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**Official Report  
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**Journal  
des débats  
(Hansard)**

**Wednesday 17 December 2003**

**Mercredi 17 décembre 2003**

Speaker  
Honourable Alvin Curling

Clerk  
Claude L. DesRosiers

Président  
L'honorable Alvin Curling

Greffier  
Claude L. DesRosiers

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## LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday 17 December 2003

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Mercredi 17 décembre 2003

*The House met at 1330.*

*Prayers.*

**The Speaker (Hon Alvin Curling):** Just let me say that the bells are still not working properly, so therefore you won't see the flashing lights either. The only flashing lights we have today is the Sergeant at Arms's hat, which he has put away.

### MEMBERS' STATEMENTS

#### FESTIVAL OF NORTHERN LIGHTS

**Mr Bill Murdoch (Bruce-Grey-Owen Sound):** I rise in the House today to inform members about the 16th annual Festival of Northern Lights, which held its opening ceremonies on November 14 in Owen Sound. All the members—and anyone else in Canada, for that matter—who saw the front cover of December's *Municipal World* witnessed a small sample of the exhibit that we in Owen Sound are so lucky to take in each year.

Two years ago, Communities in Bloom, along with the Canadian Tourism Commission, launched the Winter Lights Celebration of Light and Life competition. I am very proud to say that in 2001 and 2002, Owen Sound was named national champion in the 20,000 to 50,000 population category. Judging has recently been conducted in our area for this year's competition, where Owen Sound will be competing in the national stars category against previous national champions with populations up to 750,000.

This event was the brainchild of Marie Walpole 16 years ago and it has developed into one of the most extensive and outstanding winter light shows and community events in the country.

The Festival of Northern Lights attracts over 20,000 people in our area each year. Visitors are treated to over 15 kilometres of lights, which illuminate the trees and exhibits along the banks of the Sydenham River, Harrison Park and the walkways around the festival's over 200 displays.

Thanks go out to this year's co-chairs, Mitch Childs and Marg Gaviller, and co-ordinator Karen Neerhof. I would also like to congratulate all of the community members: business owners, sponsors and countless volunteers who were involved in this year's event. I invite anyone who has the opportunity to travel to Owen Sound to take in this year's Festival of Northern Lights.

Again, Mr Speaker, it's on the front of *Municipal World*. We would certainly like you to come up and visit us again, as you have in the past, and anyone else here who would like to come up and see our lights. I hope that we can win this championship again.

#### OAKVILLE ASSEMBLY PLANT

**Mr Kevin Daniel Flynn (Oakville):** I rise today to pay tribute to a proud member of the Oakville business community, Ford of Canada, and its employees: its management staff and the Canadian Auto Workers Local 707, who represent the bargaining unit in the Oakville assembly plant. Fifty years ago this year the first Ford vehicle rolled off the assembly line in the Oakville assembly plant. Construction had begun a year earlier in 1952, in a farm field in what was then Trafalgar township.

What many people don't realize is that Ontario is the second-largest automotive jurisdiction in all of North America, second only to Michigan. Each assembly line job is estimated to result in a spin-off of almost eight jobs in the local economy. That's how important the auto sector is to Ontario, and that's how important it is to my community of Oakville.

In 1904, Ford of Canada had a workforce of only 17 people and an annual payroll of \$12,000. Contrast that with today: The auto sector accounts for close to 20% of Ontario's manufacturing gross domestic product and directly employs 150,000 men and women.

In its first year of production in 1953 in Oakville, the Oakville assembly plant built 123,000 vehicles and employed 3,000 people. Since that opening year, Ford has gone on to build almost 10 million vehicles in Oakville. Current employment at the plant is about 3,400 people. Today the Oakville assembly plant sits on a 500-acre site and has close of 4 million square feet of buildings.

Automotive products are Canada's number one export, with exports topping over \$97 billion last year alone.

Since 1990, Ford has invested over \$9.5 billion in its Canadian vehicle assembly and engine plants.

#### YOUNG OFFENDERS

**Mr Robert W. Runciman (Leeds-Grenville):** I want to take this opportunity to raise a public safety issue that should be of concern to all Ontarians.

Approximately two weeks ago the Minister of Children's Services dropped a little-noticed bombshell when

she quietly announced that young offenders' services in Ontario will be transferred to the children's ministry by the end of the year.

This revelation has been ignored by much of the Queen's Park press gallery, but clearly the general public, especially police and victims' organizations, need to know what is happening. Transferring responsibility for 16- and 17-year-old sexual predators and murderers to a children's ministry is both naive and dangerous. It is Liberal social engineering of the worst kind: playing with public safety. The reality is that many of these young offenders are vicious and unconscionable criminals. Treating them as children only re-victimizes the people who've suffered from their frequently horrific acts.

This initiative was not part of the Liberal election platform, nor in their throne speech. With the apparent acquiescence of the media, they are sneaking this risky plan through with absolutely no consultation.

I urge the Liberal government to step back and talk to front-line police officers, victims' organizations and others before moving ahead with this ill-thought-out plan.

#### DNA CLUSTER GROUP

**Mr Jeff Leal (Peterborough):** Clusters have been lauded as the way of the future in economic regional development. I'd like to share with you an exciting new development in my riding.

The Peterborough DNA Cluster Project aims to advance the field of DNA and related research. It has been developed through a series of partnerships between the Greater Peterborough Area Economic Development Corp, Trent University, Sir Sandford Fleming College, the Ministry of Natural Resources and a private sector group. Partnering through these private and public institutions will create a platform of unique enterprise. The organization is structured to accelerate time to market for inventions and reduce the risk of investment in new products and services.

The DNA cluster's areas of concentration will include the automation of a DNA sample collection, preparation and analysis; DNA profiling and bio-informatics; wildlife and commercial stock management through landscape genetics; and forensic science identification services for law enforcement.

A great aspect of this project is its ripple effect. The DNA cluster will benefit not only Peterborough riding, but will have lasting positive commercial outcomes both for Canada and around the globe.

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#### EDUCATION FUNDING

**Mr Rosario Marchese (Trinity-Spadina):** I just want to respond briefly to the announcement made by the Minister of Education two weeks ago where, in one of those rare promises, he committed some money to educational purposes. I must admit it was a very good

promise, where he said that 112 million bucks will be devoted to literacy programs and English-as-a-second-language programs across the province—112 million bucks. Not bad. The Toronto board of education would get \$46 million, presumably to deliver literacy programs for students who are at risk, who have serious problems, inner-city kinds of needs, including ESL for many of our immigrant children.

The problem is that in Toronto, they probably will not be getting a cent to create ESL programs or inner-city literacy programs. The minister announced that \$46 million can be used to offset their deficit. That's a problem for me. This is a deficit brought upon the Toronto board by the former Conservative government, which created that deficit. We hoped the Minister of Education would wipe that deficit off and then commit the money, the \$46 million, for ESL and literacy, but they won't be spending one cent for desperately needed programs. Parents are hoping they're going to be able to use that money for that purpose, but they won't be, because it will be used to write down the deficit. We think that's a serious mistake.

#### ORGAN AND TISSUE DONATION

**Ms Caroline Di Cocco (Sarnia-Lambton):** It's a pleasure to rise in the House today to pay tribute to a young constituent of mine from Sarnia-Lambton who's truly an inspiration to us all. Kristopher is a 13-year-old Sarnia native who is presently waiting for a liver transplant, and he has a wish: to accomplish a 200-city-and-town walking tour across Canada to help save nearly 4,000 people who need organ and tissue transplants.

The walking tour begins next month in Sarnia, but before that, I'm proud to tell the House that Kristopher will be here at Queen's Park tomorrow, along with many supporters, for a pre-kickoff announcement. I want to take this opportunity to invite all the members to join us at this event tomorrow afternoon, and I want to remind all members and all Ontarians to show their support for this vital health care issue and consider filling out an organ donor card. I had the opportunity to distribute these cards to other members earlier this week, and am happy to sign one myself.

I'm proud of the amazing leadership that Kristopher is displaying on this issue, and I urge all members to show support for Kristopher's Wish. I'm happy to wear the special Gift of Life pin, which my office has left in both the east and west lobbies today.

At this time, I'd like to ask for unanimous consent for all members to wear this special pin in support of Kristopher's Wish.

**The Speaker (Hon Alvin Curling):** Do we have unanimous consent to wear the Kristopher pin? There seems to be unanimous consent.

#### PLANNING LEGISLATION

**Mrs Julia Munro (York North):** Just two days ago, the Minister of Municipal Affairs stood in this House and

announced changes to the Planning Act which he claims will give more powers to municipalities.

The people of Ontario deserve to know that this bill does not give more planning power to local councils; it gives the power to the cabinet and the Premier's office. The Liberals' proposed changes state that the minister can declare a provincial interest in matters before the Ontario Municipal Board. The bill then says that the final decision is made by cabinet.

They also say that no one can appeal a local decision to deny an amendment outside an urban settlement area to the OMB. However, the bill allows the government, by regulation, to alter the definition of an urban settlement area at any time. What does this mean? It means that all you have to do to amend an official plan is go to the OMB and then start lobbying the minister and the Premier's office for the decision you want. If you want to build outside an urban settlement area, all you need to do is lobby the government to alter the meaning of the words. This bill will trample the powers of local councils and put all decisions in the hands of the Premier's office and Liberal lobbyists.

#### OLDER ADULT CENTRE

**Mr Peter Fonseca (Mississauga East):** Yesterday some of my colleagues and I had the great pleasure of attending the international Christmas luncheon in Mississauga. The event was hosted by the Older Adult Centre, the largest non-profit centre in Mississauga.

The Older Adult Centre consists of some 125 volunteers who work very hard, organizing daily educational and recreational events for adults 55 and over. Their hard work and dedication have resulted in a wonderful organization that assists many of our seniors. Over 1,400 individuals use the centre's services.

As I looked around the room, I was reminded of why Ontario is such a wonderful place to call home. The centre's members include people from all over the world: the Caribbean, China, Goa, Portugal, Poland, Spain and the Philippines, just to name a few. These people all shared something in common: first, they all chose to leave their homelands in search of a better place to live, a place to build a better life for themselves and their families, and they chose Ontario; second, they all share in the value and belief of multiculturalism. Our diversity is a tremendous source of strength in this province.

I left that event with a clear sense of what my role is as an MPP. It is up to me and the rest of my colleagues to ensure that their trust and faith in Ontario was not wrongly placed. We are and will remain a government that is honest, responsible, hard-working, innovative and committed to a bright future for all.

#### CITY OF KAWARTHA LAKES

**Ms Laurie Scott (Haliburton-Victoria-Brock):** Mr Speaker, I rise today to bring forward an issue in this House that is of great concern to my riding. As I know

you are aware, the people of the city of Kawartha Lakes voted on November 10 in a minister-sponsored, non-binding referendum, with a result of 51% to 49% to de-amalgamate the city of Kawartha Lakes.

**Hon John Gerretsen (Minister of Municipal Affairs, minister responsible for seniors):** Whose side are you on?

**Ms Scott:** We're waiting for your answer.

Since the municipal election, the mayor and council have been attempting to communicate with the Minister of Municipal Affairs and the ministry as well. I understand through the media that a meeting has been set up in Toronto between the minister, the mayor and the CEO of the city.

At a council meeting yesterday, a resolution was passed requesting the minister meet with the whole council and that the meeting be held in the city of Kawartha Lakes. As well, the mayor and council are hoping the minister brings forward a plan at the meeting in January on how to move forward on this important issue.

My constituents and I will be watching closely over the next few weeks to see what course of action the minister recommends.

**Hon Mr Gerretsen:** On a point of order, Mr Speaker: With respect to the last statement, I'd be more than willing to meet with the mayor and the members of council here in Toronto on January 4.

*Interjections.*

**The Speaker (Hon Alvin Curling):** Order. I have something of great interest to you all.

#### STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

**The Speaker (Hon Alvin Curling):** I have had an opportunity to reflect on the submissions that were made yesterday concerning developments in the standing committee on finance and economic affairs in respect of its consideration of Bill 5, An Act to temporarily freeze automobile insurance rates for private passenger vehicles and to provide for the review and regulation of risk classification systems and automobile insurance rates for private passenger vehicles.

While our practice is that matters that arise in committee should be considered in and disposed of by that committee, I appreciate that the matter before this particular committee and the committee proceeding itself were the subject of a December 4, 2003, order of the House.

The committee met on the morning of December 15, 2003. It convened again that afternoon, and in the course of that meeting it adjourned for lack of quorum. In reviewing the December 4, 2003, order of this House, I note that it directs the committee to meet for two days to consider Bill 5. I want to point out here that committee meeting days are differently defined and not necessarily equivalent to sessional days. In fact, in the next section of the House order, the permissive form "may" is used in setting out the times for the committee to meet. Thus,

meeting for any amount of time within the time frame established for those two days has the committee acting in compliance with the House order. That it did not meet yesterday afternoon does not detract from the fact that it met on that day.

Clearly, adjourning for lack of quorum was an unexpected and less than favourable outcome for this committee. It does not, however, in any way abrogate the motion passed by this House on December 4, 2003.

Having said that, I want to impress upon all members that committee work is a fundamentally important component of our parliamentary process. A working committee system affords an opportunity for members to become familiar with issues and to understand more fully the impact of proposed policy decisions. Perhaps more importantly, it provides an essential liaison between us in this place and the people we serve. All members should consider carefully their committee obligations and be vigilant about living up to them.

I wish to thank the members who spoke on this matter for their submissions.

**Ms Judy Marsales (Hamilton West):** I beg the Chair's indulgence on a point of order, Mr Speaker: A wonderful announcement took place in Hamilton today, historic in nature for Hamilton, Ontario and Canada. McMaster University was the recipient of a \$105-million—

*Interjections.*

**The Speaker:** That's not a point of order.

**Mr Gilles Bisson (Timmins-James Bay):** On a point of order, Mr Speaker: I'm sure I can talk for 30 seconds about something wonderful in the riding of Timmins-James Bay, but I wouldn't use the standing orders to that event today.

*Interjections.*

## REPORTS BY COMMITTEES

### STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

**Mr Pat Hoy (Chatham-Kent Essex):** I beg leave to present a report from the standing committee on finance and economic affairs and move its adoption.

**Clerk at the Table (Ms Lisa Freedman):** Your committee begs to report the following bill without amendment:

Bill 5, An Act to temporarily freeze automobile insurance rates for private passenger vehicles and to provide for the review and regulation of risk classification systems and automobile insurance rates for private passenger vehicles / *Projet de loi 5, Loi visant à geler temporairement les taux d'assurance-automobile dans les cas des voitures de tourisme et à prévoir l'examen et la réglementation des systèmes de classement des risques et des taux d'assurance-automobile les concernant.*

**The Speaker (Hon Alvin Curling):** Shall the report be received and adopted?

All those in favour of the report, say "aye."

All those against, say "nay."

I think the ayes have it. There will be a five-minute bell.

