when job creation picked up, they said, "But you promised 725,000 net new jobs." By the time it was going on, they were talking about 725,000 good-paying, full-time net new jobs.

Then the two famous lines were, "Boy oh boy, we owe all this economic prosperity to the United States." Thank you, Alan Greenspan. Thank you, Bill Clinton. The reality is that in the last 18 months we've seen more jobs created in real numbers right here in Ontario than in all 50 states combined—not the average; not per capita. More jobs have been created in Ontario than in all 50 states combined. That's the reality. That didn't happen by accident; it didn't happen because of Paul Martin; it didn't happen because of Alan Greenspan; it happened because this government had the courage to create the right conditions for investment and opportunity. What we're seeing is a turning of the page of that type of strategy, where our government is actually saying, "We're too competitive. We don't need to worry about it."

One thing I learned on the election campaign—and I know the member for Lanark-Carleton, who represents the growing community of Kanata, will have met many people whom he spoke with, going from door to door in the election campaign—is that there are a lot of people in the new city of Ottawa who have been laid off by the high-tech sector, who are unemployed, who lack hope and the ability to provide for themselves and their family.

When Nortel is looking at keeping jobs or bringing new ones, I don't want those jobs to go to a Richardson, Texas. I don't want those jobs to go to a Raleigh or a Durham, North Carolina. I want them to come to Nepean. I want them to come to Kanata. I want to see them come to Mississauga and to the technology triangle for new jobs. I'm terribly concerned that the light of Ontario is just a little less bright. It's a concern.

I say to the Minister of Northern Development—he's a good guy—we want to see more jobs created up north, and I don't think raising taxes is the way to do it. You talk to the mining sector. You ask them if those mining tax cuts that were brought in over the last eight years have helped create jobs. To a T, you will find unanimity among those mine producers, the job creators in northern Ontario. I encourage the Minister of Northern Development and Mines to take that same broader approach with the rest of the province.

I could go on. You look at other consequences. There are currently four jurisdictions in Canada that have manufacturing and processing rates which, once this bill passes, will be more competitive than us. And there's British Columbia, with a new free-enterprise government. It should be a real concern that jobs will go there. Premier Campbell was here just yesterday.

New Brunswick, among a number of other jurisdictions, has a manufacturing and processing rate that will be lower than ours once this legislation passes. That should be a concern. Frank McKenna used to come job poaching in the GTA when he was Premier under the former NDP government. We had to provide OPP security for him and pay for it. That was the real obscenity for Ontario taxpayers. We don't want to see that kind of job poaching return. That is a concern.

## 2020

So they're not just raising taxes on corporations; they're raising taxes on the lowest income tax rate. Why you would go after the poorest in your first budget bill—was that something that all of you new members knew about when you were campaigning: "Yes, I want to raise taxes on the working poor"? I didn't hear about that in my constituency and I suspect you weren't telling that to folks in yours. What I saw during the election campaign was a multi-million-dollar ad-buy where Dalton McGuinty looked right into the TV camera, looked right into the homes of people of Ontario, and said, "I won't raise your taxes"—unless you're a senior, unless you're trying to buy your own home, unless you pay income tax, unless you're a smoker, unless you run a small business. I think it's frankly outrageous. There was no asterisk on those television commercials. There was no fine print. You watch television advertisements for pharmaceutical products and they have to list what the problems are: "This may cause liver disease. This may not be good if you're expecting a child," blah, blah, blah. We didn't see any of that small print in Dalton McGuinty's partisan advertisements. They said one thing on election day and then did another.

Why wouldn't they go out and brag about raising tobacco taxes? Can you think of any tax rate that's 74%?

I'm not making an argument against tobacco tax. I don't smoke. I'm a vehement anti-smoker. I appreciate the leadership provided by the former Minister of Health and by my friend Norm Sterling, who is a long-time advocate on this issue, as the member for Waterloo-Wellington will know.

But are they taking this money, and what are they doing with it? I think one of my colleagues will speak to that later. So I'm concerned about that. I'm concerned about the whack that this is going to give to corporations, where we're already falling behind, between Quebec and Alberta. I say to my friend from Ottawa-Vanier, whom I admire and have a great deal of respect for—I'm looking forward to having the chance to work with her over the next four years—when she looks across the river from her constituency, does she want a lower tax rate on the other side of the river? Their property taxes are lower; now their corporate taxes are going to be lower. The price of land is lower. The price of labour is lower. We don't want to see that. I know the member for Glengarry-Prescott-Russell is nodding his head in agreement. He doesn't want to see that either, but that's why we've got to vote against this bill, or at least move to change it. But it goes on.

I will say one good thing about this act. I am pleased with one of the amendments to the Retail Sales Tax Act, where they're proposing to extend the rebate on energy-efficient appliances. I think that's good news. It will encourage more people to trade in an old appliance and get a new one, which will have great benefits for our environment and for our energy supply. They're keeping that, which is good news and I do support that.

I would like to see, with respect to tobacco in this bill, some commitment to tobacco farmers. This is a sector of the economy which is obviously declining and in need of support, whether that's in Oxford county or Brant or Norfolk. Toby Barrett, the member for Haldimand-Norfolk, has been a tireless advocate for the agricultural sector. I don't want to just hope that this Minister of Agriculture, with his performance this afternoon—hope that maybe down the line he'll consult and maybe something will happen, because once the money goes into the pot, it will disappear and will never be seen again. There should be a proposal with respect to that.

Somehow, people are thinking that all these big tax increases are going to go to health care. The member for Lanark-Carleton—we fought hard for a new hospital for the Royal Ottawa. It's a mental health hospital and its plant is in terrible shape. They came forward. George Langill and the entire team at the Royal Ottawa Hospital came forward with a private-public partnership, an innovative design where they would maintain all of the clinical services, all of the medical services. The private sector would provide things like shovelling the snow, mowing the lawn, things like the laundry, food services and whatnot. Substantive savings can be made by allowing the hospital to be rebuilt and redesigned so the labour costs can be reduced because the hospital was spread out over a number of old, aging buildings. If it's redesigned

they could close part of the hospital; it just operates during the day.

The Liberals promised to cancel it. I know the member for Ottawa Centre has cared a lot about this issue and he was just as concerned as I. We were concerned that they were going to cancel this hospital. I want to congratulate the government on another thing they've done right. They didn't cancel it. They're keeping the arrangement, but it's very different. I can see the arrangement that the Liberals have put forward with this private hospital in Ottawa; it's different.

I'm going to show you. The announcement that the Liberals made on Friday in Ottawa—they have red letterhead. It's red. Ours was different; ours had blue letterhead. But it's the same deal. You just changed the colour of the letterhead. Yours is red and ours was blue.

**Mr Sterling:** Same as their Web site.

**Mr Baird:** Same as their Web site; exactly.

I looked to Randall Denley, whom I have a lot of respect for. Here's what he said about the Royal Ottawa Hospital announcement the other day:

"Yesterday's Royal Ottawa Hospital announcement was Dalton McGuinty's litmus test for political stupidity. If he had actually cancelled the new hospital because the building would be privately owned, McGuinty would have earned himself a place alongside Prime Minister Jean Chrétien and his famous cancellation of the helicopter deal.

"Fortunately, McGuinty isn't that stupid, but the way he spun his new deal, he must think the rest of us are."