*The division bells rang from 1353 to 1358.*

**The Speaker:** All those in favour, please rise.

#### Ayes

Agostino, Dominic	Duncan, Dwight	Peters, Steve
Arthurs, Wayne	Flynn, Kevin Daniel	Peterson, Tim
Bartolucci, Rick	Fonseca, Peter	Phillips, Gerry
Bentley, Christopher	Gerretsen, John	Pupatello, Sandra
Berardinetti, Lorenzo	Gravelle, Michael	Qaadri, Shafiq
Bountrogianni, Marie	Hoy, Pat	Racco, Mario G.
Bradley, James J.	Kennedy, Gerard	Ramal, Khalil
Brown, Michael A.	Kwintar, Monte	Ramsay, David
Brownell, Jim	Lalonde, Jean-Marc	Rinaldi, Lou
Bryant, Michael	Leal, Jeff	Sandals, Liz
Cansfield, Donna H.	Levac, Dave	Smith, Monique
Caplan, David	Marsales, Judy	Smitherman, George
Chambers, Mary Anne V.	Matthews, Deborah	Sorbara, Gregory S.
Colle, Mike	Mauro, Bill	Takhar, Harinder S.
Cordiano, Joseph	McGuinty, Dalton	Van Bommel, Maria
Craiton, Kim	McNeely, Phil	Watson, Jim
Crozier, Bruce	Meilleur, Madeleine	Wilkinson, John
Delaney, Bob	Milloy, John	Wong, Tony C.
Di Cocco, Caroline	Mitchell, Carol	Wynne, Kathleen O.
Dombrowsky, Leona	Oraziotti, David	Zimmer, David
Duguid, Brad	Parsons, Ernie	

**The Speaker:** All those against, please rise.

#### Nays

Arnott, Ted	Hampton, Howard	O'Toole, John
Baird, John R.	Hudak, Tim	Ouellette, Jerry J.
Barrett, Toby	Jackson, Cameron	Prue, Michael
Bisson, Gilles	Marchese, Rosario	Runciman, Robert W.
Chudleigh, Ted	Martel, Shelley	Scott, Laurie
Churley, Marilyn	Martiniuk, Gerry	Sterling, Norman W.
Dunlop, Garfield	Miller, Norm	Tascona, Joseph N.
Eves, Ernie	Munro, Julia	Yakabuski, John
Flaherty, Jim	Murdoch, Bill	

**Clerk of the House (Mr Claude L. DesRosiers):** The ayes are 62; the nays are 26.

**The Speaker:** I declare the motion carried.

Pursuant to the order of the House dated Thursday, December 4, 2003, the bill is ordered for third reading.

1400

## VISITORS

**Mr Michael Gravelle (Thunder Bay-Superior North):** On a point of order, Mr Speaker: I just wanted to introduce some very special guests who are visiting from my riding. In the members' gallery west: Mr Don McArthur, the mayor of the township of Schreiber; Mr Mike King, mayor of the township of Terrace Bay; Mr Richard Beare, the CAO of the township of Terrace Bay; Mr Kevin Bahm, the chair of the board at McCausland Hospital in Terrace Bay; Ms Susan Lubberdink, chair of fundraising for the long-term-care addition at McCausland Hospital, and Mr Mario Audet, the CEO of McCausland Hospital. Welcome.

## INTRODUCTION OF BILLS

### HEALTH INFORMATION PROTECTION ACT, 2003

#### LOI DE 2003 SUR LA PROTECTION DES RENSEIGNEMENTS SUR LA SANTÉ

Mr Smitherman moved first reading of the following bill:

Bill 31, An Act to enact and amend various Acts with respect to the protection of health information / Projet de loi 31, Loi édictant et modifiant diverses lois en ce qui a trait à la protection des renseignements sur la santé.

**The Speaker (Hon Alvin Curling):** Is it the pleasure of the House that the motion carry? Carried.

**Hon George Smitherman (Minister of Health and Long-Term Care):** Today's bill delivers on the principle of accountability. The Health Information Protection Act puts safeguards in place to protect patient information and make sure it's used properly and only by people who need to know it. With this bill, the people of Ontario will know how and when their health information is disclosed and when their consent is required to do so. This act would, for the first time ever in Ontario, establish consistent and comprehensive rules and safeguards.

**Mr Jim Flaherty (Whitby-Ajax):** On a point of order, Mr Speaker: The minister is giving a statement without the opposition having an opportunity to reply.

**The Speaker:** The member is just indicating a brief statement on his motion.

**Hon Mr Smitherman:** To conclude, this bill will establish consistent and comprehensive rules, safeguards and legal protection, governing the collection, use and sharing of health information. I've been working with my critics opposite. I've encouraged them that when this bill comes back, we hope they would have all-party support. When I say it comes back, it's because it will be referred to committee.

### NO HOG FACTORIES ACT, 2003

#### LOI DE 2003 INTERDISANT LES PORCHERIES INDUSTRIELLES

Ms Churley moved first reading of the following bill:

Bill 32, An Act to restrict the operation of large hog farms and to amend the Nutrient Management Act, 2002 / Projet de loi 32, Loi visant à restreindre l'exploitation des grosses fermes porcines et à modifier la Loi de 2002 sur la gestion des éléments nutritifs.

**The Speaker (Hon Alvin Curling):** Is it the pleasure of the House that the motion carry?

All those in favour, say "aye."

All those against, say "nay."

I think the ayes have got it. Carried.

**Ms Marilyn Churley (Toronto-Danforth):** This is the second time I've introduced this bill. What it does is put a moratorium on large hog farms, subject to the

ability of the Lieutenant Governor in Council to make exemptions where it is appropriate to do so. The bill also amends the Nutrient Management Act, 2002, to provide that a regulation under the act only supersedes a municipal bylaw if the regulation provides greater environmental protection. I hope everybody will support this because we're finding more and more E coli and contamination of our waters.

### IRISH HERITAGE DAY ACT, 2003

#### LOI DE 2003 SUR LE JOUR DU PATRIMOINE IRLANDAIS

Mr O'Toole moved first reading of the following bill:

Bill 33, An Act proclaiming Irish Heritage Day / Projet de loi 33, Loi proclamant le Jour du patrimoine irlandais.

**The Speaker (Hon Alvin Curling):** Is it the pleasure of the House that the motion carry? Carried.

**Mr John O'Toole (Durham):** I'd like to thank my legislative intern, Chris Shantz, who has spent countless hours preparing the many bills and resolutions I've presented in the House. It's very clear that all cultures should be celebrated in Ontario. Irish immigrants were amongst the earliest settlers in Canada. In 1845, Irish immigrants fleeing the potato famine in Ireland began settling in Ontario in large numbers. They brought to Ontario, and indeed Canada, their values of hard work, devotion to family, service to community and a perpetual hope for a better future for all. That tradition continues here today.

1410

### ONTARIO DRINKING WATER SOURCE PROTECTION ACT, 2003

#### LOI DE 2003 SUR LA PROTECTION DES SOURCES D'EAU POTABLE DE L'ONTARIO

Ms Churley moved first reading of the following bill:

Bill 34, An Act to protect sources of drinking water in Ontario / Projet de loi 34, Loi visant à protéger les sources d'eau potable en Ontario.

**Ms Marilyn Churley (Toronto-Danforth):** Last week I introduced a bill that dealt primarily with water taking; in fact, a bill formerly introduced by the present environment minister. This bill today deals more directly with a comprehensive framework for protecting water at its source. I won't go into the details here because I don't have time, but suffice it to say it provides the framework that this government is now consulting on. I believe if we pass this bill, we can move forward more quickly on protecting sources of water in this province, as outlined by Justice O'Connor in the Walkerton inquiry.

## VISITOR

**The Speaker (Hon Alvin Curling):** In the east gallery today there is a former Minister of Transportation and member for Scarborough East, Mr Ed Fulton. Would you all recognize him.

**Mr Gilles Bisson (Timmins-James Bay):** On a point of order, Mr Speaker: I would like to introduce, in the east gallery, a current member, Mr Arnott.

**STATEMENTS BY THE MINISTRY  
AND RESPONSES**

ECONOMIC OUTLOOK  
AND FISCAL REVIEW

PERSPECTIVES ÉCONOMIQUES  
ET REVUE FINANCIÈRE

**Hon Greg Sorbara (Minister of Finance):** I rise today to present our government's economic outlook and fiscal review.

On October 2, the people of Ontario chose change. They chose a new government to deliver real, positive change, to grow our economy, deliver excellent public services and live within our means.

Il a choisi un nouveau gouvernement qui apportera des changements réels et positifs afin de relancer les croissances économiques, d'offrir d'excellents services publics et de faire en sorte que nous vivions selon nos moyens.

We are honoured by their choice and we will justify their trust.

When we were sworn in on October 23, we found that the financial circumstances of this province were far worse than the people of Ontario had been led to believe. It is these circumstances and our response to them that I am addressing today.

Immediately after the election, we asked former Provincial Auditor Erik Peters to give us the straight goods. He was asked to compare the province's 2003-04 budget, released in March, with our fiscal situation in October. He confirmed that Ontario could anticipate a deficit of \$5.6 billion in the current year, and he listed certain risks that could cost us another \$1 billion or more.

Since his report, two things have happened. On the one hand, some of those additional risks have come to pass. On the other hand, we have taken action to stop the erosion of our revenues and restrain our spending. These two factors have, frankly, offset one another.

Based on everything we know to this point, our updated fiscal forecast for 2003-04 is a deficit of \$5.6 billion. But this is not a one-year problem. We have a serious long-term problem. It's a problem rooted in a chronic mismatch of revenues and expenditures that has been growing over the past several years.

To be specific, over the past three years, program spending has grown by more than \$10 billion while tax

revenues have increased by only about \$500 million. In short, we have inherited a situation where the costs of running programs and paying interest on debt has been growing faster than revenues.

Even the positive impact of Bill 2, the Fiscal Responsibility Act, 2003, will not solve the problem. Without further action, without changing the way we do business and deliver programs, the province is on track to spend more than it takes in each year, every year.

Nous pourrions nous retrouver avec un déficit d'au moins 4,5 \$ milliards par année et chaque année.

We could face future deficits of at least \$4.5 billion a year, every year. This is what economists call a "structural deficit." It's what Ontarians call unacceptable, and it's what we call a challenge that simply must be met.

We have also identified other financial liabilities that have arisen over the past eight years, primarily within the broader public sector. These liabilities may add to the 2003-04 deficit, but were outside the scope of Erik Peters's mandate. They include: accumulated deficits in our hospitals and our children's aid societies; potential liabilities of the pension guarantee fund; and additional woes of Ontario Power Generation. These liabilities could reach \$2.2 billion. Further details on them are contained in the background document that accompanies this statement. We are reviewing them to determine how to deal with them responsibly.

Preliminary indications from OPG that have recently come to our attention suggest that there may be a substantial risk to its net revenue in the medium term. This risk could have a negative impact of \$250 million to \$900 million a year over our medium-term revenue outlook, between 2004-05 and 2006-07. We will be reviewing these potential impacts as more information becomes available.

In the background papers to this document we have included projections for each of the next three years. They describe the changes in spending that would be needed to reach a balanced budget by the end of each of the next three years. They do not represent options so much as the starting point for our consultations. For example, spending would have to decline in absolute terms by 2.3% from the levels currently projected for this year to balance by the end of the upcoming fiscal year. To get in the black by 2005-06, spending could increase by no more than 1.3% each year for the next two years. To balance by 2006-07, spending could only grow by an average of 2.3% each year for three years. Even this is far less than the 5% spending growth that has been the government average over the past five years. Clearly, we face some tough choices.

To be sure, we will not engage in the slash-and-burn, quick-fix approach that could endanger public services and indeed the economy itself. Frankly, Ontarians have had enough of that. Instead, we must begin the work of transforming government so that we can deliver high-quality public services on a sustainable basis.

While the finances we inherited are weak, our economy remains strong. Our workforce and businesses are

performing well. Despite setbacks like SARS, restricted border crossings, the blackout and mad cow disease, we're poised to achieve economic growth of 1.7% this year. Private sector forecasters agree that Ontario will rebound strongly next year and beyond. An average of their forecasts shows that real GDP growth accelerates to 3.1% next year and 3.6% the year after. These gains reflect the latest data showing a rapid turnaround in the economy of the United States, our largest trading partner.

1420

After almost no growth in the current year, our exports are expected to grow by 4.2% next year, and this despite our higher Canadian dollar.

We expect that by the end of this year, Ontario will have created 158,000 net new jobs, seen more than 84,000 new housing starts, and enjoyed a 3.8% rise in consumer spending.

While the increased value of our Canadian dollar has had an impact on exporters, it will also help our businesses by lowering the cost of investing in imported equipment and technology. These investments, in turn, will boost our productivity.

Our people and businesses have done their part. What they now need is a government that is willing to do its part, and we will.

Mr Speaker, we've already begun our work. We acted to immediately restore a fair and competitive tax system to Ontario with the introduction of Bill 2. It will provide very much needed revenues to support services that Ontarians depend on.

We maintained a hiring freeze in the Ontario public service while assuring those who work for this great province that strengthening public services is central to our mandate.

We raised the cap on electricity rates. It wasn't an easy thing to do, but it was the right thing to do. The subsidized rates will have cost close to \$1 billion by the end of the fiscal year.

We're improving transparency and accountability within the public sector. Our proposed changes to the Audit Act will allow—

*Interjections.*

**The Speaker (Hon Alvin Curling):** Order.

**Hon Mr Sorbara:** Thank you, sir. I appreciate it.

Our proposed changes to the Audit Act would allow value-for-money audits of hospitals, school boards, long-term-care facilities, colleges and universities, Hydro One, and Ontario Power Generation. In the wake of the Epp report, we will ensure that the new leadership of Ontario Power Generation displays the openness and good governance that Ontarians have a right to expect.

We provided \$112 million in support of children who are struggling with their schoolwork.

We have increased the minimum wage to \$7.15 an hour effective February 1, the first increase in almost nine years.

We've moved to lower auto insurance rates and protect Ontario consumers.

We are, sir, fulfilling our commitments to the people of Ontario, and we will continue to do so.

I have described the financial challenges and the actions we have taken so far.

But there is much more to do, and we have a work plan to guide us through that work. Our plan consists of four major components: an unprecedented consultation with the people of Ontario, a broadly mandated period of restraint, a commitment to build on the new spirit of co-operation among all levels of government, and the redesign of many government services.

Let me begin with consultation. Our consultation with Ontarians is going to be comprehensive, intensive and inclusive. Only with their help can we ensure that the tough choices we face turn into the wise decisions that must be made. We believe that front-line workers in the public sector are in a unique position to know what works and what doesn't, both in their jobs and within their sectors as a whole. We want to hear from them. We know that business people bring an invaluable perspective to the table, from how to grow our economy to how to serve consumers. We want to hear from them. We want to hear from all Ontarians, from every walk of life, from every corner of the province, for they are the people that we are privileged to serve. On the Web and through citizens' juries and town halls, people will have their say about their services and the hard-earned dollars they want invested in those services.

The second element of our work is restraint. Restraint must be our watchword as we begin to redesign government. We're already paying more than \$10 billion a year in interest on our debt. That's more than we're spending in operating funding for our primary and secondary schools. So we're asking our partners in health care, in education and in the rest of the broader public sector to temper their requests for more. We're asking them to bring forward new ideas to ensure the long-term sustainability of public services that they work so hard to provide. I want to stress that this fiscal challenge is a threat to the services we're providing now, let alone to the improvements that we all want. But I also want to assure all Ontarians that while the fiscal challenge we face may change our timetable, it has not altered one iota our commitment to improve these public services.

The third element of our work plan is building on greater co-operation among all levels of government in Canada. From the recent Grey Cup summit to the creation of the Council of the Federation, there are positive signs that governments across the country are listening to each other and are ready to work together. We've already reached new and constructive agreements with the federal government on SARS relief, highway construction and agriculture. The recent joint greater Toronto area caucus meeting was another watershed where provincial, federal and municipal elected officials came together to talk about transit and affordable housing, the most urgent needs of Canada's largest urban area. The government will explore service integration opportunities with the federal and municipal govern-

ments in order to enhance service quality and delivery to citizens. Premier McGuinty will soon appoint John Milloy, his parliamentary assistant for intergovernmental affairs, to a special mandate to foster more constructive relationships between governments, and in particular with the federal government. We believe that governments work best when they work together.