There wasn't a single reporter at that press conference who didn't think that the deal was any different than the colour of the press release. One of the reporters asked Mr McGuinty, "What's the difference between a 'po-tay-to' and a 'po-tah-to' as a comparison?" Dalton wouldn't answer.

I listen to CFRA every morning, as my colleague from Lanark-Carleton does. Dalton is on his 112th day of refusing to talk to CFRA radio station, the biggest radio station in our community of Ottawa, I say to my colleagues from Ottawa. He won't talk to them. He won't talk to this—

*Interjection.*

**Mr Baird:** It's the best one. Lowell Green just gives the truth. Lowell Green won't go on the show. It's probably because it's in Ottawa.

I say to my friends from Ottawa—you'll know this—that in Ottawa there is a bit of a sense that Toronto gets everything and Ottawa doesn't get anything. Boy, have we seen that with this government. Dalton McGuinty is the Premier of Toronto.

In our government, we only had a single full minister from the city of Toronto. In this government they have eight. They've gone up an 800% increase, in the full-time—

**The Acting Speaker (Ms Caroline Di Cocco):** Excuse me. I believe there are cellphones going off in here. There's something going off. So I'd like it either removed or turned off, please.

**Mr Baird:** I'm shocked that these members would bring a cellphone into the Legislature, Madam Speaker.

Dalton McGuinty not only refuses to go on the Steve Madely show in Ottawa; he refuses to even answer the CFRA reporter's questions at press conferences. He joins the mayor, where Dalton's brother is the chief of staff. The mayor is on day 46 today. He won't speak to CFRA radio station either. I can imagine if you tried to do that to CFRB in Toronto. Boy, would there be heck.

We've gone from one full minister representing the city of Toronto to eight: an 800% increase. We only had one member from Hamilton, so we could only have one. Hamilton were hoping they were going to get two or three ministers. They've got a number of high-profile and capable representatives, but they stuck with one. Why did they only get one? Because Dalton McGuinty worships at the feet of Toronto. He had a big scrum. The mayor of Toronto was here today, and that's the importance. But you think, "OK, well then, there must be few ministers who abut Toronto if they're all in the same—oh, they've got lots of ministers. They've got the finance minister who controls all the purse strings from a riding right beside Toronto; the transportation minister who doles out the money, and that's going to all go to Toronto. We're concerned about that and we'll be watching very closely about this 800% increase in cabinet representation for the city of Toronto—800%.

No wonder they think in Ottawa that this is a Toronto-centric government. No wonder they think in northern Ontario that this is a Toronto-centric government. No wonder they think in Hamilton that this is a Toronto-centric government. It's all about Toronto.

**2030**

*Interjection.*

**Mr Baird:** I know the Minister of Finance is saying that we don't give enough money to Toronto and complaining about that. I'll tell you that the mayor of Toronto is biding his time—

*Interjection.*

**Mr Sterling:** Where's the two-cent tax? How much are you going to give him?

*Interjection.*

**Mr Baird:** "In the fullness of time," the Minister of Finance says.

**Mr Sterling:** The Minister of Finance is saying we gave nothing to Toronto. You promised them two cents on the tax. Where is it?

**Mr Baird:** I'm always pleased to get advice from the great wise helmsman of the Ontario Legislature, Norm Sterling. Just him sitting beside me, my IQ goes up two or three points. I'm very fortunate.

I've talked about the hospitals—another promise the Liberals have backed away from.

I'm going to go home on Friday and I'm going to learn more in Ottawa about the provincial government than when I'm in Toronto because when Dalton gets home, he gets away from all the evil spin doctors and his advisers, the cadre of the merchants of fear.

I was also reading the Citizen on Saturday morning: “McGuinty to rewrite balanced budget law.” I said, “I’ve been at Queen’s Park all week. I listened to the throne speech. He didn’t mention that.” Apparently he has a secret, quiet process going on to have the Minister of Finance rewrite the balanced budget law, and I thought, “Is this the same law that he signed just a few months ago?” Was that the same law—

**Mr Bruce Crozier (Essex):** Is that the same law you changed a couple of years ago?

**Mr Baird:** That law was changed. The official opposition of the day was justifiably angry, and the people of Ontario have rendered a verdict on it.

Dalton signed it one day, voted for it on all three readings, got offended when anyone suggested he wasn’t against it. After the election, the Liberal campaign promise: “It’s perverse.” His words, not mine, Speaker.

He says, “The opposition decried this government for changing the taxpayers’ protection pledge.” Rightfully so, and I’ll tell you, the people of Ontario have rendered a verdict on that, but let’s talk about your government.

He signs the taxpayer protection act, votes for it and then calls it perverse and calls it a joke. That’s outrageous. We’re going to hold this government’s feet to the fire. They said they’d live by the Taxpayer protection act. I guess they’ve lived by it for at least three weeks, so that must have been the case. I suppose if they change the act, they’ll still be abiding by the act. These are the kind of actions that lead to cynicism in government. These are kinds of actions where governments don’t keep their promise.

You talk about the rate cap. I saw Dalton McGuinty at the airport the morning we announced it. I said, “Dalton, watch what we’re going to announce. It’s a good policy. You’ll like it.” He said, “Oh, no, John. No, John.” He came out swinging against our energy policy last November 11. We bring it into the House and he calls it outrageous; calls it stupid. He sends a fundraising letter out at 1 o’clock to all the energy stakeholders telling them, “I’m going to be consistent on energy policy. Send me \$7,500.” That’s at 1 o’clock. At 3 o’clock he announces he loves the energy policy of the Conservative government. He’s going to support it, and all the Liberals members at 1:45 line up to vote for it, first reading, second reading, third reading. The only person who didn’t, by the way, was the energy critic, Sean Conway, who left the room because he was so appalled at their flip-flopping. Is it any surprise that they have now changed their mind again?

*Interjection.*

**Mr Baird:** I say to the member from Essex county: Watch what voters do to people who change their mind too many times.

**Mr Crozier:** That’s what happened to you.

**Mr Baird:** I say to the member for Essex county: Watch, and you could learn from the experience.

**Mr Crozier:** We’ll try.

**Mr Baird:** You’re not trying very hard if he says he’s trying to learn from the experience, because this govern-

ment’s brand is already a government which breaks its promises. They promised they were going to protect the Oak Ridges moraine on October 17 after the election and then sent poor Gerretsen—hung him out to dry, sent him up there—it was embarrassing for the man. Did you see the press conference on TV? My God, the man’s going to have to get running shoes. He runs away from the press; he runs away from scrums.

**Hon Mr Sorbara:** Who?

**Mr Baird:** Gerretsen. It’s sad. Someone’s going to get hurt. We’re going to have to have “no running in the halls” governed by the Speaker. It’s sad. He’s been hung out to dry by this cabinet. They tried a really sneaky thing, the evil Liberal spin doctors—there’s a few of them sitting over there. I won’t name them, particularly. There’s one sitting there, not a few; I know of only one evil spin doctor sitting over there. He works for the Ministry of Public Infrastructure Renewal. They actually did this thing. They tried this little deal where they have the Minister of Health doing a press conference in Brampton, the Premier doing—

**Hon David Caplan (Minister of Public Infrastructure Renewal):** Name names.

**Mr Baird:** Give me his name and I’ll name him. They have the Minister of Health giving a press conference in Brampton, they have the Premier giving a press conference in Ottawa and they have the Minister of Transportation giving a press conference downtown, hoping they can spread all the reporters so thin that no one will show up to find out about the promise they broke. It’s outrageous, and we’re going to hold them to account on that when they broke that promise.

They broke their energy promise today. I was pleased to award Dwight Duncan earlier today, with the media—to make him the first member of the Liberal promise breakers’ club. He is the charter member of the Liberal promise breakers’ club. We were pleased to inaugurate that earlier at a very well attended media conference. I say to all those members: All of you were nominated. Stay tuned. You might get awarded this thing soon. You don’t have to go far. You can go on any street, go into any coffee shop, go to anyone up in the media gallery and ask, “What’s the hallmark of this government?” Breaking promises, that’s what it is. That’s not just about 2003; it’s about reducing the esteem that all politicians are being held to. When you say one thing before an election to get people’s votes—

**Hon Mr Sorbara:** Get over it, John.

*Interjections.*

**Mr Baird:** Some people said they made these promises and were naive and reckless. Those aren’t my words. Those are John Gerretsen’s words. He said they were naive. Some people said they were reckless. Some people said they were lying, but I wouldn’t because that’s wrong. I wouldn’t say that because that’s wrong, but that’s what some people said.

**The Acting Speaker:** I would ask the member to withdraw.

**Mr Baird:** I withdraw.

But that's what some people are saying. In cities, towns and villages across the province that's what they say. That hurts our profession, that hurts the public good and it's just disappointing. We balanced the budget four times. Mr Peters's report is clear that there is no deficit. You never balanced a budget, and we look forward to learning more from my colleague the member for Kitchener-Waterloo and what contribution—

*Interjection.*

**Mr Baird:** The member for Lanark-Carleton says, "We would have." We could have; they won't. We will be very clear on that in short order. It's unfortunate that it took David Peterson at least three years to become this arrogant, but they've done it early in the first month.

**Mrs Witmer:** It's a pleasure to join the discussion on the Liberal tax hike act this evening. What a difference a few weeks can make. Throughout the election campaign this fall we heard Dalton McGuinty on a regular basis tell us that there were 231 promises that he was going to keep and that he was not going to raise any, any taxes. He told that over and over again to the people in the province of Ontario. However, yesterday, with the introduction of the tax hike act, he broke one more promise, and this is probably just one of many, many promises that he is going to break. I think we can all remember that TV ad—it was played over and over again—where he very solemnly looked people in the eye as they sat in their living rooms or their family rooms and he said, "I won't raise your taxes." Yesterday he broke that solemn promise. He broke his pledge to the people of this province, just as he has broken at least five other of the 231 promises, including the hydro cap, the P3 hospitals and the building of homes on the moraine.

#### 2040

Let's just take a look for a minute at the P3 hospitals and the promise that has been broken. Let's just remind the people in this province that P3 hospitals mean private-public partnerships. Let's remember what Dalton McGuinty and the Liberals said: that this was creeping privatization, this was Americanization, and they weren't going to stand for it. I can tell you that these hospitals in Brampton and Ottawa are still being built by a private consortium. That consortium will finance them. They will build them, they will operate the ancillary services, while leaving the medical services to the public authorities, just as we had planned to do. The public is still going to be making payments to the private consortium. Nothing has changed.

If you accused us of two-tier, this is still two-tier. The private sector is building these hospitals. You are paying the private sector for these hospitals. These hospitals are going to be operated by the public, just as we were going to do. You've used a few little weasel words like "mortgage" and "lease" to try to indicate that it's different; it basically isn't. You don't own them yet.

Let's take a look at the legislation yesterday and at the impact this is going to have on people in Ontario. You cancelled personal income tax cuts. Some of the lowest-income and middle-income people in Ontario, regrettably,

are going to be impacted the most by that particular change. It's going to eliminate the final stage of the 20% personal income tax cut that was outlined in the 2001 Ontario budget. The net result of these tax measures on people making \$40,000, which as you know is much less than what we're making in this House, would be a tax increase now of approximately \$180 per year—money that they could have kept in their pocket; money that they could have used to buy food for their children, to buy clothing for their children, to buy Christmas presents for their children. They will not have that saving.

This act that you've introduced also freezes the threshold for the personal income surtax at current levels. This effectively means that 470,000 Ontarians will be required to pay this punitive surtax that they would no longer have had to pay under our plan.

Let's take a look at the business taxes. You talk about corporate taxes. Let's remember that most of the people who pay the taxes are your neighbours; they're your friends; they're small- and medium-sized businesses. For them, it's going to mean that they have less money for research. They have less money for benefits for their employees. They have less money to hire employees. Think of what it might mean for students next summer as they look for a job. These additional taxes are going to mean that people have less money to hire people like students. Have you considered that?

Also, the legislation scraps the private school tax credit. I guess what I was quite surprised to learn was that you were going to be making it retroactive to January 1, 2003. I said before, in my response to the finance minister, that the majority of people who benefit from the private school tax credit are people who have incomes that are much less than what we earn in this Legislative Assembly. They've chosen these schools for religious and cultural reasons or because of different teaching techniques. I think that to retroactively go back to January 1, 2003, is a very punitive and mean-spirited measure.

This \$4.1-billion hike in taxes is the largest tax grab in the history of this province. In fact, it reminds me of when I came to office in 1990, when I was first elected. Those were the days of the tax-and-spend Liberals and NDP. In fact, we could take a look at David Peterson. He raised taxes in 1989 to the tune of \$2.8 billion. Bob Rae—he wasn't quite as greedy. He only raised them to the tune of \$2.2 billion in 1993.

I was the critic for labour between 1990 and 1995, and I can tell you, it was a time when businesses in this province were fleeing. They were fleeing the province of Ontario to set up a mailbox even in Buffalo in order that they would have a better tax environment. They were looking to the southern states to set up those branch plants, to get out of the province of Ontario.

I also know what happened when we came to office in 1995. We recognized that you're not going to have money to invest in health care and education if you don't have economic growth. We had just seen the loss of 10,000 jobs in this province. It was a sad time. For

anyone who had children graduating from high school, college or university, there simply were no jobs available. For anyone looking to make a move, they couldn't. There were no jobs—10,000 jobs had been lost in this province prior to 1995. Believe me, there was no hope in this province. There was a tremendous amount of pessimism.

When we were elected in 1995, we realized that the first thing that we had to do was create the environment for economic growth, and we did. We balanced labour legislation, we overhauled the WSIB, we set about tax reductions and, thanks to that environment, we have seen, since 1995, the creation of over one million new jobs. Those were created by the private sector.

So I hope this government remembers that you need economic growth, you need job growth, because that's what allows you to invest in education, health care, the environment and social services. Under our government, between 1995 and 2003, we increased health spending from \$17.6 billion to over \$27 billion. We've improved access; we've improved services; there are more cancer centres, more cardiac centres, more MRIs, more CAT scans, 20,000 long-term-care beds; we've improved community health care, mental health care. Ladies and gentlemen, we did make improvements to the quality of life, and that's what can happen when you have tax cuts and you create the environment for economic growth.

Dalton McGuinty tries to justify these tax increases by blaming everything on the supposed inherited Tory deficit. As I said before, it is not a deficit. It is a projected mid-year worst-case scenario. It was not an audit, but a review. If you don't believe what I've just said, let me read the words of an economist, who says:

"Of all the comments that could be made about the Ontario budget deficit report, the most charitable would be that it is misleading"—his words; not mine. "In fact, it contains fundamental errors and includes items that have no basis, either by precedent or in reality."