The fourth element in our work plan is redesigning government. We must develop new ways to deliver better quality public services. This is more than a question of additional investment. More investment in public services is necessary, but that's not enough. We have to change the way governments work for people. In education, for example, we need stronger achievement in numeracy and literacy. We need to reduce health care waiting times. We need to improve our air quality. Money alone will not guarantee these outcomes; we need to change the system itself. We must be relentless in the pursuit of the best ideas, models and practices from around the world for delivering and sustaining high-quality public services.

Let me conclude by telling this House why all of this is so important. The deficit we have inherited threatens all that we want for Ontarians. Without a strong fiscal foundation, we cannot build a stronger Ontario. We will do what we must do, while always remembering that the people of Ontario didn't send us here to simply crunch numbers and defeat deficits. They sent us here with a greater mission: to strengthen our schools and our health care system, our cities and towns, the communities in which we build our businesses, celebrate our friendships and raise our families.

Les Ontariens et Ontariennes savent, et nous aussi, que la responsabilité financière est un moyen de parvenir à nos fins, c'est-à-dire de renforcer l'économie, bien entendu, mais avant tout d'assurer une bonne qualité de vie.

Together, we will get the numbers right. We will repair this balance sheet.

Nous redresserons le bilan de la province.

1430

We will strengthen our financial position and we will redesign government so that we can deliver the finest education, the best health care, the cleanest environment and the strongest communities so that we can, as the Premier has said, make Ontario the envy of the world.

**The Speaker:** Order. Responses?

**Mr Ernie Eves (Leader of the Opposition):** We can now readily see why the government didn't need a lock-up to produce this statement. The reality is, to the Minister of Finance, you are creating a crisis in the finances of this province. You make John Snobelen look like a piker. This is absolutely ridiculous. What have you been doing for two months?

*Interjections.*

**The Speaker:** Order. Could we give the leader of the official opposition a chance to respond?

*Interjections.*

**The Speaker:** Order.

**Mr Robert W. Runciman (Leeds-Grenville):** On a point of order, Mr Speaker: This is not fair. You are not being objective and fair with the opposition.

**Hon Dwight Duncan (Minister of Energy, Government House Leader):** On a point of order, Mr Speaker: I seek unanimous consent to put two minutes back on the clock for the Leader of the Opposition.

**The Speaker:** Do I have unanimous consent? Agreed.

**Mr Eves:** It raises the question of what the government has been doing for two months. You said, Mr Minister of Finance, after Mr Peters introduced his report, that you would be taking action upon it immediately. It would appear, quite frankly, that Paul Martin, the Prime Minister, has done more in 60 hours of being in government than you've done in 60 days of being in government in the province of Ontario.

There are a few problems with the Minister of Finance's numbers. Number one, he doesn't take into account the revenue projections that were in the very own public accounts of the Ministry of Finance that were adopted by the acting Provincial Auditor in this province and used by the Canadian Taxpayers Federation—which were not available, quite frankly, to Mr Peters, with all due respect, when he did his report. That would account for an additional \$3 billion in this fiscal year in revenue.

It also doesn't take into account his own party's campaign commitment that they could find \$2 billion in savings in an instant to eliminate up to \$2 billion worth of debt. That leaves us with a projected debt, according to Mr Williamson, of no more than \$600 million in this fiscal year. If you take into account the \$771 million that Mr Manley has given to you, which even Mr Williamson has spread over three years—it's not on the PSAB accounting basis. You know the basic public accounting principles that every government in this country follows, and that is that you take into account the year in which the decision is made. Even Mr Manley agrees with that.

We talk about the amount that revenue has gone up. Revenue, in the province of Ontario, has gone up over \$17 billion on an annualized basis in the last eight years in this province. You don't mention that. There's a reason for that, and the reason is very simple. Because people have been allowed to keep more of their own money, there are more than 1,150,000 more people working in the province today than were working eight years ago. They're paying taxes. They're buying goods, commodities and services, and hence, increased revenue.

The Minister of Finance is complaining about how much the government is spending. I presume that he's aware that 48% of the government's operational budget this year is being spent on health care. Are you suggesting that we take money away from them? About 25% is being spent on education. Are you suggesting that we take money away from them? Where wouldn't you spend that \$10 billion that you're criticizing? Are you going to take it away from hospitals, schools, universities, community colleges? Where are you going to take it away from?

*Interjections.*

**The Speaker:** Order. When the minister was making his statement, I got a lot of co-operation from this side. I'm getting a lot of heckling on this side and I'm unable to hear the leader of the official opposition make his presentation.

**Mr Eves:** The government is going down a very risky road indeed when it starts to look at things like the capital expenditures of OPG and including the cost in that and operational funding. When it goes down the road of taking into account accumulated hospital debt in this province over many decades—we're not talking about this year's deficit, with all due respect; we're talking about the accumulated hospital debt in this province, which has been public knowledge. It isn't a big secret that the government made it out to be. It is revealed every year in the accounting statements of every single hospital in this province and always has been. So if you're going to start to include those, as well as the capital expenditures of OPG, as well as the debt of universities, colleges and municipalities, you can get this number up as high as you want. It can be \$12 billion, \$14 billion, \$19 billion, \$29 billion a year.

I say to you, what is that going to do to anybody's accountability in terms of managing their own affairs? What's it going to do to the credit rating of the province? It's not proper accounting. It may be convenient political accounting, but it's not the proper road to be going down. Why don't we just get to work, roll up our sleeves and manage the problem and solve it this year?

**Mr Tony C. Wong (Markham):** On a point of order, Mr Speaker: A group of grade 10 students from Markville Secondary School in Markham have just arrived. They are supervised—

**The Speaker:** Order. Would the member be seated, please? I have warned members before that this is not the way we do things, on a point of order, recognizing visitors in the gallery. We're just in the middle of a response from the third party. I'm going to recognize that, and not recognize this as a point of order.

1440

**Mr Howard Hampton (Kenora-Rainy River):** I want to recognize a budget formula which seems to have become the style now, certainly of the Liberal Party in Ottawa and now of the Liberal Party in Ontario. The now Prime Minister made this budget style famous. You overestimate your expenditures. You underestimate your revenues. You say, "Oh, surprise, we've got a deficit," and then you use, "Oh, surprise, deficit," to justify breaking all your election promises. But because you've overestimated your expenditures and underestimated your revenues, two years down the line you suddenly move them closer together and say, "What a miracle. We've balance the budget."

This Minister of Finance and this government complain that the former government engaged in some budgetary sleight of hand. That may be true, but it is equally true that there is some budgetary sleight of hand in this budget. What this government has done, if you look at the debt costs, at the interest on debt costs, is

they've taken all the interest costs on Hydro's stranded debt, which used to be counted separately, and they've now suddenly brought it in and, hocus-pocus, their expenditure has gone up by \$3 billion.

What they haven't done at the same time is they haven't acknowledged that by now raising hydro rates from 4.3 cents a kilowatt hour to 5.5 cents a kilowatt hour, that is going to bring in all kinds of new revenue. It's going to bring in new revenue that will enable OPG to pay its own debt servicing costs. So almost overnight they'll be able to say, "Look at that, \$3 billion has been paid down like that." All of a sudden a budget that was dressed up to look like an overwhelming deficit—the deficit disappears.

I want to say this is quite an amazing political exercise. It now allows the Minister of Finance to go to the colleges and say, "Oh, sorry, there's no money." It now allows them to go to the hospitals and say, "Nope, no money." It allows them to go to school boards and say, "No money." It allows them to go to cities you promised were going to get two cents of the gas tax and say, "No money."

How is this all being done behind the curtain? By, without announcing it, bringing in the interest costs and Hydro's stranded debt and for the first time counting it as public account debt cost, and at the same time, not giving recognition to the fact that by increasing hydro rates from 4.3 cents a kilowatt hour to 5.5 cents a kilowatt hour, that's going to allow OPG to bring in all kinds of new revenue.

I wondered why over the last two weeks you went back and pounded away on OPG, pounded away on Ontario Power Generation. There should have been no surprise about Ontario Power Generation's current problems. We told you last spring the rate cap would cost OPG money. We told you last spring the debacle at Pickering would cost OPG money. So there should be no surprise at OPG's difficulties. What you've done is you've included hydro costs in your budget, but you haven't included hydro revenues, which are going to come from increasing the rates on hydro power. That is the sleight of hand that's going to happen here.

I know the member for Beaches-East York has some more points to make.

**Mr Michael Prue (Beaches-East York):** They went from door to door promising a new deal for our cities, a new era for our cities. They promised to start sharing revenue with our cities. They promised two cents on the gas tax for every municipality in Ontario. They promised to start rebuilding the infrastructure of cities that are in decay, and many of them are very much in decay in this province. They promised money for transit. They promised to stop the downloading.

All that is happening today, in today's budget statement, is that all that is going to continue and we are going to see deficits rise, not only in the province but in all of the urban infrastructure of this province. There is nothing in this statement that offers any hope to our cities or to the people who live in them.

## ROBERT STANFIELD

**Mr Cameron Jackson (Burlington):** On a point of order, Mr Speaker: I believe we have unanimous consent for comments from each of the parties with respect to the passing of Robert Stanfield. Up to five minutes, please?

**The Speaker (Hon Alvin Curling):** Do we have unanimous consent for a five-minute tribute with respect to the passing of the former leader of the Conservative Party? Agreed.

**Mr Jackson:** We thought, out of courtesy, we'd let the government go first, if you'd like to.

**Hon James J. Bradley (Minister of Tourism and Recreation):** On behalf of the government, and on a personal basis, I would like to pay tribute to Robert Stanfield, who was described by many as the best Prime Minister Canada never had, and the reason was that he was a highly intelligent, very compassionate, very bright, progressive individual who, in an era when television became increasingly important in the field of politics, was not able to communicate his message as well as I'm sure he or his party would have liked. But behind his speaking style, behind his personal style was, as I say, a highly intelligent and compassionate individual.

When I heard the news on the radio, it was interesting—I just listened to my colleague the Minister of Energy, and he said, “You know, when I heard that Bob Stanfield died, I really felt bad about it,” because he was a very distinguished Canadian, a very well-respected, a very loved Canadian, particularly in his native province of Nova Scotia and amongst members of the Progressive Conservative Party. What I recalled immediately when I heard it was a speech he had made on the final day, for him, of the Progressive Conservative convention, when they were choosing a new leader. It was an extremely compelling speech. I wish I had a copy of it today to share excerpts with members of this assembly. I remember being in a car at the time, listening to it and not turning the station, listening with a great deal of interest to the message he had for the Progressive Conservative Party at that time, and not only for the party, although it was primarily aimed at them, but for the nation. I'll tell you, his views were far-reaching. He knew where Canada was going. He had a love for his native Nova Scotia and for this country.

He was a highly intelligent man. When you hear a person speak slowly, sometimes you have a different impression. He said that himself. He said, “You know, when I was in Nova Scotia, nobody complained about it. I came to Ottawa, and they wanted me to speak so quickly.” And yet his message was very good for this country.

He was a man of immense loyalty to his party and to his country. He was a man of immense integrity. What was said of him in terms of being a politician should be a compliment and should not denigrate his contribution to public life. It was said that he didn't have the thrust that you had to have in politics, that “going for the jugular” that it is said is required in politics, because on a number

of occasions when he could have taken some very drastic action against the government in power to further his own political ends, he didn't do so, because he was very much the gentleman and very much a person who believed in the integrity of politics.

It's most unfortunate that a person with those qualities is not a person who is recognized for the kind of leadership he could have provided for this country. It was a contrast, you will remember. I remember a photograph, that all of us remember, of Bob Stanfield stumbling when he was trying to catch a football. He fumbled the football. He had a grimace on his face. It looked as though he was completely a person who could not handle public life, because in those days, Pierre Trudeau was coming on the scene. He was seen as a dashing, athletic, bright new person on the scene, a charismatic person. And yet Bob Stanfield was every bit as capable an individual as any of the political leaders had been in that day. But the image did not necessarily fit the reality in that case.

So when we have a person of that kind passing on, I think we should reflect upon his life in a way which is extremely sympathetic.

## 1450

I want to choose one, because we are limited in what we can do. I want to choose what was said of him by an individual whose name is Jerome Barnum, a New York management consultant, who said Mr Stanfield was “perhaps the world's most well-rounded chief executive, exhibiting all of the behaviour characteristics leading to excellence in management. Mr Stanfield has the intellectual flexibility of an Adlai Stevenson, the human warmth of a John F. Kennedy and the organized preciseness of a Herbert Hoover.”

All of those were Americans, but it was an American making a pronouncement about a Canadian who not only to Canada, but on an international basis, made a wonderful contribution. Our country is better because of Robert Stanfield and his contribution to Canadians from coast to coast.

**Mr Jackson:** It's a great honour for me to rise on this solemn occasion to say a few words on behalf of the life of Robert Stanfield.

As my colleague from St Catharines has indicated, it has been oft times stated that Bob Stanfield was probably the finest Prime Minister Canada never had. He will indeed be remembered for that, and there is much about this man's long and distinguished career that needs to be briefly annotated today.

I have not only had the privilege of supporting Bob Stanfield, but I had the privilege of working for Bob Stanfield. Like my colleague from St Catharines, we began our political involvement as very, very young teenagers, and I was there when Bob Stanfield produced the glass of milk and the banana on television. My colleague opposite will remember that, not to be outdone, a very close friend of his, the late Mr Greene, produced an apple and orange juice for national television in the hopes that he could emulate Bob's success on television.

As has been stated, it was a momentary success, because with the flood that was produced with Trudeau-*mania*, poor Bob's intellect and compassion were overshadowed by the excitement that the media had engaged in having a truly media-savvy leader of a political party in Pierre Trudeau. That juxtaposing of two styles and two approaches to politics seemed to have not only haunted Bob Stanfield all of his life, but it also underscored the depth and quality of this man.

There is something that I didn't find when I was reading today, but it's a piece of his personal history that I'm aware of that many people are not. Bob Stanfield was the first and only non-American to be the editor of the *Harvard Law Review*. This was a distinguished—he was very modest about it, but the Americans were so overwhelmed by the man's capacity and his intellect and his legal mind that he was awarded this great honour, which has not been replicated since. I think that's a tribute to our nation that we produce the Ramsay Clarks and the Bob Stanfields of the world by whom the Americans are continually impressed.

I may be one of the few people who can say that in 1968, I had a Bob Stanfield sign for my parents' lawn and I refused to come into the house until they let me put it up. That was the only lawn sign for Bob Stanfield on our street at the time, but I will say this: I remember occasion after occasion when my neighbours who had Trudeau signs would come up to me and say, "You know, Cam, we wish we had taken the sign when you knocked on our door," because, as we know, in 1974, Bob spoke about wage and price controls and he was mocked by Trudeau, and Trudeau then came in and implemented them. Bob was and will be remembered as someone who said it as it would be. He was very straightforward with the public in these matters.

Again, I can say, I remember—mind you, at the time, I was working for him on the national executive—he phoned me up. He wanted to visit Burlington and he asked me if I would introduce him to my student council during an assembly. It was a great honour for me as a young high school student. That was the kind of detail that Bob Stanfield felt about people.