"In general, history shows that often an incoming administration exaggerates the budget deficit that it inherits, to put the fiscal situation in calamitous terms. Then it can justify its failure to implement part of its program, and later claim that it has reduced the deficit and is more responsible than its predecessor. Thus, at the outset there is a lack of integrity that fuels widespread cynicism. That is the situation here."

Before I tell you about the economist, I want to tell you what else he says: "There is much to be criticized in [the] report. Of great significance, almost no one has mentioned the fact that the budget numbers are based entirely on projections based on the first six months of Ontario's fiscal year. Thus, the calculations simply are estimates, constructed from only one half year, a period when several non-recurring events hurt the economy and cost the Ontario treasury a great deal of money: the SARS outbreak, mad cow disease and the blackout. Any economist will state that no one can predict with any authority what revenues will be for the period from November to May, given the extraordinary negative

events that adversely affected the Ontario economy earlier this year."

#### 2050

He goes on to say, "All but ignored is that the second half of the year will be far more profitable for the LCBO. It is estimated that roughly 25% of sales and profits are generated in liquor sales in December alone."

He goes on to say, "It is reasonable to conclude that most of the shortfall in this category will be erased by the end of the fiscal year." He goes on talk about, "After languishing for most of the year, the economy in the United States has begun to recover, soaring 7.2%, the fastest growth rate since 1984."

**Mr Baird:** It has been adjusted to 8%.

**Mrs Witmer:** And do you know what? Mr Baird just said it is now adjusted to 8%. If this was the fastest growth rate, 7.2%—it's now 8%. So this is going to have a more positive impact on the economy in the province of Ontario. Again, the stronger growth south of the border will spill over to Ontario, so we need to keep that in mind.

"The former auditor also completely ignored the probability that the federal government would make a contribution to health funding." He has announced about \$770 million—and also he did not include the money for SARS.

He goes on to say that, "The Eves administration has instituted a freeze on hiring that, along with other planned savings, could provide \$800 million."

Then he goes on to quote my good friend MPP Ted Arnott, who has pointed out and said, "In generating the new projected deficit, Mr Peters has added in Hydro's debt numbers. This is a departure from past provincial governments of all stripes."

"The hydro accounts have always been kept separate from the provincial government books. Hydro ratepayers have always been on the hook for Hydro debt, not taxpayers." He goes on to say, "Hence, there is no reason why this presently is included as part of Ontario's deficit, except to inflate the total for obvious reasons."

Then he goes on talk about Teranet, and again some of the numbers in there are not accurate.

**Mr Baird:** Who wrote this? Which Tory hack wrote this, Elizabeth?

**Mrs Witmer:** I want to tell you, this was an economist who wrote this. And it's not a Tory.

**Mr Baird:** It's the Fraser Institute.

**Mrs Witmer:** It's not the Fraser Institute. Who do you think?

**Mr Baird:** It's Conrad Black.

**Mrs Witmer:** Do you know what? This was a provincial Liberal candidate who tried to win in 1985. He was an adviser to Robert Nixon, and his name is Bruce Whitestone. In fact, he ran in the riding that's presently represented by my friend Mr Arnott. So if you don't want to believe what we're saying, we have it on good report from a former Liberal candidate, adviser to Robert Nixon, that this is his opinion of the Peters report.

Let's go back to the broken promises and not raising taxes. Not only did Mr McGuinty tell the taxpayers day

after day, “I won’t raise your taxes,” but he went on, as we all know, and he made a big show of signing the Canadian Taxpayers Federation protection pledge during the election campaign. He indicated that he wasn’t going to raise your taxes without a referendum, but that is exactly what happened: He has raised our taxes.

I would say that yesterday’s announcement had to be a very sad day for people in the province of Ontario, who have worked to so hard to rebuild the economy of this province and who were responsible for helping with the creation of the million new jobs. This bill introduced yesterday, this Liberal tax-hike act, will serve no other purpose than to chase the jobs away again from the province of Ontario, jobs that fled this province between 1985 and 1995. This bill will do nothing more than to take hard-earned dollars out of the pockets of parents who work hard for their money, and of seniors and low-income earners.

We have heard from employers already who are concerned about the impact this is going to have on their ability to expand their business, do research and create new jobs in Ontario. They know that corporate taxes must be competitive. So with one act, Dalton McGuinty has single-handedly eliminated Ontario’s competitive advantage to attract new jobs to our province.

I think of the auto industry. I think of Toyota in my own community. It is this type of legislation, this type of bill, which will certainly not entice them to seriously consider building another auto plant in Ontario when they can set up an auto plant in another province or another state. If they do that, they take jobs with them as well.

The other thing we want to keep in mind is that with the introduction of the bill yesterday, Dalton McGuinty has become the largest tax-hiker in the history of this province. His \$4-billion tax hike yesterday surpasses what was done by David Peterson and Bob Rae. The most disturbing part is that the people who suffer most are the low- and middle-income earners. For people who earn \$45,000, they’ll see an increase of \$200. You know what? These people are not rich. I hope you consider the impact of your legislation.

**The Acting Speaker:** It’s now time for questions and comments.

**Mr Bisson:** I want to commend, first of all, the two members, the member from Nepean and the member from Kitchener-Waterloo, for what I would say is a good attempt to defend what happened in the last budget. We’ve got to be clear; we’ve got to go through this one more time.

What’s clear is that the government of the day, the Conservative Party of Ontario, had a problem going into the last budget year. They knew they’d be in an election cycle, and given their mantra that they were the people who were going to balance the budget and create all this economic growth and be just the competent fiscal managers they like to be, they had to show they had themselves a balanced budget, but in fact they didn’t. We sat on the estimates committee—myself, my leader, Howard Hampton, along with Mr Phillips, who was

there—and it was clear when we looked at the numbers last May and June that the numbers being presented by the government were, quite frankly, not spot-on. Mr Phillips himself, if I remember correctly, back in June was saying that when you piled up the numbers and added them all up, there was at least a \$5-billion deficit come the end of the addition process we’d go through. It was clear to the Liberals of the day, being the Dalton McGuinty opposition Liberals, that there was at least a \$5-billion deficit last spring.

I commend the two members for trying to defend their take on what was or wasn’t the deficit, but what’s more salient and to the point is that this government now is trying to hide behind a so-called surprise deficit. Listen: It ain’t cutting it out there. People know that you guys ran on a number of promises and that you’re using the deficit to backtrack and to break promises, stacking them one on top of the other. At the end of the day, you were elected to do things, and if you can’t do them or you don’t want to do them, at least you should be clear with the people of Ontario and say that you’re breaking your promises.

**2100**

**Mr Patten:** I find it particularly interesting to hear the member from Nepean, who was at one point the Minister of Community and Social Services who helped to reduce by 21.6% the welfare rates for the poor whom he seems so concerned about tonight, and at a time in which people needed the support, and took away the baby bonus and clawed it back for single women on welfare who might have wanted to go back to school but they couldn’t because it’s considered income, and things of this nature. We will change that now.

When he says that we are raising taxes—of course, for the people who are watching this debate; and I know there are hundreds of thousands all over Ontario—they should know the words that are used. Because we are not implementing what they proposed, they call that an increase in taxes. Because we’re not implementing their further decrease of corporate tax, because we’re not implementing their gift to the private, independent school sector, because we’re not implementing other areas of tax that they proposed that we feel are regressive, they call that tax hikes. They’re not tax hikes at all; it’s just not implementing what they proposed.

We went to the people. Dalton McGuinty was straightforward and said, “This is what we will do.” People today will have no more on their income tax next year than they had this year, and we will see that happen.

When you talk about the ROH, the Royal Ottawa Hospital, the one thing they didn’t talk about was the nature of the relationship on control, who is going to call the shots down the line. The way you had restructured it, it was up to the contractors. That’s changed. It’s a public hospital; a public board will be in charge. They will be public hospitals.

**The Acting Speaker:** Questions and comments? I recognize the member from Erie-Lincoln.

*Applause.*

**Mr Tim Hudak (Erie-Lincoln):** I appreciate the strong support of our caucus as I make some comments.

I enjoyed greatly the comments of the members from Nepean and Kitchener-Waterloo. Obviously, with their time in the Legislature, the important portfolios that they held, they have great insight to lend to the House. I found myself very much wrapped up in their conversations.

A couple of things really surprised me, because I've listened closely to the debate. I remember very clearly watching on television, and Dalton McGuinty—and I think Mrs Witmer talked about this—looked at me through the TV screen and he said, "I will not raise your taxes." Then one of the first bills in the Legislature, the first one introduced this week, is the biggest tax hike in the history of the province of Ontario—what a start.

Maybe I didn't have a high-definition TV. I didn't see the little asterisk on the TV screen.

**Mr Baird:** There wasn't one.

**Mr Hudak:** There was no asterisk?

**Mr Baird:** No.

**Mr Hudak:** You have to watch it closely, because I heard Dalton McGuinty say, "I will not raise your taxes." On Monday, I saw what looked to be Dalton McGuinty stand up in the Legislature and introduce a bill that was the tax hike in the history of the province of Ontario.

Maybe below the screen he had his fingers crossed. Maybe my TV wasn't quite long enough. But I remember him looking into the TV and telling the taxpayers of Ontario he would not raise taxes.

The member for Kitchener-Waterloo brought up a very important point. She has put together the tax hike hall of shame. Do you know who number 3 on that list is? You think Bob Rae raised taxes a lot? He finishes number 3: a \$2.2-billion tax hike. Number 2 takes you back to the late 1980s: David Peterson was number 2. Do you know who the number 1 guy is in the tax hike hall of fame? In his first week, Dalton McGuinty: a \$4.1-billion tax hike—not a great start.

**Mr Kormos:** I've been following this debate with great interest. I've been glued to the television set in my office. I made some observations. This afternoon's leadoff speech by this government: It took seven members to do a leadoff speech. This evening, the leadoff speech utilized at least three people, or four people.

**Mr Baird:** Two.

**Mr Baird:** Two.

**Mr Kormos:** Only two for the leadoff speech? Maybe there were three.

Where I come from, with the New Democratic Party caucus, we can manage a leadoff. We don't need help, reinforcements, to do a leadoff, for Pete's sake. But having said that, I also heard the concerns about the progress of the government not being as speedy as they wished it were.

Last night here I was, listening to the government. They hadn't been at the job for even 24 hours and the Liberals at Queen's Park gave themselves a three-month vacation. It blew my mind; it rotted my socks; it curled my hair. I had colour in my hair before I heard that motion from the Liberals—not here 24 hours, and a

three-month vacation. Shame on you pigs at the trough. Shame on you people with your arms elbow-, shoulder-deep into the public piggy jar. Who are the piggies? You're the piggies, you porcine Liberals, so eager to use your taxpayer-funded salaries to head off January, February, March to, oh, the Caribbean, perhaps southern Europe, South America, who knows where, but Lord knows, a three-month vacation after one day at work? What pigs. Shame on all of you.

**Mr Patten:** On a point of order, Madam Speaker: I believe that language is unparliamentary.

**The Acting Speaker:** I ask the member to withdraw, please.

**Mr Kormos:** With all due respect, I didn't hear the point of order.

*Interjections.*

**Mr Kormos:** The pigs at the trough? No, I'm not going to withdraw "pigs at the trough." If it looks like a pig, if it oinks like a pig, if it's fat like a pig and if it's got its head in the trough like a pig, it's a pig. I ain't withdrawing nothing, Speaker.

**The Acting Speaker:** I believe that there is a certain amount of decorum that we want to maintain in this House in spite of all the differences. I do ask the member to withdraw.

**Mr Kormos:** The Liberals were pigs by declaring themselves a three-month holiday within 24 hours of coming here. I ain't withdrawing nothing.

**The Acting Speaker:** I'm going to ask you one more time to withdraw.

**Mr Kormos:** Speaker, these Liberals are pigs at the trough. They get themselves a three-month vacation after being here not even 24 hours. I ain't withdrawing nothing.

**The Acting Speaker:** I'm going to give you one more chance before I name you.

**Mr Kormos:** Speaker, the Liberals are pigs at the trough. They give themselves a three-month vacation on taxpayers' salaries after being here not even 24 hours. I ain't withdrawing nothing.

**The Acting Speaker:** I believe that that language is unwarranted in this House and I am going to name the member.

*Mr Kormos was escorted from the chamber.*

**The Acting Speaker:** The member for Nepean-Carleton.

**Mr Baird:** Madam Speaker, you're tough, but we'll respect you when you're tough.

**Mr Hudak:** Tough but fair.

**Mr Baird:** "Tough but fair," the member from Erie-Lincoln says, and I mean that. I mean that very sincerely. You handled yourself in an exemplary fashion.

I want to thank the members for Erie-Lincoln, Ottawa Centre, particularly the member for Niagara Centre—I'm sorry he couldn't be here to hear my response—and the member for Timmins-James Bay for their comments.

I'm very pleased that the Minister of Municipal Affairs is back, because one of the things we're repealing in this tax increase bill, this whopping tax increase bill, the biggest tax increase in the history of Ontario, as the

member for Erie-Lincoln said, is the tax cut to help our seniors, people who have contributed a great deal in this society. To eliminate the tax cut that these seniors have—it's the law of the land today and a lot of seniors had depended on that. This sort of sums up the Liberal approach to government.

The Minister of Municipal Affairs I think is also the minister responsible for seniors. What did he say on June 11? He said that this policy—and I love this. This sums up the Liberals' finance policy, I think. He said, "It goes directly contrary to the whole notion of government and what government should be all about, which is to collect taxes from the people." That's this approach to government.

*Interjection.*

2110

**Mr Baird:** You said that on June 11. I've got it right here in this Hansard. I remember I was shocked when you said it, and even more shocked that as minister for seniors this is what you would say to our seniors, that the whole purpose of government is to dig deep into the pockets of the people they serve. Even on their wildest days, in the socialist heydays of the 1990s, a New Democrat would never have said that, let alone our Treasurer of the day. So I hope we can convince them in committee that they should back down from this irresponsible tax hike.

**The Acting Speaker:** Further debate?

**Mr Lou Rinaldi (Northumberland):** It's a real honour to be here tonight to speak in front of this House and to represent the people of Northumberland who unanimously, across the riding, elected me to represent them here tonight and for this term, for the next four years. I'm really honoured that they bestowed that confidence on me.

As a rookie in this House I'm not going to carry on talking about numbers like we've been doing all night. I'm sure that both sides of the House have the history to talk about that. I don't.