I will remember an episode—I'm sure every member of this House will—when Bob was tested. It was quite common for the Liberals of the day, whenever their popularity got low, to pick one or two subjects off the shelf and throw them out there on to the table for the media to play with. One of those, of course, was official bilingualism and the Leonard Jones affair. That was a test for Bob Stanfield. It put him at odds with a large number of people at that time in our party. Yet Bob had a very deep conviction about what it meant to be a Canadian and how inclusive his political party was going to be under his leadership. He paid a political price for that, but he was able to be at peace with himself his whole life that he never let his country down as a true Canadian.

Ladies and gentlemen and members of the House, we all share in the loss of this great Canadian. Our condolences and our hearts go out to his four children, and to

his wife, Anne, who was from Toronto, and many of us know her. This is a difficult time for Nova Scotians as well, who are mourning a great leader and a great Nova Scotian.

**Mr Gilles Bisson (Timmins-James Bay):** On behalf of New Democrats, I want to extend our condolences to the Stanfield family and also to the extended family, all of those many people who came into contact with Mr Stanfield over his many years in politics.

There are few Canadians who can actually be attributed to as being one of those Canadians who served in politics who can be best remembered as a person like Robert Stanfield. We think of certain members of the opposition as leaders, we think of certain Prime Ministers at the federal level and the provincial level, who were able to rise to the occasion, who at a time in their political career decided to run for office to become leaders of their party and, once there, served with distinction and really carved a special place for themselves in our hearts and minds, no matter what side of the issue you happened to find yourself on.

I remember in the 1970s—I don't remember exactly which election, but in the mid or early 1970s—there was a campaign on when we were in the midst of a very tough economic situation in Canada, with inflation running out of control. Mr Stanfield, if we all remember well, was the one who put forward the whole idea of wage and price controls. In that whole campaign, as I remember it, as a young person first being involved in politics, that was the issue we were out campaigning on. I, as a New Democrat for Mr Tommy Douglas, and others in this House for various leaders of parties campaigned against the very idea of wage and price controls.

The point I want to make this: It took a lot of guts for a Canadian leader of a party such as the Tories, who were contending for government, to say to Canadians, "We need to deal with some tough medicine and we've got to deal with that now or else our economy is not going to flourish the way it needs to." Mr Stanfield, with a lot of courage, went through that whole campaign on the issue of wage and prices controls and, if you remember, on the issue of raising the gas tax we pay for our cars. I remember well the debate on CBC Radio—oh, the CBC radio of the past—with Monsieur Stanfield and Monsieur Caouette. It was quite a debate. I remember at the time that his idea was rejected.

Interestingly enough, the idea had its day because even though the Liberals at the time, under Mr Trudeau, campaigned in opposition to wage and price controls, the Liberals, as they are, adopted the idea of wage and price controls, including the gas tax, and called it their own, which was an idea Mr Stanfield had put forward.

It's not a partisan comment. I'm just saying that every now and then in politics people bring forward ideas and those ideas are adopted by others, and I think to a certain extent that can attest to the thoughtfulness and creativity of Mr Stanfield.

I also want to say that Mr Stanfield suffered, as some of us in politics and as leaders suffer, in that he really had

a bit of a difficult time dealing with the media. I remember a number of occasions where he didn't have his best day in pictures that were taken of him, at football games—Mr Bradley earlier talked about the picture of him stumbling with the football, but many people remember the picture of the banana. A picture had been taken of Mr Stanfield while eating a banana at a football game, and the connotation was that he wasn't up to the job.

It was quite unfortunate, because even though I never voted for Mr Stanfield, I think that he, as a leader, emulated what all leaders should be able to strive for, and that is to have the courage of your convictions; even though at times you may be in a position where you might feel as if you're pushing forward a minority view, to stick to those issues and push them as far as you can in order to be able to have those ideas go forward and be adopted.

1500

I know that the family is obviously going to miss him. I also want to say, as Canadians there are few people who go through politics whom we can all claim to have known at one time. I just say that Canada was made a much better place because of the participation of Mr Stanfield in his many years in federal politics. He will not only be missed by his family, he will not only be missed by the extended family of Nova Scotians, but by all Canadians who truly benefited from his time in federal politics and the contributions he made.

**The Speaker:** Of course, those comments and words of tribute on the passing of this great Canadian will be made available to the family.

#### LEGISLATIVE INTERNS

**The Speaker (Hon Alvin Curling):** With us today in the Speakers' gallery are the 2003-04 interns of the parliamentary internship program in Ottawa. They are Simon Bailey, Shantona Chaudhury, Clare Demerse, Jeremy Geddert, Andrew MacDonald, Chi Nguyen, Cloë Rowbotham, David Sandomierski, Adam Waiser and Eli Walker. Would all members join me in welcoming our interns.

#### ORAL QUESTIONS

##### TAXATION

**Mr Ernie Eves (Leader of the Opposition):** Mr Premier, you were quoted on your way into cabinet this morning, when asked by one Graham Richardson, "Is cancelling a tax credit a tax hike—yes or no?" and you responded by saying, "I'm going to be doing that this afternoon." Could you now tell us whether cancelling a tax credit is a tax hike or not?

**Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs):** I want to thank the Leader of the Opposition for his question.

What we're conveying to the public today by means of this economic statement is that while we find ourselves in difficult economic circumstances, we have done three things which I think give expression to very strong leadership. First, we're giving people the straight goods. We're telling them exactly about the situation as we find it. Second, we have taken immediate steps to address the mess left to us by the previous government, and I fully expect we'll have the support with respect to Bill 2, which will be coming up shortly in this House. Finally, we insist on moving forward together with Ontarians. We're going to enlist them in the cause to address this deficit, to redesign government and to restore faith in much better-quality public services.

**Mr Eves:** I don't believe we received an answer as to whether the Premier now considers cancelling a tax credit to be a tax hike or not.

I also understand that you are now not delivering on your gasoline tax commitment to public transit. Will you stand in your place and admit there was no way you could deliver on that commitment in the first place?

**Hon Mr McGuinty:** We look forward to delivering on that commitment.

As I said in a scrum earlier today, I would love today, in the spirit of the season, to be able to run around the province and hand out cheques, but that would be irresponsible. We believe we have to bring a responsible approach to the financial disaster that was left to the people of Ontario by the previous government. We look forward to working with our communities. We look forward to putting them on a sustainable footing.

I had yet another very good meeting with another representative of a city yesterday: I met with the mayor of Hamilton. I will continue to meet with mayors across the province. We will work together to improve their lot as we improve our lot.

**Mr Eves:** Speaking about a responsible approach, I say to the Premier, in the Minister of Finance's statement this afternoon he talks about your work plan, and he talks about going around and putting in this year's fiscal deficit of the province the accumulated debt of hospitals and, I presume, other public institutions in the province for decades.

I believe I heard the Minister of Finance say in his statement today that the Provincial Auditor thought this was the right thing to do. How come the Provincial Auditor has not done that in every single set of public accounts that he has introduced in the province's history?

**Hon Mr McGuinty:** I say again, notwithstanding what the Leader of the Opposition is saying, I don't believe ordinary Ontarians understand that we have an accumulated deficit in our hospitals to the tune of some \$1 billion. I don't think they know that. We feel a responsibility to share that with them. We feel a responsibility to tackle that and to tackle it head-on.

They may not feel the people of Ontario can cope with that kind of information. We believe the people of Ontario are smart and resourceful. We intend to call upon the best they have to offer, and we intend to work together to tackle this deficit and improve their public services.

### ONTARIO BUDGET

**Mr John R. Baird (Nepean-Carleton):** My question is to the Minister of Finance. Minister, this type of fiscal gymnastics is an embarrassment to you and it's an embarrassment to your government. You've set aside the professionalism that was known around North America as the hallmark of the Ontario Ministry of Finance. You had your spin doctors take over the ministry. Let's be very clear. This document was not written by you. It was written by your spin doctors, your negative campaigners, people like Warren Kinsella. Can you name me one single person who is neither employed by the Liberal Party nor has a Liberal membership card who would honestly say you're making an honest effort to even try and balance the budget this year? Can you name me one single person?

**Hon Greg Sorbara (Minister of Finance):** It's clear to me that my friend from Nepean-Carleton hasn't had the benefit of reviewing the material and didn't give us the courtesy of listening to the speech. The work in that speech and the numbers we presented with it are the result of the work of officials in the Ministry of Finance who have been working with this problem for years and years. The good news, and they should be celebrating it, is that for the first time in a long time we are casting back the curtains and letting the full light of day shine on the real circumstances this province finds itself in. I'll tell you, sir, that's the only way we can get on with the very tough job of building a strong financial foundation and, in doing so, repairing public services.

**Mr Baird:** I do underline the fact that you couldn't stand in your place and name a single person who believes you're making an honest effort to balance the budget, and I think that's quite telling.

You promised to balance the budget, you promised not to raise taxes and you and your government have broken that promise. Page 60 of your report is perhaps the most outrageous. Major changes from the Peters report: \$300 million of SARS costs, which was booked by cabinet in July from the contingency fund, and just to make the former government look bad, you put it again. Again, in this budget, just to get to the \$5.6-billion deficit, you've established yet another contingency fund. That's in addition to the \$1 billion you set aside as your Liberal economic plan. That's in addition to the \$2 billion you set aside to help balance the budget this year. You've gone further. You've set up a \$600-million slush fund.

**The Speaker (Hon Alvin Curling):** Question.

**Mr Baird:** When are you going to stop vilifying the former government, go to work and at least make an

honest attempt to balance the budget in Ontario this year, just as you promised to do?

**Hon Mr Sorbara:** I don't need to spend any time vilifying the former government. Your record stands as your record, and that record was considered and rejected on October 2.

Within days of being sworn in, we introduced a bill, Bill 2, the Fiscal Responsibility Act, to start to repair some of the revenue damage. My friend from Nepean-Carleton has not had the courtesy to stand up and vote for that bill and say it's a good idea; it is. We've started our work. We're going to continue our work. We're going to get this province on a strong financial footing.

**The Speaker:** Final supplementary.

**Mr Frank Klees (Oak Ridges):** To the Minister of Finance: I have a note here. It's from Santa Claus. He's presenting you with a lump of coal for the work you've just presented.

*Interjections.*

**The Speaker:** Will you allow the member to ask his question, please.

1510

**Mr Klees:** From Santa Claus to the Minister of Finance: "You'll be getting a lump of coal for the work you've just done."

Can the Minister of Finance tell us, now that he has this economic statement out, whether he has in fact given instructions to his ministers to now go to work and bring in, by the end of this fiscal year, a balanced budget? Can he tell me if he at least has asked them to make an effort to do that?

**Hon Mr Sorbara:** I look forward, sir, to the lump of coal. I thought perhaps my friend from Oak Ridges was going to send one over. I get the same questions from my friend from Oak Ridges every day about what I have told my colleague ministers. Every day I give the same answer: I do not discuss in this Parliament or publicly the discussions that my colleagues and I have in cabinet. I simply say that we have now taken a very important step with this economic statement. We've set out the starting point. We've set out a work plan. We are determined to get this province back to a sound and strong balance sheet.

If my friend wants to send over a lump of coal to help in that regard, I'd be delighted to accept it.

### PROVINCIAL DEFICIT

**Mr Howard Hampton (Kenora-Rainy River):** My question is for the Premier. Before the election, your then finance critic referred to the risk of a \$5-billion deficit. In August, Mr Kwinter and other of your members referred to the risk of a \$5-billion deficit. You knew there was a deficit. Despite your knowledge of that, you made a promise to cities that they were going to get two cents a litre of the gas tax. You said, "We will give two cents per litre of the gasoline tax to municipalities for public transit." Now you and your government pretend you're surprised that there's a \$5-billion deficit, and you use

your surprise to say, "Oh, I guess we can't keep our commitment to the municipalities." You knew about the risk of a \$5-billion deficit when you made the promise. What's changed?

**Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs):** I'm pleased to receive a question from the leader of the NDP. Let me say that we look forward to delivering on that promise, as on many other of our promises. We've already delivered on so many of them within a short period of some 55 days.

Let me put it in a different light. I am not going to do what the NDP did when they formed the government. I'm not going to try to spend my way out of this problem. We're going to bring a responsible approach to dealing with the government's finances. We're going to sit down with our municipal partners and work together. We're bringing something to the table that has been lacking for eight and a half years, and that is goodwill. We're not going to pretend that we can sprinkle the province with gifts. We're not going to do that. The fact of the matter is, we've been saddled, all of us, with a \$5.6-billion deficit. It's time for the members opposite to get real. We have a serious matter before us. We're going to treat it seriously. We're going to sit down with our municipal partners, and we're going to work out a plan to put them on a sustainable footing.

**Mr Hampton:** You knew there was a \$5-billion risk before the election. That didn't stop you from sprinkling all kinds of goodies. That didn't stop you from going to municipalities and saying, "Public transit can't wait. Public transit is too important to getting rid of gridlock. It's too important to improving the quality of our air." Now, all we've had confirmed is, yes, there's a \$5-billion deficit, the same \$5 billion you referred to before the election. But suddenly public transit can wait. Suddenly it's not important any more. Tell us, what's changed? Your finance critic knew there was a deficit; the Fraser Institute knew there was a \$5-billion deficit. What's changed, or is it just that you never intended to keep those promises in the first place?

**Hon Mr McGuinty:** What's changed is that there's a responsible government on the job. We have a \$5.6-billion deficit. We're not going to pretend it doesn't exist. I again say to the leader of the NDP that we're not going to bring the approach in government that he brought as part of his government. We're not going to try to spend our way out of a deficit. I want to remind the members that this former government quadrupled the deficit to over \$12 billion. They doubled the accumulated debt. There was an average of 1,000 people joining the ranks of the unemployed each and every week over the five years that they, the NDP, were in power. We do not want to revisit those dark and desperate times. We're going to take the tough decisions. We're going to deal with this deficit in a responsible way.

**The Speaker (Hon Alvin Curling):** New question.

**Mr Hampton:** I swear I heard Ernie Eves give that same speech here in the Legislature eight years ago. I think, Ernie, you should claim copyright here, because

it's the same speech the Conservatives used to give. Premier, what you're doing is this: You're defending all the tax cuts the Conservatives put in place. You're telling people that it's more important for your government to keep all those tax cuts that the Conservatives put in place that we know are not sustainable. Before the election, you were singing a different tune. Before the election, you said that you were going to hire 8,000 nurses. You said that health care can't wait. Now all of a sudden it seems to be that health care can wait because it's more important to recite Ernie Eves's speeches. Can you tell me how this magical change happened, Premier?

**Hon Mr McGuinty:** I think one of the most shocking changes in this Legislature has been the fact that the NDP now stands in support of public funding for private schools. I think that's the most shocking change that we've experienced in this Legislature. I want to remind them. They voted against our Bill 2, and I want to give the members opposite and the public at large another opportunity to understand exactly the aggressive steps that we have taken. With respect to Bill 2, we have rolled back the latest portion of the tax giveaway to large corporations. We've eliminated the seniors' education property tax credit. We are trying to eliminate the tax giveaway to private schools. We do that and many other things inside Bill 2, and I ask the member opposite to lend us his support so that we can begin to crack down on this deficit.

**Mr Hampton:** The Premier wants people to pat him on the back for not implementing tax cuts that the Conservatives were going to implement. Meanwhile, you keep in place 90% of the unsustainable tax cuts that the Conservatives already put in place. You know and I know that that is what is putting health care in a desperate situation. That is what is putting education in a desperate situation. That's why you say you can't come up with the money for protecting the environment. I'm simply saying to you, Premier, that before the election you said health care was too important. You said health care couldn't wait. You said educating our children couldn't wait. Why is it that now, after the election, you sound so much like Ernie Eves?