I'll tell you what I'm going to talk about. I'm going to talk about what people told me when I was campaigning for this job, for this position to represent them. My riding, for people who are not aware of it—it takes an hour and a half to drive from one end to the other. As I went door to door and as I drove from community to community, they were really concerned about the way things were run in the province. A couple of things came up over and over again, and it was really strange at first that they were the same things as in municipal government, which I left after 11 years to be able to serve the people in my community at a different level. They were education and health care. It was really reassuring to me to hear those things. Things that they told me mirrored the platform we ran on: that you could only cut so much to the bone and then there's only bone left; you can't eat any more. The cutting mechanism that the former government used really wore out. I guess that made my job a lot easier as I went through the campaign.

I can tell you, we talked about the seniors' rebate on their property taxes. I have to relate an experience. I'm

going to use some experiences, because I think they're really meaningful. That's really what the people of Ontario wanted. I was very fortunate that a group of seniors right in my backyard, in the community of Brighton, had staged a little get-together for me to meet some folks. There were about 40 people there and they were all seniors. Lo and behold, it was about two weeks after the time the former government had announced their nice giveaway to the seniors: the tax rebate. I thought I was falling into a real hornets' nest. I tell you, after about two hours, nobody within that group ever brought up their tax rebate, that if we were to be elected to form the government, they would lose that rebate.

I took the opportunity to test the waters. It was a controlled crowd; it was in my backyard. I said, "You know I appreciate the support you're giving me by being here today, but if you elect me and we form a government, you're not going to get the education rebate on your property taxes." Well, the room went silent. I checked to make sure nobody had a gun, and I must tell you that one person spoke up and said, "You know, I'm really offended that I could not help the future generation, my grandkids and so forth. I'm really, really offended."

*Interjection.*

**Mr Rinaldi:** Is that what you said to your wife?

*Interjection.*

**Mr Rinaldi:** No, it wasn't. My wife is not a senior. I think she'd be offended.

Having said that, about 20 people, one after another, came and said the same thing: "We want to see a better Ontario. We want to see our grandkids have a better education. They're our future." It was really refreshing. All of a sudden it was a different mood.

We talked about the deficiency in health care. I strolled through the fair in Port Hope three or four months ago, and this old lady with a cane came to me and said, "I hope you can do something about the waiting time for hip replacements." She'd been waiting for a year and had just been informed that week that it might be another nine months before she'd be able to make it to a hospital. I hate to say it, but that lady was quite old, and I don't think she could make it for nine months. She'd never be able to walk again before she left this world. That's embarrassing. She's one of our seniors who served our community for years, and she's going to wait two years for a hip replacement. It's a disgrace.

A recent experience in a brand-new hospital that I'm proud to have in my riding—with a \$10-million deficit before it opened the door, I must admit: My son broke a leg three weeks ago. He went into emergency, and at 6 o'clock he still didn't have a cast on his leg. That's a disgrace. He waited five hours to get an X-ray—a brand-new, state-of-the-art hospital and we have to have this waiting.

**Mrs Sandals:** It didn't have enough staff.

**Mr Rinaldi:** It didn't have enough staff, and at 6 o'clock he walked out without a cast on his foot. He had to go back.

I could go on and on. We have to talk about education. One of the things I kept hearing over and over again—I'm going to use my riding because it's what I am more familiar with. I have five schools with an axe over their heads. Because of the funding formula they might be closed. These parents, these children and their grandparents have been waiting. Life has not been very comfortable with the loss of their local schools. I can tell you about one that's less than a kilometre away from where I live, in the hamlet of Smithfield. There's a church and there's a school that hold the little hamlet together. That is rural Ontario. Let me tell you, that school is one of the ones that are supposed to be axed because they do not fit the funding formula. It's not empty, it's 114% occupied, yet it's one of the schools that's slated to be closed. I have four others in rural Ontario.

I met this one parent—they are probably fairly well off, yet they were sending their daughter to university in Nova Scotia because they could not afford tuition in Ontario. They were sending their daughter to Nova Scotia. The next day, I found some parents in the village of Colborne who were sending their son to a university in Quebec because they could not afford Ontario's tuition. Do you know what? Just like most Ontario families who are very high on their values, they wanted to see their son every couple of weeks, so they gave him the second family car. Do you know what? They could not afford insurance for the second family car.

I could go on for hours and hours. We campaigned on the promise that we were going to deliver. I heard today that we flip-flopped. I won't use the word "lie," Madam Chair, but that's what is implied. The people of Ontario, at least in my riding, that I campaigned in, and in debates, knew exactly the platform we were running on. There was no deceit. We were going to take those seniors' tax credits back. We were going to revamp the formula for rural schools. We were going to take away the private school tax. They knew that. There was no secret. So it really bothers me today, these first days in the House, when they keep on saying we're flip-flopping. We were there to deliver a message, and Ontarians responded.

Let me tell you—I believe I knocked on almost every door in Northumberland, not quite all, but quite a few, and it took me about a year to do that—on only two occasions prior to the election, and one was a phone call last Monday, actually, as I was driving down to Toronto. Prior to the election there was only one senior who came to me and said, "You know, I've always voted Liberal, but I won't vote Liberal this time because I will not get my tax credit back."

**Mrs Sandals:** Just one?

**Mr Rinaldi:** One. And somebody called me just this week, knowing that this was going to happen in the House, and said, "You know, you really should not support it, because I'm a senior."

I respect those views. I respect all my constituents' views. But after I explained to them what we're trying to

do and the challenges we're faced with, we had absolutely no problem.

Two people in a riding of about 100,000 people—

**Hon John Gerretsen (Minister of Municipal Affairs, minister responsible for seniors):** And Doug Galt. He'd feel the same way.

**Mr Rinaldi:** Who was that?

**Hon Mr Gerretsen:** He was here 20 years ago.

**2120**

**Mr Rinaldi:** Oh, OK. Thank you.

*Interjections.*

**Mr Rinaldi:** I try not to remember.

All I'm saying is that we were responsible. We never hid any facts.

I want to touch on something, having been a municipal politician for 11 years. Recently, as mayor of the municipality of Brighton, I was part of a county council in the county of Northumberland. I can tell you about the suffering that we had from the downloading from the previous government.

Let me touch on ambulances. That's something the minister and I are going to have to have some discussion about. I'm sure we're going to talk about it. In the riding of Northumberland, the 50-50 ratio for ambulance delivery costs the county of Northumberland—not the riding, because the riding is bigger than the county—about \$400,000 more a year than what they got from the province, and that's 50-50. Prior to the county accepting ambulance delivery in 2001, the province was delivering it, and we had to pay a 50% share, no questions asked.

So I know what I suffered as mayor of Brighton, and I know what we suffered in the county of Northumberland, the downloaded roads that we had to assume. I have four mayors presently in that riding who worked very hard to get me elected because they want to see changes at Queen's Park. They want the municipality to be responsible, and they want some dignity.

The former government had the nerve prior to the election in The Road Ahead, which drove them right out of town, to call their municipal counterparts not accountable. I can tell you, I spent 11 years in those trenches, and municipal politicians are the most accountable politicians who exist. They had the nerve to ask them to have a referendum before they could deal with their finances. That's a real slap in the face to their counterparts. It's totally unacceptable. So we're here—and we keep on repeating—to deliver what we promised. I'm honoured to be part of such a government today that's able to say that they're going to deliver, and we're going to deliver.