**Hon Mr McGuinty:** You know, some things just never change. The NDP believe that we should either—in fact they believe both. They believe that we should be trying to spend our way out of this \$5.6-billion deficit and/or that we should try to tax our way out of this \$5.6-billion deficit. I just don't believe that Ontario families should have to pay the price for the irresponsibility shown to us by the former Tory government. I'm not prepared to encumber them with further taxes.

What I can say is that we are treating this matter very seriously. There is a \$5.6-billion deficit that is now saddling Ontario families as a result of the irresponsible approach brought by the Tories. I can tell you this, Speaker: We look forward to addressing this challenge. We look forward to redesigning government. We look forward to improving public services, and I'm talking about better schools for our children, better health care

for all our families, cleaner air, safer drinking water and stronger communities. That's what we stand for.

1520

#### GOVERNMENT ADVERTISING

**Mr John R. Baird (Nepean-Carleton):** My question is to the Minister of Finance. With great fanfare last week, your government introduced legislation that said you were going to be holier than thou and you would not engage in partisan political advertising with taxpayers' dollars. Today you've had your spin doctors work with professional public servants at the Ministry of Finance, and you've conscripted them into partisan activities.

You recently released this red, taxpayer-funded, taxpayer-supported CD to the press gallery—I know the Sergeant at Arms will want to look at it and take it as exhibit A. You've used partisan advertising to spoon-feed the press gallery, using professional public servants.

I want you to stand in your place and tell us how you can justify this outrageous partisan activity—

**The Speaker (Hon Alvin Curling):** Question.

**Mr Baird:**—where you are seeking to vilify the former government, and tell us how much money was spent on the production and distribution of this partisan piece.

**Hon Greg Sorbara (Minister of Finance):** I can't believe the member from Nepean-Carleton. I can't believe that.

**Interjection:** It was \$400 million.

**The Speaker:** I'm willing to allow them to ask you questions, because it seems I keep getting interruptions from this side. Please.

The Minister of Finance.

**Hon Mr Sorbara:** He was part of a government that spent \$400 million on those glossy things that used to come in the mail with the Premier's picture and the minister's picture and a little statement about how wonderful education was in Ontario as school budgets were being cut, as health care was being cut, as water inspectors were being fired. And now he has the audacity to suggest that CD-ROM technology—have him look in the book. There's no picture. There's nothing. There's my name on the bottom of the document, and I stand by it. For him to suggest that a CD-ROM communicating this material is somehow partisan just goes to show how deeply rooted they were in all that muck.

**Mr Baird:** The minister may be interested to know that the CD-ROM doesn't contain information on the financial statement he presented in the House. What it does seek to do is use taxpayer dollars in a partisan way to conscript the public service into your political dirty tricks and to vilify the former government. That's what the CD does. Had that CD and that electronic advertisement been brought in by the previous government, you and your party would have stood and cried bloody murder.

Paul Martin, in just four days in office, has done more to bring in line the budgetary situation in Ottawa than

you've done in more than nine weeks. Would you stand in your place and tell us you will stop these negative ads, that you will stop this negative conscription of the public service into demonizing the former government? Will you do that, Minister?

**Hon Mr Sorbara:** Somebody send him over a Valium.

Let's be serious about this for a minute. The Ontario public service, including the thousands of officials who work in the Ministry of Finance, have been slandered by the remarks of my friend, and I invite him to withdraw those remarks. They served you professionally, and they serve us professionally.

There's only one thing that's negative. It's the negative number. It's the deficit number that party left when they left government. That's what we are going to fix, and that was the subject of my statement today.

**Mr Baird:** On a point of order, Mr Speaker: Under the standing orders, I register my disapproval of the response and ask for a late show. But I haven't got a response from this minister in more than four weeks.

*Interjections.*

**The Speaker:** Order. I'm sure you'll supply us with the necessary paperwork for that late show.

#### LONG-TERM CARE

**Mr Michael Gravelle (Thunder Bay-Superior North):** My question is to the Minister of Health. There are currently over 60 alternate-level-of-care patients at Thunder Bay Regional Hospital, many of whom should be receiving care in long-term-care facilities. As a result of this, patients looking for acute care are often being shuffled around the health care system, as beds that would be regularly meant for acute care are being used for long-term-care patients who cannot be accommodated anywhere else. I know you'd agree that this is wrong. Not only is it bad for the patients getting turned away due to a lack of available beds, but it's also distinctly unfair to those who should be in long-term-care facilities who require other levels of care, such as rehabilitation or home care.

This situation will only get worse when Thunder Bay Regional opens its new hospital with even fewer acute care beds available. My constituents are looking for an immediate solution to this problem. My question to you is, what are your plans to improve patient care in our community, and when can we expect to see some action?

**Hon George Smitherman (Minister of Health and Long-Term Care):** The issue that the member from Thunder Bay raises is an important one all around our province. We're suffering particular challenges at the moment in the Thunder Bay community, where a shortage of long-term-care beds is meaning that there are a lot of alternate-level-of-care patients who are blocking beds in acute care settings, which is causing a series of concerns and havoc around surgeries and the like.

My ministry is working aggressively on a plan that will have short-, medium- and long-term solutions to

address the challenges in Thunder Bay and other communities in the north and around our province. I expect to be in a position shortly to offer some hope to the community of Thunder Bay, again both on a short-term and a long-term basis.

**The Speaker (Hon Alvin Curling):** Supplementary.

**Mr Bill Mauro (Thunder Bay-Atikokan):** It's important to remember that this is just an interim solution to a much bigger and far-reaching problem. There's no question that more beds are helpful, but moving people from one place to another does not guarantee them the care they need. What we really need in the Thunder Bay district is a long-term plan to deal with this issue. How do we intend to address this in the longer term?

**Hon Mr Smitherman:** To the other member from Thunder Bay, I acknowledged in my first response that we've got a challenge here which is both short-term and long-term in nature. One of the opportunities that we have, and that I've asked my deputy to pursue on a hurry-up basis, is to find beds that might be available in some areas of the province that are overserved, with a look toward distributing those to the areas and regions in our province which are suffering from the most acute problems.

I offer to the members from Thunder Bay my word that I'll be working with them to address this problem and that they should expect to see action from the government on this matter in the very short term, recognizing, of course, that with the opening of the new hospital in Thunder Bay in February, which is the consolidation of two hospitals, we'll have even fewer beds in Thunder Bay, making the need to deal with this quickly even more urgent. It will get the kind of urgent attention that it deserves.

#### PROTECTION OF PRIVACY

**Mrs Elizabeth Witmer (Kitchener-Waterloo):** My question is for the Minister of Health. Your finance minister today and your Premier have both indicated how important it is for you to provide the straight goods. I would say to you, Minister, you have not provided the straight goods when it comes to Bill 8. You introduced the bill with a headline on a news release that said, "McGuinty government moves to outlaw two-tier health care in Ontario. New bill would stop creeping privatization of health care."

*Applause.*

**Mrs Witmer:** You can applaud all you want, because that convinces me that just like the minister, you have no idea what is contained within this bill.

What you failed to tell the people and how you failed to deliver the straight goods is the fact that this Bill 8 made fundamental changes to the privacy rights of patients. It put you above the law. It gave you unfettered access to privacy information. Will you acknowledge today that the bill was poorly drafted? It gave you an unprecedented right to collect, use and disclose the personal information of any patient in this province, and

you've acknowledged that today by introducing another privacy bill.

**Hon George Smitherman (Minister of Health and Long-Term Care):** I'm pleased to have the opportunity to respond to the honourable member. The fact of the matter is that a bill like this is necessary for the fear that a government like yours should ever be the government in Ontario again. This is a bill that is designed to protect and respect the principles that Ontarians believe in, which is public health care.

**1530**

On the matter of privacy, today I introduced a piece of privacy legislation, long overdue because you didn't get it done; let's face that fact. I'm very pleased to report to that member and to all members of the House that the piece of health privacy legislation that I introduced today, and that I recommend to them for their consideration and for their input, states in unequivocal terms that the supremacy of the law with respect to privacy of information is to be found in that bill. Furthermore, Madame member—

*Interjection.*

**Hon Mr Smitherman:** It was a long time.

Furthermore, I give you this undertaking. It's one I've delivered to you personally. It is that with respect to both these pieces of legislation, I've asked very personally for your input. I'm awaiting it, and I will endeavour to work with you to improve these bills in ways that you find satisfactory as well.

**Mrs Witmer:** The acknowledgement of the minister today is an admission that he recognized that Bill 8 was poorly drafted, that it did constitute fundamental breaches of privacy rights and that it should be withdrawn. I'm glad you've done the right thing, but I would say to you now, will you commit to immediately withdrawing the privacy provisions within Bill 8, now that you've acknowledged that you didn't understand what was in that bill?

**Hon Mr Smitherman:** The member tries a little hard to impugn what I just said in my earlier answer. I made no such acknowledgement that you speak of. What I very clearly said, and what I'll repeat even more slowly this time for your benefit, is that of the two pieces of legislation, the privacy legislation that I introduced today has supremacy, and unlike your Bill 159, which starts a very long section under the title "Disclosure to Minister," you'll find no such references in the pieces of legislation that are before the House. So the piece of legislation that I introduced today clearly sends the message to Ontarians that the privacy of their personal health information is of paramountcy to this government. We offer further protection to them by making sure that the Information and Privacy Commissioner, who works for this Legislature and its members and the people of Ontario, will play the role of making sure that Ontarians have confidence that their health privacy is being protected. That's our guarantee.

## YOUNG WORKERS' SAFETY

**Mr David Zimmer (Willowdale):** My question is for the Minister of Labour. Too many younger workers in Ontario are injured or killed in the workplace. Workers under the age of 25 are at the highest risk of workplace injury. In one year alone, 14 young workers were killed, 12 of them at small employers with less than 20 employees. In that same year, 254 young workers had a body part torn or cut off. This tragedy needs special attention. What action is your ministry taking to protect younger workers from injury or death at the workplace?

**Hon Christopher Bentley (Minister of Labour):** I'd like to thank the member for Willowdale for his question and for his concern about young worker safety. It's too bad some of the members opposite aren't as concerned, because it's a matter of great concern to this government.

I'd like to tell the honourable member of one of the initiatives we're taking. Young workers are particularly vulnerable to workplace accidents because of their inexperience and their lack of training. The passport to safety program is an initiative designed to address the vulnerability of young workers. What it is, is a program designed to give young workers basic awareness in health and safety issues, basic training, so that they will be more amenable to the job-specific workplace training provided by their employers. This will help to address the vulnerability of those workers to workplace accidents.

**Mr Zimmer:** Minister, too many people starting out in a workplace, particularly younger workers, just don't know their rights. They don't know that they can in fact refuse a job if the site is unsafe. They don't know that they have a right to know what hazards are at the work site. They don't know that they have a right to participate in worker safety programs.

The passport to safety program will help younger people to know their rights and obligations at the earliest time on the job site, but when will this program be available? When will the program be up and running?

**Hon Mr Bentley:** Once again, I thank the member for his question. It's an excellent question and a timely one, because this past summer, I am pleased to announce, the Ministry of Labour, together with the Ministry of Natural Resources and WSIB, had all summer students and all those under 25 years of age take the passport to safety certification program.

The certification they received over the past summer will stand them in good stead throughout their working lives. But it doesn't end there. Because of the success of the program, because of the agreement of all those involved on how valuable it is, that program is now being made available with their other partners throughout the country so that we can make sure, in short order, that all young workers receive this very important training. This government is delighted to participate in this basic awareness protection for young workers.

## SCHOOL CLOSURES

**Mr Rosario Marchese (Trinity-Spadina):** My question is for the Minister of Education. During the election campaign, Dalton McGuinty, the now Premier, promised millions in funding to keep small schools open even though you all knew there was a \$5-billion deficit—pardon, risk, as some of you call it. Mr McGuinty at the time said, "We will put our money where our mouth is."

Last week, Minister, you sent a letter asking school boards not to close schools. So I say to you, I see your mouth moving, but I don't see the money flowing. Minister, how can school boards keep schools open if you're not giving them any money?

**Hon Gerard Kennedy (Minister of Education):** The House has marvelled today at the closeness of the opposition parties on fiscal situations, and now to see today the member opposite stand up and talk as if he's against keeping rural schools open, as if he somehow doesn't want to see other schools that have value be looked after—it's funny to see that he wouldn't be in favour of that fundamental policy. He, as a knowledgeable person in this field, realizes that there are no implications for boards this year. There are no financial implications for not closing schools in the next fiscal year.

He might know as well that we've been out there now, in four out of five sessions, speaking individually and as a group with all the trustees in the province. I can tell you, they are being very positive. They know that we've changed the channel here, that education is not going to be about square footage and buildings, but it's actually going to be, for once, about how well students are doing. I can assure you that this government sees its obligations in response to education as its number one priority, as we said in the throne speech. We invite the member opposite to get behind the mission of this government to see students improve in schools all across the province.

**Mr Marchese:** I'll tell the minister that Marchese and New Democrats like the idea of keeping small schools open. We do. We've got a problem, though, and he has a bigger problem. Without money, schools such as Newington Public School in Cornwall, which, as their Web site says, is "the heart of our community," will close. In fact, the board said two days ago that they will. Your promise not to close schools is grossly deceptive. Parents actually believe you won't close schools when boards know they can't keep them open without money.

My question to you, Minister, is this: Give them the money or take back your empty promise.

**Hon Mr Kennedy:** Empty? But when I hear "empty," it's rhetoric, because all across this province, the Halton school board, the school board in Thunder Bay and Superior, the school board in Greater Essex have decided not to close down schools, and they've done that because we took an initiative in the interest of students, not standing up and playing politics.

To this member opposite, we found \$112 million for the neediest students in this province, and all I've heard

from the member opposite and the party opposite is non-support for that. They didn't support cancelling the private school tax credit, which is one of the resources that, if this Legislature finally agrees, will be available to make some of these things happen. Put your focus, I would say to the member opposite, on the needs of students. Stop grandstanding around things. We'll keep good schools open in this province, but they won't happen any easier with the way you're addressing your responsibilities. I look forward to working with you.

#### HYDRO RATES

**Mr Cameron Jackson (Burlington):** My question is to the Premier. Premier, prior to the election, you told CFRB about hydro rate relief. You said, "We have to maintain rate relief for consumers. I have had the terrible responsibility to raise horror stories in the Legislature—people who have been put in a desperate position because they simply can't afford to pay their hydro. So we've got to maintain rate relief for our ratepayers."

Premier, I wish to bring to your attention the situation of a single parent and their son in Alliston who had their hydro cut off 12 days ago. The first six days of that period, on most evenings the temperature dropped to minus 16 degrees. Your office was called by local church leaders 15 times and four e-mails were sent, with no response. If you truly and honestly meant what you said on CFRB before the election, will you approve a no-winter-disconnect amendment in order to protect low-income citizens in Ontario this winter?

1540

**Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs):** The Minister of Energy would like to speak to this.

**Hon Dwight Duncan (Minister of Energy, Government House Leader):** I will ask the member in this particular instance to forward it to me. I have not been made aware of that circumstance. You raised another case in the House several days ago. I wrote you a letter and asked you to provide me with the details. I haven't checked as of today, but we still haven't received the details from the case.

This government is committed to ensuring that nobody is adversely affected by the decisions of the previous government that undermined the viability of our electricity system, and we are moving forward in a positive way to ensure that these problems don't happen again in the future.

**Mr Jackson:** Sir, you're undermining the life chances of certain Ontarians with your comment. If you don't know about it, your staff certainly do, because they're quoted in the paper. Now Premier, I asked you this question, and I asked you because it's you who broke your word to the people of Ontario. It is the fact that people trusted you that they would have protection from growing hydro rates. Poor people put their faith in you, not their Minister of Energy, because he's increasing their rates. He's giving a billion-dollar increase to the

very utilities that are cutting off the electricity of persons on welfare in this province. They didn't put their faith in the Treasurer, who has increased taxes for the low-income groups; they put their faith in you, Premier.

Will you demonstrate today to this House and to this province that you are a man of your word, that you carried your compassion from this side of the House to your seat as Premier, and that you will now stand in your place and promise that your government will bring in the no-winter-closure amendment that I tabled in this House last week so that Ontarians are protected this winter? Will you do it, yes or no?

**Hon Mr Duncan:** In the case of Alliston, I can say to the member that Hydro One makes several attempts to contact customers before disconnect occurs. In this type of situation a customer would have received several notices. During freezing weather, residential service interruption is phased in over a number of days. The onus is on the customer to contact Hydro One to work out an arrangement.

That being said, coming from a government that cut welfare, didn't raise the minimum wage, didn't raise ODSP, didn't deal with the problems of those living in poverty, that is the height of—I can't use an unparliamentary term, but it makes no sense. You spent the last eight years hurting these people. We're fixing the mess you created. We have more compassion in our little finger than your entire government had in eight long, painful years. Thank goodness those days are long since gone.

#### ACCESS TO PROFESSIONS AND TRADES

**Ms Deborah Matthews (London North Centre):** My question is for the Minister of Training, Colleges and Universities. Minister, a report has been released in my riding of London called Voices for Change. The report finds that, as is the trend across the province, the city of London is underutilizing the skills of immigrants.

We all know that foreign-trained professionals and skilled workers are vital to the economic prosperity of our province. To compete nationally and internationally we need to take full advantage of the skills of all Ontarians. Is it not a gift to have individuals from around the world enter our province already equipped with most, if not all, of the tools they need to succeed? Are we not wasting valuable human resources by not allowing foreign-trained workers to do what they are trained to do?

The Voices for Change report calls on the provincial government to demonstrate increased leadership toward removing barriers to professions and trades for internationally educated persons.

Minister, what is our government going to do to address this issue of vital importance to my community and across the province?

*Interjections.*

**Hon Mary Anne V. Chambers (Minister of Training, Colleges and Universities):** I want to thank the member

from London North Centre for that question. I'm not surprised our colleagues across the floor would not consider this to be an important matter. That's too bad, because we believe it is a very important matter, and I can speak from personal experience about the demands that are placed on people aspiring to move to this beautiful country to step up to the plate in terms of what they bring to this country.

Every year, Ontario becomes home to 120,000 new immigrants, and more than 70% of these people come with a post-secondary education. So it is absolutely critical that we should want to give them access to the professions in which they are trained. My ministry, and I want to thank my public servants, is working really hard to make that happen for them.

**Ms Matthews:** Minister, there is a specific recommendation in this report to strengthen and enhance the provincial bridge training programs for skilled immigrants. These programs assess the individual's skills, provide the skilled worker with training and Canadian workplace experience, and help qualified individuals move quickly into the labour market without duplicating what they have already learned. Is our government willing to consider this recommendation for strengthened bridge training programs?

**Hon Mrs Chambers:** Thanks again to the member for London North Centre. Not only are we considering it, but we have actually moved ahead, because we think this is an opportunity for some really early wins in terms of our ability to engage these individuals more successfully.

I can tell you that there are bridging programs on the way. I can also tell you that we are working with 38 regulatory bodies across the province and with other organizations that are not under these kinds of regulations, because we think it's really easy to help these new immigrants bring their skills to bear to make our province of Ontario the province it can be, the province the Premier has promised it can be, the province our government is committed to making it.

#### NUISANCE BEARS

**Mr John Yakabuski (Renfrew-Nipissing-Pembroke):** My question today is for the Minister of Natural Resources. On November 10, your ministry released the Nuisance Bear Review Committee's report. At that time, you were quoted in the Pembroke Daily Observer stating you would have an answer on this issue within two weeks.

The people in my riding would like to know if you are going to reinstate the spring bear hunt, as nuisance bears have become a major source of worry for my constituents. Human contact with bears has increased dramatically over the last two years, and something needs to be done now. The report revealed that the review committee supports and recommends the reinstatement of this hunt, as do I. Minister, my constituents are waiting for an answer. Will you tell them today what that answer is?

1550

**Hon David Ramsay (Minister of Natural Resources):** I really do thank the member very much for asking that question today, because 50 minutes ago I released that the Ministry of Natural Resources is going to upload the responsibility back from municipalities to the ministry to take care of nuisance bears in Ontario.

*Applause.*

**The Speaker (Hon Alvin Curling):** Order. This kind of demonstration—please allow the other members to ask their questions. I don't like your taking away the time with this grandstanding applause.

**Mr Yakabuski:** Well, 50 minutes ago I was in this House and I didn't have any ministry staff putting out press releases. Actually, that issue was part of my—

**Interjection:** Say thank you.

**Mr Yakabuski:** I do thank the minister, because actually part of my supplementary question was about the offloading of responsibility for nuisance bears, and people in my riding will be happy to hear that. But what he hasn't answered is my original question, which is: Will you, as the committee recommended, reinstate the spring bear hunt?

**Hon Mr Ramsay:** I'd like to thank the member, in his first question, for giving me that lob ball question from the opposition. I would say to the member that in my statement today we are also stating that it is not our intention to reinstate the spring bear hunt.

We are moving forward with a comprehensive bear management program. This is going to include a hotline number so that police departments and citizens who feel there is a nuisance bear problem can call that number and get a response from the Ministry of Natural Resources. There is going to be an increased bear education program for the people of Ontario. But more important, what we're going to do in the next three months is consult with police, municipalities and other stakeholders as to how we can best help them deal with the nuisance bear problem that is plaguing Ontario.

#### WINTER HIGHWAY MAINTENANCE

**Mr Shafiq Qadri (Etobicoke North):** Speaker, through you to the people of Ontario, it's a privilege to ask a question of the Minister of Transportation. With the cold weather upon us, Ontario's motorists have now to contend with snow, ice and often treacherous driving conditions. As physicians, we often see significant injuries, many disabling. As people travel from mall to mall and from party to party, it's important that government work to make the highways as safe as possible. Minister, how is your ministry working to reduce winter hazards faced by Ontario motorists?

**Hon Harinder S. Takhar (Minister of Transportation):** I want to thank the honourable member for his important and very timely question.

**Mr John R. Baird (Nepean-Carleton):** He wants to thank his staff for writing it.

**Hon Mr Takhar:** I could thank my staff as well.

I want to assure the members of the House and the people of Ontario that our winter maintenance standards are the highest in North America. We use the latest technology. We have more than 1,000 snowplows and spreaders that are ready to face the winter conditions.

**Mr Qaadri:** Thank you, Minister, for your response. It's very reassuring to know that Ontario's winter maintenance operations are ready for winter.

Unfortunately, the first storms of the season often catch many Ontario motorists off guard. Winter driving is often not something we think about until the situation is upon us, and of course there are steps drivers should take to be prepared for winter before the snow starts falling. Minister, what efforts is your ministry taking to educate motorists on how to be prepared for bad winter road conditions?

**Hon Mr Takhar:** The honourable member is right: We know that winter conditions can come at any time and that they can be dangerous for travellers sometimes.

*Interjection.*

**Hon Mr Takhar:** I think the former Minister of Transportation wants to answer this question. He is always willing to do that.

Let me outline some of the measures we have taken. I think it's always important to educate the public to take proactive measures, so we have issued memos with regard to safe winter driving, emergency survival kits and actions to take if stranded. We also have partnered with McDonald's to distribute safe winter driving tips. We will also encourage the people to use winter driving brochures and our Web site. In addition, I would like to encourage all Ontario drivers to drive safely during these holidays.

#### SOCIAL ASSISTANCE

**Ms Shelley Martel (Nickel Belt):** I have a question for the Premier. Your Treasurer implied today that you want people to temper their requests for more, but there are thousands and thousands of Ontarians who have every right to ask for, and indeed expect, more. In 1995, families on social assistance had their income cut by 22%, and they've been frozen ever since. After the Kimberly Rogers inquest you promised to review social assistance rates and you led families to believe there would be an increase in their income. Premier, families who live on social assistance now in Ontario are living in poverty. When will you increase their rates?

**Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs):** I'm referring this matter to the Minister of Community and Social Services.

**Hon Sandra Pupatello (Minister of Community and Social Services, minister responsible for women's issues):** Yesterday in answer to a question in this House, we mentioned that our government is obligated to respond to the Kimberly inquest recommendations. Those answers are expected by February of the new year. What we intend to have in motion in the government at that point is a series of reforms to Ontario Works so that

the system would actually work for people. What we committed to in the campaign was to increase both the disability and welfare rates to match COLA so that the inflation rate can be taken into account with their assistance. Our decision is when we can do that and how quickly we can do that. Unfortunately, with this government, we understand that this particular group of people was used as the typical punching bag of the last government for the last eight or nine years. We can't fix all those programs and problems overnight, but we are looking diligently at our package of reforms to go forward to my colleagues quickly.

**Ms Martel:** Ten minutes ago your Minister of Energy had a lot to say about people on social assistance. The question I have for you is, when are you going to do something concrete, something positive, for people who are on social assistance? They can't wait. In the same way, we've got thousands and thousands of Ontarians who have disabilities and have also had their income frozen for the last 10 years. On April 7, your Premier wrote a letter to David Lepofsky and said, "On forming government, following the election, we will provide a cost-of-living increase for participants in the Ontario disability support program." People who live with disabilities, who've had their pensions frozen for 10 years, can't wait. When will you increase the rates for disabled Ontarians?

**Hon Ms Pupatello:** I will repeat the McGuinty commitment during the last campaign, which is what our party campaigned on and what our party will deliver on, and that is an increase to the ODSP and welfare rates to match COLA. That's what we will implement. What we know is that this last government left us with a mess. What we know is that we need to clean up the mess. What are we working on today? We are working on cleaning up the mess. We intend to treat people who are on welfare or disability with dignity. That means a series of reforms that are necessary to actually help people who really need help—and those who want to abuse the system, to keep them out. We are moving forward quickly on a series that I believe all people in this House will support.

#### AMBULANCE SERVICE

**Mr Tim Hudak (Erie-Lincoln):** A question to the Minister of Health: Can you confirm that the region of Niagara has won the RFP for ambulance dispatch in the peninsula?

**Hon George Smitherman (Minister of Health and Long-Term Care):** I want to say that I recognize the issue of land ambulance in Niagara is an issue of serious concern to the residents of that community. If there was any doubt about it for me, the minister—the member for St Catharines—badgers me nearly every day on this issue, and the member for Niagara Falls is quickly learning the trade as well. I want to say to all members from Niagara that this is at a decision point in my ministry and I'm very pleased to commit to the member

that a decision will be made very, very soon on this matter.

**1600**

**Mr Hudak:** I appreciate the answer of the minister. It's not surprising, because it is an issue of great importance, as he knows, in the peninsula.

I think this minister knows an RFP was issued in May and closed in July. According to press reports, the region of Niagara is the only bidder of record. On November 22 your own ministry spokesperson told the St Catharines Standard that the RFP was completed and that the winning bid was moving through the final legislative process.

Minister, I think you also know the bid expires in February, which means that all of the hard work to date will be tossed out the window. There is also a commitment that your party made to the people of Niagara in the run-up to the last election. I'll ask you again to confirm if the winning bid has been chosen, and could you kindly give a time frame as to when that will become known to the people of Niagara.

**Hon Mr Smitherman:** I will say that I'm very aware of the time deadline that's there. I can assure the member and the people of Niagara that all of the effort that has been made to date won't go to waste. I would restate my earlier commitment, which is to make sure that we get a decision out for the people of Niagara very early in the new year at the latest.

**The Speaker (Hon Alvin Curling):** Pursuant to standing order 30(b), I am now required to call orders of the day.

**Ms Jennifer F. Mossop (Stoney Creek):** Mr Speaker, I seek unanimous consent to present a petition on behalf of a group of people who've travelled quite a distance from my riding. I know it's late in the day, but they have come a very long way and I seek unanimous consent to present a petition on their behalf.

*Interjections.*

**The Speaker:** Order. Do I have unanimous consent? Did I hear a no? Let me ask again when the place is quiet. Order.

Do we have unanimous consent for the member to present one petition? Agreed.

## PETITIONS

### MUNICIPAL RESTRUCTURING

**Ms Jennifer F. Mossop (Stoney Creek):** My gratitude to you all. Thank you so much for your indulgence. We realize it's a little late, but as I said, we have two groups here. A group for the Freedom Train from Glanbrook and the Battle for Stoney Creek have travelled quite a distance to see this petition presented on their behalf.

Petition to the Ontario Legislature:

"Whereas an act of the provincial Legislature led to the amalgamation of the six historic municipalities of Hamilton-Wentworth into one 'new' city of Hamilton; and

"Whereas this amalgamation not only proceeded without majority consent of the residents within the six former independent communities and in fact over the rejection by more than 90% of those casting ballots in the citizens' referendum held on February 8, 1997 in five of the six former constituent municipalities; and

"Whereas the rationale expressed by the provincial government of the day for proceeding with the amalgamation was to promote good government by ensuring the provision of more accessible, accountable and streamlined local government, enhancing and improving the provision of quality municipal services, and achieving both of the above while lowering overall costs and taxes; and

"Whereas any provincial government must never be afraid to be held accountable for and/or take such initiatives as may be necessary to correct the actions of a previous government; and

"Whereas many citizens believe that their democratic right is to be consulted on the form, style and structure of their municipal government and to directly participate in democratically determining if a proposed change is desirable;

"We, the undersigned, hereby petition the Legislative Assembly of Ontario to act to cause the following question to be put to the voters within the city of Hamilton at the first available opportunity:

"Do you favour a return to the previous municipal model of government with an upper-tier municipality and six lower-tier municipalities, being the towns of Ancaster, Dundas, Flamborough, the township of Glanbrook and the cities of Hamilton and Stoney Creek?"

Attached are 3,765 names.

Also from Glanbrook:

"The citizens of Glanbrook petition the Legislature of Ontario to undo the injustice that was forced on us by the Conservative Party with amalgamation of Glanbrook into the city of Hamilton against the wishes of the citizens who voted in a referendum on February 8, 1997, by a 98% margin not to be forced into the city of Hamilton.

"In 1999 the government moved and forced the amalgamation, ignoring our clear-cut 'no' vote, but promised tax decreases, streamlined services and more efficient and accountable local government.

"Over the past three years, Glanbrook has seen an average 30% tax increase, not decrease, and services have consistently deteriorated and we have non-existent accountability.

"Today the citizens of Glanbrook present this petition, signed by more than 55% of eligible voters that we were able to contact, with less than 1% of citizens refusing to sign.

"We sincerely request the Liberal government of Ontario give this matter the due and serious consideration

it warrants and use this opportunity to ensure that the democratic rights of the voting public are maintained," and another nearly 4,000 signatures.

#### VISITOR

**The Speaker (Hon Alvin Curling):** May I ask the House's indulgence to introduce—I see he's just leaving now—John Sola, the former member from Mississauga East.

#### ORDERS OF THE DAY

##### FISCAL RESPONSIBILITY ACT, 2003

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

Resuming the debate adjourned on December 16, 2003, on the motion for third reading of Bill 2, An Act respecting fiscal responsibility / Projet de loi 2, Loi concernant la gestion responsable des finances.