One of the things we heard back after the 1995 election—at that time, we elected Premier Harris because he delivered what he said he was going to deliver. Let me tell you, they worked on the Common Sense Revolution. They forgot the common sense; they delivered a revolution. We said what we're going to deliver, and we're delivering. We started. I'm amazed at how quickly we acted on fiscal responsibility. Our kids and our grandkids are going to suffer, and the sooner we deal with it, the easier it will be.

I keep on referring to my campaign trail, because it was quite an experience. People said over and over again, "You know, we realize today that you get what you pay for." If we don't get more doctors, if we don't get some health clinics, if we don't get our ambulance in order, if we don't get proper schools, that's what we're going to get, and that's exactly what we got. Our waiting times—and this is not something I'm saying; this is something everybody has experienced. The experts have said that our waiting times in hospitals have increased dramatically. We've lost schools; we're in the process of losing some more schools. Kids are very easily influenced at a young age, and if we don't treat them right in those early years, we really miss the boat, because as we move along, they're going to be our future.

We hear today about the teaching profession. I met with a lot of teachers, and I was one of the advocates years ago, in my municipal hat, arguing with school boards. But at least I had someone to sit across the table with and discuss what our needs were, what the deficiencies were, and we were able to resolve it. That democratic process, in the last eight years, has totally gone out the window. I have no idea why we elect trustees any more; absolutely no idea. They have no power whatsoever. We saw what they did with three school boards. As I say, even though I had my disagreements with former school boards—and I did, as a municipal leader; I did have concern, because we were all after the same tax dollars. But we sat across the table from each other, we were able to work out those differences, and at the end of the day we had a better education system than we have today. So as we move along, we need to be able to restore those relationships.

Because education is very close and dear to me, I met with a lot of teachers and I've visited high schools and I visit public schools. All those teachers want is dignity. They want to be recognized in their profession, they want to be able to express their views, and at the end of the day they want respect, respect, respect. Do you know what? If you give those folks respect, they will give respect back. Who is going to win? Our kids are going to win. They're our future. So we need to re-establish that.

From the health care standpoint—and I keep on going back to health care—I'll refer to an activity that's happening in my community right now. We have a 10,000-patient orphan in our community. I'm not talking about the riding; I'm talking about the catchment area where people would go for their services. Absolutely nothing has been done by the previous government to bring more doctors into the area. Hospitals were hamstrung in what they could do. As mayor of the municipality of Brighton, I was able to bring one doctor into our community, because we showed him the real truth about our community, what our communities are like. We were able to work with this doctor. We didn't buy him, as most people would do. So as we went on, we were able to bring in a doctor, and that's being used as a model now in other communities within my riding.

I had to have people in my own community, because they were not getting the assistance for health care to provide doctors, start a foundation. I'm happy to report that within two years they raised over \$1 million. They now have a building. They have a health services centre that already brought in a doctor, before it opens its doors. With the help of the municipality, it's also going to house a YMCA and a diagnostic centre. It was all done by the local community. We worked together as a municipal council with the community. They did not get one red cent from the Minister of Finance of the day. I made three trips to the minister, and the local member didn't even join me on any one of those trips. We never got a call back. We asked the minister at the time to at least come down and help with the fundraiser. The week before, we got a call saying he was too busy; he could not do it. They weren't even asking for money, just help and support, that we were all working together. That has to change.

We need to re-establish that contact with the civil servants as well. I can tell you, I respect their integrity. I was at a function in my riding this summer where I had, as I got to know later on, a well-respected civil servant from one of the ministries. She was new to my community, very new—a summer resident. After a formal function, she found out that I was a candidate for the Liberal Party. The civil servant came over to me afterwards. We had a long chat. She said, "You know, you seem to be a real nice guy. I heard you speak today." We were dealing with a local issue at a public meeting. She said, "I wish you luck, but, you know, you might be sorry after you get elected, because of the mess you're going to find." That was a civil servant.

**Mr Baird:** Our civil servants are too professional. They wouldn't say that.

**Mr Rinaldi:** I can tell you that I've met with civil servants, wearing my hat today, specifically in a couple of ministries where we had some concerns. These people were working under duress. They weren't making decisions. They were told what to say.

**Mr Baird:** No, you make the decisions. Ministers make the decisions.

**Mr Rinaldi:** We make the decisions. Well, I tell you, we hire them to help us make those decisions, to do the research, and that research is totally ignored.

**Mrs Sandals:** We need good information.

**Mr Rinaldi:** We need that information. I respect the civil servants, because they're the people down in the trenches. So we need to listen to them, we need to foster them and we need to encourage them, because if you treat your employees right, you get a good job done.

To close, it has been a real honour to address the House today. I think our government is going in the right direction, and we want to stay in that direction.

**The Acting Speaker:** It being past 9:30 of the clock, this House stands adjourned until tomorrow at 1:30.

*The House adjourned at 2131.*

**LEGISLATIVE ASSEMBLY OF ONTARIO**  
**ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO**

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Speaker / Président: Hon / L'hon Alvin Curling