**The Speaker (Hon Alvin Curling):** Further debate? Wait a second. All sit, please. I don't know who's standing.

The member for Beaches-East York.

**Mr Michael Prue (Beaches-East York):** Thank you very much, Mr Speaker.

*Interjection.*

**Mr Prue:** I think this tie is absolutely in keeping with the season.

**Mr Garfield Dunlop (Simcoe North):** On a point of order, Mr Speaker: I'm sure we were to do questions and answers first on this. Mr Flaherty's in the House, and we were to do, based on his—

**Hon David Caplan (Minister of Public Infrastructure Renewal):** Where? Oh, there he is.

**Mr Dunlop:** Pardon me? Before Mr Prue goes ahead, I believe we have the q's and a's from—

**Hon Mr Caplan:** He's not in his seat.

**The Speaker:** Please sit down. If Mr Flaherty was in his seat, I would be able to recognize him. When I looked there, it was vacant.

As I speak, he will then walk toward his chair, and maybe if he gets there in time for me to say, "Questions and comments?" then I will say, "Questions and comments?"

Member for Simcoe North.

**Mr Dunlop:** I'm pleased to make a few comments on the speech, the first one-hour rotation by Mr Flaherty, Mr Runciman and Mr Baird. As you know, we're very much opposed to this piece of legislation, Bill 2. In his comments, Mr Flaherty pointed out the unfairness of it, particularly with the retroactivity concerning the education tax credit for religious and private schools. I think it's important that the residents of the province of Ontario understand just what a severe impact this may in fact have on many of our constituents.

I know that in my own riding I have a Christian school. It was built by religious organizations within the city of Orillia and the district. I have had a number of letters from the parents and staff at this particular school. They're very much opposed to this legislation going through, particularly with the retroactivity, because it is going to have a major impact—oh, it's a different Speaker now—on their Christmas season. They were counting on the \$1,400 back this year per family. It will have an impact. I'm telling you right now, these are not people who drive around in fancy cars and the level of school like we would see at Upper Canada College, but certainly what's important here is that these people faithfully built their school. They send their children to a school with religious denominations that they believe in. This has a severe impact on their lifestyle.

I would again ask the members of the government to please consider any kind of amendment that would help these people out. It is having a negative impact. I think it's a disgraceful performance on behalf of the government to treat these people this way.

**The Acting Speaker (Mr Ted Arnott):** Questions and comments?

1610

**Mr Prue:** I happen to have been on the committee that heard all of the depositions and much of what the member from Whitby-Ajax had to talk about the other day. To tell you the truth, much of the position of his party was not, in my view, supportable. Much of what was contained in this bill was a reasonable and rational explanation to a situation that this new government now finds itself in.

But I must state for the record that there is one part of this bill in which I find myself in complete agreement with the members of the Conservative Party and with the member from Whitby-Ajax, and that is on the provision of the retroactivity of law. It is an abhorrent position in this bill. It is an abhorrent position for this government to take. In fact, it is almost unheard of in the annals of legislative law in this country, in this province or in any province or jurisdiction in Canada and, indeed, probably any jurisdiction in the British Commonwealth. It has taken a provision of law that people had come to rely upon and, in the stroke of a pen, retroactively changed it, to make their actions almost illegal, to make the amount of money they were expecting in tax refunds non-existent.

I will tell you, that is the portion that I intend to spend some of my speaking time on when my turn comes up shortly, because, with the greatest of respect to the drafters of the bill, the intent of this is going to deny people who had a legitimate right under the former government, to have that right taken away, not today, which I agree with, but retroactively. That is the one part that I agree with him on his speech. On everything else, I will be saying that I think the government is headed in the right direction.

**Mr Dave Levac (Brant):** We're talking about the third reading of Bill 2, and I'm glad to hear my friend

from Beaches-East York make the comment that we're heading in the right direction, because it's good to have that acknowledgement. I know that he's concerned about one area of the bill, and that's fair game in terms of pointing out where the flaw is.

But I want to make sure that people know that when we listened to the speech from the member from Whitby-Ajax, he made an awful lot of broad statements about the government and broad statements about what it is that he believes, so let me share with him some of the things that we believe. We believe that we've changed the direction of government and we've changed to delivering real change, which we ran on. That's a fact. We ran on change and we also ran on changing the direction of what government does for and to people in the province of Ontario.

Let's make it very clear: They fired water inspectors; we're hiring them back. They encouraged sprawl by the way they used the rules and regulations; we're changing the Planning Act, and it's done. They closed schools because of the faulty funding formula, especially in rural and small urban areas; we're changing that. We've put a moratorium on closing those schools, and we're going to get the funding formula right. They hid these task force reports on mental health and did not release them; we've released them. They wasted millions of dollars on self-promotional government advertising; we introduced a law that bans that altogether so that no party can use it. They pointed fingers at our federal cousins at a regular, annoying and agonizing rate; we sat down and negotiated an agricultural deal and the SARS relief deal. We started that dialogue.

That's what the people of Ontario want. Very simply, very bluntly, they want all three levels of government to sit down and get the job of governing done, helping the people of Ontario. That's the change we're implementing, that's the change we're promoting, and we're getting it done.

**Mr Lorenzo Berardinetti (Scarborough Southwest):** I just wanted to add a few further comments. I am new to this Legislature and come from a municipal background and decided to run, following in the footsteps of some of my other colleagues who came from cities, such as the member from Beaches-Danforth—

**Mr Prue:** Beaches-East York.

**Mr Berardinetti:** Beaches-East York; my apologies. We actually border each other in our ridings, and sometimes have similar philosophies on certain issues and disagree on certain other issues.

But in this recent election, the platform of the Liberal Party was clear. We made it clear that we could not be all things to all people. I just wanted to say that I clearly recall knocking on some doors of seniors, especially toward the end of the election. These seniors said to me, "We don't want this tax break. We'd rather see the money put into schools and hospitals." They got the message.

This bill in front of us today, which is going through third reading, speaks to that. I can go back to those

seniors and say to them that in less than two months we have delivered and have begun the process of undoing some of the things the previous government was trying to do. I know that comments made earlier by the former Minister of Finance embraced a certain philosophy, but on October 2, people voted, and they decided to choose change. They decided to choose a different philosophy or a different aspect of governing. Bill 2, I think, is a first step toward doing that, and I'm pleased to support it today.

**The Acting Speaker:** The member for Whitby-Ajax has two minutes to reply.

**Mr Jim Flaherty (Whitby-Ajax):** This bill is about tax hikes—the largest tax hikes in the history of Ontario—by a government that, when it was seeking public office, said they would hold the line. Mr McGuinty said, "We will hold the line on taxes."

I'll tell you what's going on—we saw it in the House this afternoon with the economic statement. Here's the Economic Outlook and Fiscal Review the Minister of Finance was using today. Do you know what they're doing on the spending side? It's shocking. Actual spending in 2002-03, to March 31 this year—this is on page 36—is \$68.492 billion. Here's what they plan to spend this year: \$75.153 billion.

They're increasing spending—they're planning to do this in the next few months—by more than 10%. It's \$7 billion. It's shocking. No wonder they had to have a bill like Bill 2, raising taxes for everybody in Ontario—raising taxes shockingly—and adding to the tax roll lower-income persons our government removed from the tax roll. So get used to it, I say to the people of Ontario. To the members for Scarborough Southwest, for Brant and for Beaches-East York, I say, get used to it; we're going to see lots more tax hikes. You can't spend like this—increase spending 10% in a single year; huge spending increases—and not raise taxes. That's what they're going to do. We're going to see massive tax increases in Ontario.

I want to thank the member for Simcoe North, Mr Dunlop. We've had people fighting for generations for equity in education in this province, in the Christian schools, the Muslim schools and the Jewish schools. The present from this government to them is retroactive tax hikes for them and their families at this time of the year. Thank you to the government of Ontario.

**The Acting Speaker:** Further debate?

1620

**Mr Prue:** I'm here today to talk about Bill 2. I have a great many things to say and I understand I have half an hour in which to say them, and I thank all the members present. I don't know if I'll use the entire time, but maybe I will.

We'll start off with its title; I'd like to talk about that for a minute. Its official title is An Act respecting fiscal responsibility.

When I first came into this Legislature some two years ago, I was treated to a barrage of acts that were put before the Legislature that had very strange names. I

think the strangest one of all was an act called the Tenant Protection Act. It was an act that did not protect tenants. It has an almost Orwellian name, because the real intent of that act was to protect landlords. I was hoping that a new government would get around some of this naming of bills and acts that really did not do what they were intended to do.

This act does not respect fiscal responsibility. This act does a number of things. It is an omnibus bill. It changes not one set of regulations, not one way of collecting money, but quite literally involves eight separate pieces of legislation, and I'd just like to go through those. It involves changes to the Corporations Tax Act, changes to the GO Transit Act, changes to the Income Tax Act, changes to the equity in education bill, changes to the Ontario Home Property Tax Relief for Seniors Act, changes to the Loan Act, changes to the Retail Sales Act and, last but not least, changes to the Tobacco Tax Act. This is an omnibus bill; it is not An Act respecting fiscal responsibility.

Each one of these, I would submit, should have been properly before this House, properly before this Legislature in its own right. Each one of these, even some of the less contentious issues, surely should have merited its own bill, and each one of the contentious issues—and I would submit there are probably three contentious issues within this bill—should have been subject to its own public hearings. This was not the case with this particular bill. Sadly, what we had is a very quick—I would think almost too quick—meeting of the committee. The committee had one day of hearings, only in Toronto on, in reality, eight separate pieces of legislation. There was not time for people to come forward. In fact, there was not even real time for people to find out what was contained in the bill.

Of the eight bills, people came to speak primarily to one, the equity in education act, and people also came in smaller numbers: one speaker on the Corporations Tax Act and one on the Tobacco Tax Act. They all said the same thing: They had literally just found out about the bill and hurriedly tried to put together their thoughts on paper to come from literally across the province in some cases to try to tell the members of the committee what they thought should be changed.

Those groups struggled valiantly and, I would suggest, vainly to get their message across, because even though those 10 groups came forward to change those eight acts, not one thing they said was listened to. The committee did not adopt a single proposal from any of them that they were advocating, save and except the group that came to tell the government they were happy with what was contained in the bill. I do admit, you did satisfy them.

Much of what was contained in the bill has my support and, I'm sure, would have the support of the New Democratic Party. I'd like to go through what was in the bill. Had it been properly handled, had it been subject to a full range of public discussion and had the committee considered some of the proposals that were put forward,

I'm sure it would gain a broad range of public support. But the reality is, even though none of that happened, what is contained in the bill, in my own gut reaction as a legislator in the province of Ontario, is supportable, and I'd just like to go through some of those.

One of the major changes was the changes to the Corporations Tax Act, changing the corporate tax in Ontario from 12.5% to 14% and the manufacturing tax from 11% to 12%. There were those on the committee from the official opposition who did not agree with this. I will tell you that we in the New Democratic Party believe that this is justifiable in terms of the amount of money this government is going to need to live up to some of its promises. It is justifiable if there is—and I'll take the government at its word for the moment—a \$5.6-billion deficit in the province and those monies are necessary in order for this government to balance the books. I would not have any hesitancy in saying that if the money is necessary from a particular tax area, the corporations in Ontario certainly have the wherewithal to pay that with very little penalty, with very little ill will on their part.

The corporations in the province of Ontario, I would suggest, are taxed at a fair rate, or perhaps slightly below that fair rate vis-à-vis the corporations in the surrounding provinces and in the border states of the United States. Our tax advantage is very similar to all of theirs, or at least would be similar when the taxes are increased as has been suggested. To me, it makes good economic sense, if this province needs the money, that the money comes from there. New Democrats have no problem with that provision of the act, none whatsoever.

*Interjection.*

**Mr Prue:** Well, I did. I did in committee. If you want to heckle me, at least know what you're heckling about. I voted for that provision. One of the members is here and he is nodding his head in the affirmative. You can ask. In fact, I voted for all of the provisions, save one, and I'm going to get to that at the end.

The second part is that we support—I can't even read my own writing—the elimination of the ill-conceived property tax relief for seniors. This was a bill that was brought in by the former government in the dying days of the 37th Parliament in order to, I think, curry favour with some of their friends and the seniors' community who did not fully understand the purport of the bill. We support the government doing away with what can only be described as one of the worst, ill-conceived pieces of legislation ever to see the floor of this chamber.

I just want to tell the members who were not here, and perhaps some of the people who are watching today, what this bill did. I went to the committee to question the then Minister of Finance, the Honourable Janet Ecker, as she then was, to ask her what was going to happen with this seniors tax bill. It was quite instructive about what this was going to do to the seniors of Ontario: If you were a senior who lived in a home for the aged and had very little money and gave almost all of your money that you got from Canada pension and the supplement to the home for the aged to look after you in your declining

years, you got nothing from this bill. You got nothing. If you were a senior who lived in a subsidized apartment, say in Cambridge, just to pick a place, and you paid \$350 a month for your subsidized unit, you got the equivalent of less than \$10 a month under the provisions of this bill. If you were a senior who lived in an \$850 apartment in Toronto, which is the average cost of a one-bedroom apartment in this city, you went up to the magnificent sum of around \$20 a month that you would receive under the provisions of this bill. If you were a senior who was a homeowner in small-town Ontario—and I used the example at that point of my own parents living in Cardiff, Ontario, just outside of Bancroft, where average homes are about \$65,000—you would receive about \$25 or \$30 a month under the provisions of this bill. If you were a senior who lived in a \$250,000 home, which is the average cost of a house in Toronto, you would receive \$60 or \$70 a month. And finally, but not least, when I asked, what happens if you live in \$1-million home—and we gave some examples of \$1-million, \$2-million and \$3-million homes in this city and in other places in Ontario—we found out that people got the equivalent of \$30,000 a year as a tax benefit.

This was a not a tax benefit for seniors; this was a tax benefit for rich seniors. The richer you were, the more you owned, the more money you got back in relief, and the poorer you were and the more you needed the money, the less you would get. We did not support that as New Democrats, and I certainly welcome that the government has taken this out. It is not something that should be reintroduced in this Legislature any time in the near future.

There were other provisions of the bill which I think probably caused no one much concern. There was the provision for GO Transit, and there were the provisions relating to the Ontario Loan Act and to the retail sales act. Most of those were housekeeping measures to involve the former acts that were about to expire on December 31. It was housekeeping, and we were happy to put up our hands for those as well.

**1630**

There was a bit of a problem. Even though I still support what the government is doing, there is and continues to be a problem with the Tobacco Tax Act. We applaud the government for taking a first step. Although it is, by my own reckoning, a very timid step, it is nonetheless welcome; that is, to charge the smoking public an extra \$2.50 per carton of cigarettes. That's what the government wants to do to try to bring the cost of cigarettes closer in line with the Canadian average.

The problem that we see with this is twofold. Number one is that tobacco costs in Ontario will still be lower than the jurisdictions around Ontario. Second, and more pervasive, is the lacuna in the act relating to bulk tobacco. I can sit and speak about it, but I think it's far better from the presenter, a Mr Perley, from the Ontario Campaign for Action on Tobacco. I'd like to quote from his brief. I don't have the transcript but I think he read it almost word for word. I have his brief here. I would like

to read what he had to say, because we felt there should be some changes, and I proposed the changes. Of course, those changes were not to be. They were procedural, and I understand that, and maybe the members opposite—but the minister could do something about this, should the minister be of such a mind. Reading from Mr Perley's text: "Next, despite the increase mandated in Bill 2, Ontario still has the lowest tobacco taxes of any jurisdiction in Canada at \$19.70 per carton of 200 cigarettes.