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

Constituency Circonscription	Member/Party Député(e) / Parti	Constituency Circonscription	Member/Party Député(e) / Parti
Algoma-Manitoulin	Brown, Michael A. (L)	Hamilton West / -Ouest	Marsales, Judy (L)
Ancaster-Dundas-Flamborough-Aldershot	McMeekin, Ted (L)	Hastings-Frontenac-Lennox and Addington	<b>Dombrowsky, Hon / L'hon Leona</b> (L) Minister of the Environment / ministre de l'Environnement
Barrie-Simcoe-Brampton	Tascona, Joseph N. (PC)	Huron-Bruce	Mitchell, Carol (L)
Beaches-East York / Beaches-York-Est	Prue, Michael (Ind)	Kenora-Rainy River	Hampton, Howard (Ind)
Bramalea-Gore-Malton-Springdale	Kular, Kuldip (L)	Kingston and the Islands / Kingston et les îles	<b>Gerretsen, Hon / L'hon John</b> (L) Minister of Municipal Affairs, minister responsible for seniors / ministre des Affaires municipales, ministre délégué aux Affaires des personnes âgées
Brampton Centre / -Centre	Jeffrey, Linda (L)	Kitchener Centre / -Centre	Milloy, John (L)
Brampton West-Mississauga / Brampton-Ouest-Mississauga	Dhillon, Vic (L)	Kitchener-Waterloo	Witmer, Elizabeth (PC)
Brant	Levac, Dave (L)	Lambton-Kent-Middlesex	Van Bommel, Maria (L)
Bruce-Grey-Owen Sound	Murdoch, Bill (PC)	Lanark-Carleton	Sterling, Norman W. (PC)
Burlington	Jackson, Cameron (PC)	Leeds-Grenville	Runciman, Robert W. (PC)
Cambridge	Martiniuk, Gerry (PC)	London North Centre / London Centre-Nord	Matthews, Deborah (L)
Chatham-Kent Essex	Hoy, Pat (L)	London West / -Ouest	<b>Bentley, Hon / L'hon Christopher</b> (L) Minister of Labour / ministre du Travail
Davenport	Ruprecht, Tony (L)	London-Fanshawe	Ramal, Khalil (L)
Don Valley East / -Est	<b>Caplan, Hon / L'hon David</b> (L) Minister of Public Infrastructure Renewal, Deputy House Leader / ministre du Renouvellement de l'infrastructure publique, leader parlementaire adjoint	Markham	Wong, Tony C. (L)
Don Valley West / -Ouest	Wynne, Kathleen O. (L)	Mississauga Centre / -Centre	<b>Takhar, Hon / L'hon Harinder S.</b> (L) Minister of Transportation / ministre des Transports
Dufferin-Peel-Wellington-Grey	Eves, Ernie (PC)	Mississauga East / -Est	Fonseca, Peter (L)
Durham	O'Toole, John (PC)	Mississauga South / -Sud	Peterson, Tim (L)
Eglinton-Lawrence	Colle, Mike (L)	Mississauga West / -Ouest	Delaney, Bob (L)
Elgin-Middlesex-London	<b>Peters, Hon / L'hon Steve</b> (L) Minister of Agriculture and Food / ministre de l'Agriculture et de l'Alimentation	Nepean-Carleton	Baird, John R. (PC)
Erie-Lincoln	Hudak, Tim (PC)	Niagara Centre / -Centre	Kormos, Peter (Ind)
Essex	Crozier, Bruce (L)	Niagara Falls	Craitor, Kim (L)
Etobicoke Centre / -Centre	Cansfield, Donna H. (L)	Nickel Belt	Martel, Shelley (Ind)
Etobicoke North / -Nord	Qaadri, Shafiq (L)	Nipissing	Smith, Monique (L)
Etobicoke-Lakeshore	Broten, Laurel C. (L)	Northumberland	Rinaldi, Lou (L)
Glengarry-Prescott-Russell	Lalonde, Jean-Marc (L)	Oak Ridges	Klees, Frank (PC)
Guelph-Wellington	Sandals, Liz (L)	Oakville	Flynn, Kevin Daniel (L)
Haldimand-Norfolk-Brant	Barrett, Toby (PC)	Oshawa	Ouellette, Jerry J. (PC)
Haliburton-Victoria-Brock	Scott, Laurie (PC)	Ottawa Centre / -Centre	Patten, Richard (L)
Halton	Chudleigh, Ted (PC)	Ottawa South / -Sud	<b>McGuinty, Hon / L'hon Dalton</b> (L) Premier and President of the Executive Council, Minister of Intergovernmental Affairs / premier ministre et président du Conseil exécutif, ministre des Affaires intergouvernementales
Hamilton East / -Est	Agostino, Dominic (L)	Ottawa West-Nepean / Ottawa-Ouest-Nepean	<b>Watson, Hon / L'hon Jim</b> (L) Minister of Consumer and Business Services / ministre des Services aux consommateurs et aux entreprises
Hamilton Mountain	<b>Bountrogianni, Hon / L'hon Marie</b> (L) Minister of Children's Services, Minister of Citizenship and Immigration / ministre des Services à l'enfance, ministre des Affaires civiques et de l'Immigration	Ottawa-Orléans	McNeely, Phil (L)

Constituency Circonscription	Member/Party Député(e) / Parti	Constituency Circonscription	Member/Party Député(e) / Parti
Ottawa-Vanier	<b>Meilleur, Hon / L'hon Madeleine</b> (L) Minister of Culture, minister responsible for francophone affairs / ministre de la Culture, ministre déléguée aux Affaires francophones	Thornhill	Racco, Mario G. (L)
Oxford	Hardeman, Ernie (PC)	Thunder Bay-Atikokan	Mauro, Bill (L)
Parkdale-High Park	<b>Kennedy, Hon / L'hon Gerard</b> (L) Minister of Education / ministre de l'Éducation	Thunder Bay-Superior North / -Nord	Gravelle, Michael (L)
Parry Sound-Muskoka	Miller, Norm (PC)	Timiskaming-Cochrane	<b>Ramsay, Hon / L'hon David</b> (L) Minister of Natural Resources / ministre des Richesses naturelles
Perth-Middlesex	Wilkinson, John (L)	Timmins-James Bay / Timmins-Baie James	Bisson, Gilles (Ind)
Peterborough	Leal, Jeff (L)	Toronto Centre-Rosedale / Toronto-Centre-Rosedale	<b>Smitherman, Hon / L'hon George</b> (L) Minister of Health and Long-Term Care / ministre de la Santé et des Soins de longue durée
Pickering-Ajax-Uxbridge	Arthurs, Wayne (L)	Toronto-Danforth	Churley, Marilyn (Ind)
Prince Edward-Hastings	Parsons, Ernie (L)	Trinity-Spadina	Marchese, Rosario (Ind)
Renfrew-Nipissing-Pembroke	Yakabuski, John (PC)	Vaughan-King-Aurora	<b>Sorbara, Hon / L'hon Gregory S.</b> (L) Minister of Finance / ministre des Finances
Sarnia-Lambton	Di Cocco, Caroline (L)	Waterloo-Wellington	Arnott, Ted (PC)
Sault Ste Marie	Orazietti, David (L)	Whitby-Ajax	Flaherty, Jim (PC)
Scarborough Centre / -Centre	Duguid, Brad (L)	Willowdale	Zimmer, David (L)
Scarborough East / -Est	<b>Chambers, Hon / L'hon Mary Anne V.</b> (L) Minister of Training, Colleges and Universities / ministre de la Formation et des Collèges et Universités	Windsor West / -Ouest	<b>Pupatello, Hon / L'hon Sandra</b> (L) Minister of Community and Social Services, minister responsible for women's issues / ministre des Services sociaux et communautaires, ministre déléguée à la Condition féminine
Scarborough Southwest / -Sud-Ouest	Berardinetti, Lorenzo (L)	Windsor-St Clair	<b>Duncan, Hon / L'hon Dwight</b> (L) Minister of Energy, Chair of Cabinet, Government House Leader / ministre de l'Énergie, président du Conseil des ministres, leader parlementaire du gouvernement
Scarborough-Agincourt	<b>Phillips, Hon / L'hon Gerry</b> (L) Chair of the Management Board of Cabinet / président du Conseil de gestion du gouvernement	York Centre / -Centre	<b>Kwinter, Hon / L'hon Monte</b> (L) Minister of Community Safety and Correctional Services / ministre de la Sécurité communautaire et des Services correctionnels
Scarborough-Rouge River	<b>Curling, Hon / L'hon Alvin</b> (L) Speaker / Président	York North / -Nord	Munro, Julia (PC)
Simcoe North / -Nord	Dunlop, Garfield (PC)	York South-Weston / York-Sud-Weston	<b>Cordiano, Hon / L'hon Joseph</b> (L) Minister of Economic Development and Trade / ministre du Développement économique et du Commerce
Simcoe-Grey	Wilson, Jim (PC)	York West / -Ouest	Sergio, Mario (L)
St Catharines	<b>Bradley, Hon / L'hon James J.</b> (L) Minister of Tourism and Recreation / ministre du Tourisme et des Loisirs		
St Paul's	<b>Bryant, Hon / L'hon Michael</b> (L) Attorney General, minister responsible for native affairs, minister responsible for democratic renewal / procureur général, ministre délégué aux Affaires autochtones, ministre responsable du Renouveau démocratique		
Stoney Creek	Mossop, Jennifer F. (L)		
Stormont-Dundas-Charlottenburgh	Brownell, Jim (L)		
Sudbury	<b>Bartolucci, Hon / L'hon Rick</b> (L) Minister of Northern Development and Mines / ministre du Développement du Nord et des Mines		

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

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



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