"As well, an important loophole in the current tax structure is the fact that loose tobacco ... is taxed as if one gram of loose tobacco is required to make one cigarette. In fact, tobacco manufacturers have developed various techniques ... to reduce tobacco density. Expanded tobacco provides a tax benefit.... Governments tax by weight ... but the consumer ... thinks in terms of the number of roll-your-own cigarettes per tub of tobacco. There's therefore a strong incentive to use the lowest possible density of tobacco.

"At present in Canada, as little as 0.45 grams of roll-your-own is equivalent to one manufactured cigarette. The advertising claims on these tubs are self-explanatory.

"This tax loophole is important because roll-your-own now takes up about 10.9% of the Canadian market as measured in the 12 months leading up to June 2003 from figures in Imperial Tobacco's June 2003 second-quarter report and its 2002 annual report. In contrast, roll-your-own took up 8.7% of the market in 2001."

What this is, in a nutshell, is that people who are buying bulk tobacco are paying only roughly the equivalent or less than half of the tax that they should be paying if the cigarettes were manufactured by machine. Because they roll it in their hand, the tobacco—the actual thing that is being taxed—is being taxed at a much lower rate. Although cigarette sales are down in Canada, what is surprising and unnerving is that bulk tobacco sales are up.

What is happening is that young people particularly, who are finding the cost of cigarettes onerous—and I think this bill is trying to make it onerous; at least, I hope it's trying to make it onerous so they don't get hooked in the first place—are switching to roll-your-own cigarettes where the tax is not there.

What Mr Perley asked for, and what I thought was reasonable and put forward by way of motion, is that bulk tobacco be taxed at the rate of \$2.50, that it be taxed not per gram but in terms of half grams or portions thereof, in order to make the taxes roughly equivalent.

It was stated in committee—and that may be the rule—that I could not move such a motion because that was a ministerial prerogative. If it's a ministerial prerogative, I would like the minister to exercise that prerogative. I would like him to come on to the floor and say, "Mr Perley, you are absolutely right. Mr Prue, your motion is a fine motion. I will adopt it as my own."

I don't know whether such a thing would ever happen, but if it did, it would have two effects. The first and most important one is to stop a lot of young people from taking

up the cigarette habit, and secondly, it would also be an extra source of revenue for this government, which seems determined to raise funds. If you are to raise funds, I would suggest that the best place to raise them is in this area where there is a loophole in the law, and where you are bringing fairness in terms of how many taxes people pay, those who have manufactured cigarettes versus those who choose to roll their own. They should both be paying the same amount of tax on the amount of tobacco that is contained within the packages.

Having said that, that was not to be. We voted, and it didn't pass, but to me that was not the matter that caused the greatest concern in terms of this bill. I've saved that one for last to make sure I had sufficient time. The concern that was expressed by eight out of the 10 deputants involved the area of the changes to the equity in education tax credit. The people who came to speak specifically to this—I'd just like to quote them for the record. They came. They came with briefs. They came with hundreds of pages of documentation, with letters from a broad range of Ontarians. They included B'nai Brith Canada, the C.D. Howe Institute, the Canadian Federation of Independent Business, the Canadian Jewish Congress of Ontario, Children First: School Choice Trust, the Islamic Society of North America, the Ontario Alliance of Christian Schools and the Ontario Association of Jewish Day Schools. Peripherally as well, People for Education's Ms Kidder appeared on their behalf, but in a slightly different context.

The equity in education tax credit proposed by the previous government is abhorrent to me. I do not agree with it. I will never agree with it. I believe the legislation was flawed at its inception, and I believe the legislation that doubled the amount from 10% to 20% in the second year was wrong. It cost the taxpayers of this province tens of millions of dollars, perhaps as much as \$165 million, money that should have, and could have, been spent in the public school system, money that I hope will revert to the public school system. I echo the words of Annie Kidder, that the money that is saved from this program should be earmarked for improving our public schools, many of which are in states of disrepair, many of which no longer have principals and vice-principals, many of which no longer have secretaries or caretakers or people to look after the children.

Having said that, there is something bad about this bill. There is something that caused me, in the whole part of this bill—although I am supportive and I've just spoken now for 21 minutes on what is good in this bill—that causes me, as a legislator, such grave concern that I cannot, in all conscience, support what is otherwise excellent legislation. What causes me the grief is that this bill is retroactive. No bill in Canada, no law in Canada of which I am aware, in the last 30 or 40 years, be it federally or provincially, has been retroactive, save and except on occasion when that retroactivity will cause benefit or where people are given the opportunity to choose one set of regulations versus another, whichever one will be of greater benefit to them. Where there is an

option, retroactivity can and may work. But that is not the case here.

What has happened here is that this bill seeks to undo in a very negative way the policies of the former government. I do not agree with those policies. I would be so pleased if this bill said, "Effective October 23"—the day we were sworn in—"we are cancelling the provisions of the equity in education tax credit." That, to me, would be logical. This government, the Liberal Party, campaigned, went from door to door, and on television and in leaders' debates, and talked about doing precisely that.

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New Democrats said the same thing, and we believe the same thing. Not once in the leaders' debates, not once in any of the time this was in the public forum leading up to election day, and not once even between election day, October 2, and October 23, and not once before this bill was read into the House did anyone ever suggest it was going to be a retroactive bill. I've checked every record I can find. I could not find any suggestion this was going to be retroactive to January 1, 2003.

Because it is retroactive, what does it do? You may say, "Well, it's retroactive. Everybody knew what we were saying." Yes, everybody knew what you were saying and everybody knew what we were saying, and they were the government and that's the way it was. Unless they had a crystal ball on January 1, 2003, when they were making plans for their family, for their children, for the education they were trying to give them, people could not possibly have imagined that the plans and monies they expended and the law they were relying on would change retroactively to their detriment. No one could have done that. That is the problem with retroactive law. Families across this province went out and sent their children to private schools. As I said, I don't support it. If they want to have a private school, they should pay themselves. But having said that, they made a commitment based on what the law of the land was.

What this bill does is that it takes the money those people had relied upon, which the law said was going to naturally come to them, and says they can't have it. When I questioned the minister how much was involved here by going retroactively to the beginning of the year, I got two numbers. I'm not really sure which one it is, but let's go with the lower one, which is \$165 million. There was also some suggestion of \$195 million. That is the suggestion of how much money is there by going retroactively to the beginning of the year and how much the government will save. Had the government chosen October 23, as the date on which they were sworn in, to change this bill, the amount of money that would have been saved would have been closer, I would suggest, to about \$40 million. So what you're looking at is \$125 million that is, in my view, a tax grab. It is not a change in legislation which is welcomed. It is a tax grab from people who often can ill afford it. It is absolutely wrong to do this in law.

Being one of the oldest members, I think, in the Legislature, I go back to the time of the War Measures Act. I still remember that. I was in university. I remember when the War Measures Act was put into Parliament. There were many people unhappy about the civil liberties being taken away in those days, but what the War Measures Act never did was the War Measures Act never made membership illegal in the FLQ, the Front de libération du Québec—it made it illegal the next morning, because people could not be said to belong to an illegal organization, could not be said to have done something that was wrong or immoral, when there was no law against it. The next morning there was a law against it and people had to be so governed.

I think that's probably the best example. Even in times when there were kidnappings, even in times when the whole country was in a state of flux and people were worried for their lives and the future of this country, even then the law was not retroactive. But here we have a provision that does precisely that. The only rationale I can possibly give to anyone is that it is retroactive because it provides for an additional \$125 million to the government coffers. I know the money's needed; you know the money's needed. We all, perhaps with a few exceptions on this side, know the money is needed. We know that. But it is not fair and not just, and you as legislators should not take that money from people who had a legitimate right to count on it, who had been promised and had legislation to back it up.

That is why I am saying that, as a New Democrats, we have difficulties with this bill. I've heard the taunts: "If you want this, just vote for Bill 2." But I cannot and I will not, in all conscience, vote for a bill that does something I believe is immoral, and I believe this to be immoral.

I am asking the members of this House to forgo the approximately \$125 million. I am asking the members of the government who are sitting here today to go back to the minister, to go back to the Premier, and tell them that the provisions of this bill are good and justifiable, save and except in the form of the retroactivity. I am asking for sane and sober second thought on this, and not just to look at how much money can be granted or how much money can be gained by the government, admittedly in these very difficult financial circumstances.

Having said that, I would like to close with a statement that was made by the Canadian Jewish Congress. I think the two gentlemen who appeared said it best, and I would just like to quote them for the record. This was Bernie M. Farber, executive director, and Simon Rosenblum, director of public policy and Israel affairs. I'm quoting from their document, page 3, because I think it says precisely what this government needs to hear:

"Retroactive taxation does not enjoy a good reputation. In many tax and economic circles, it is the equivalent of a four-letter word, and for good reason. Elementary fairness would tell us that there is something very wrong with changing the rules so that the previous

actions of taxpayers, based on the rules in place at that time, are penalized.... How in the world can citizens, taxpayers, be expected to act in good faith with the law of the land when a government is permitted to not only change the rules—which of course is," in general, "perfectly ... acceptable—but to change those rules retroactively? ... Neither a properly functioning political democracy nor a market economy can operate with such random and arbitrary actions."

I ask that the government reconsider this section, withdraw what I consider to be an odious portion and resubmit to this House a bill I can be proud to support.

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

**Mr David Oraziotti (Sault Ste Marie):** I am certainly pleased to be supporting Bill 2, An Act respecting fiscal responsibility. There are some very key sections in this act that we need to move forward on quickly, to address the large financial concerns we have regarding the auditor's report indicating the \$5.6-billion deficit we presently have.

We committed to the people of Ontario during the campaign that we would be rolling back corporate tax reductions, and we are following through on that promise. We also committed to reducing and eliminating the private school tax credit as we move forward. We also committed to increasing the tax on tobacco to bring revenue on line to improve our health care.

I find it rather amazing that the member from Beaches-East York would stand here and speak so supportively of the bill but split hairs when it comes to voting in favour of this. This is a very important process. If the member is that committed to public education, is that concerned about public education, is that serious about the lack of principles, the lack of funding and textbooks, and other concerns in regard to public education, then the member would stand in his place and vote in favour of eliminating the private school tax credit. The people of Ontario were very aware of where we stood on the private school tax credit. We said from the start that we would eliminate it, and we are eliminating it. People knew where we stood.

I am amazed that the leader of the third party would vote against eliminating the private school tax credit. For a group here to speak so avidly in favour of public education and vote against this bill is amazing—

**Mr Tony Ruprecht (Davenport):** Contradictory.

**Mr Oraziotti:** Certainly, it's contradictory. That's a good word.

1650

**Mr Dunlop:** I rise to make a few comments on the member for Beaches-East York's speech here tonight. I understand he's basically supportive of the bill with the exception of the retroactivity.

I don't know why anybody would want to burden the taxpayers of Ontario with the largest tax increase in the province's history. That's what you're doing here tonight when we vote on this bill at 5:50. I fully expect that the whip will do his job well like he's done throughout this first session and you'll win this overwhelmingly. As a

majority government, that's your prerogative and your responsibility.

There are two comments I would like to make very briefly. One is that the only part of the bill that I personally support—and there's a condition with that—is the increase in the tobacco tax. I don't have a problem with that, providing there is some type of compensation for our tobacco farmers who have invested hundreds of millions in this industry. We look forward to compensation for the agricultural community and actually, for all of rural Ontario, because we on this side of the House think that you've let down rural Ontario with your throne speech. That is the only part of the legislation I agree with.

The part I disagree most with, of course, is the retroactivity on the education tax credit. This, as I said earlier tonight, will have a major impact on hundreds of families in our province. I'm disappointed, and once again I ask the members of the government to look to some type of regulatory change that may in fact reverse that decision.

**Mrs Maria Van Bommel (Lambton-Kent-Middlesex):** I rise to speak in favour of Bill 2, a bill for fiscal responsibility. I think again today we saw evidence of the fact that we need to be fiscally responsible in order to deal with the kinds of promises we have made to our constituents and to the people of this province.

I would like to address the member for Beaches-East York on the retroactivity issue. I know that the whole issue of equity in education or the private school tax credit was a situation or an act in which faith-based schools were combined with private schools, and we have the previous government to thank for that. I know that the member for Beaches-East York mentioned the seniors credit and the small amount that most seniors would receive out of that and that only the wealthy would see the benefit of that kind of tax credit. I say to him, the same holds true in private school situations. We're talking about subsidizing not just families who are making major sacrifices to send their children to faith-based schools but also those who would gain substantially from this, who send their children to the Upper Canada Colleges of this province. I don't think that is equitable at all. There's quite a difference between the private schools and the faith-based schools.

As I said earlier, and I've told people in my own constituency, many who send their children to faith-based schools, that they are not getting the equitable treatment they deserve. We can't afford to do this in terms of giving monies to the wealthy. At this stage, I think we need to talk about the issue of dealing with this, but not by combining them together. Retroactivity means that these people are not going to see the tax credit that they haven't actually claimed yet anyway.

**The Acting Speaker:** Any further questions and comments? Seeing none, I'll recognize the member for Beaches-East York for his two-minute reply.

**Mr Prue:** I thank the members for Sault Ste Marie, Simcoe North and Lambton-Kent-Middlesex.

I thought I had made myself very clear. Perhaps I haven't, so I'm going to use the last one minute and a bit to talk about the retroactivity provisions.

I commend the government for doing away, and I will say it again and again, with the equity in education tax provisions. They are wrong-headed. I do not draw the distinction between those who send their children to private schools like Upper Canada College and those who send them to faith-based schools. To me, there is a public school system that needs to be supported, and that public school system needs to be supported with all the strength and muscle and every tax dollar that this Legislature can find to give to them. I have no problem with this government, on October 23, doing precisely that. In fact, I would have done it myself were I in government.

But I will tell you that there is a problem, and that needs to be said again and again, with any retroactive provisions for any bill, whether they be tax bills or Criminal Code bills, whether they be within the purview of this legislation or within the purview of the federal House of Commons. Legislation that allows for retroactivity is bad legislation. It is legislation that will hurt people who do not deserve to be hurt. It will hurt those who are relying on the force and effect of law. They had a bill here, not just for this year; they had a bill the previous year that was 10%. Then it was up to 20%. They had every reason to expect that that would continue last January with the government in place. That is the problem and why, regrettably, I cannot support the bill.

**The Acting Speaker:** Further debate?

**Mr Mike Colle (Eglinton-Lawrence):** I'm glad to have the opportunity to speak to Bill 2, the bill that in essence restores an element of fiscal responsibility here in this province. As you know, every day we find out how monumental is the financial mess that this province is in thanks to the previous government, which essentially was not in control of its finances for obviously a number of years and in a number of areas. We've had to take some quick and focused steps in terms of rectifying some of the serious challenges facing the people of the province of Ontario.

This bill really is a reconfirmation of the clear platform commitment that Premier McGuinty put forward to the people of Ontario during the last election. That's what's in this bill. These are things that we campaigned on, and not only campaigned on; these were principles that we stood for in opposition, where we said we did not feel the province of Ontario could afford more reckless tax cuts. We saw in the eight years of the Conservative government that a tax cut equalled a service cut. That was a guarantee. When they announced tax cuts over the last eight years, within weeks we would see cuts in our schools; we would see cuts in our hospitals and our city services. That's why we in opposition opposed the tax cut approach, because we said there was a price to pay for those tax cuts, and that tax cuts are usually picked up by the working people of Ontario.

Certainly there are some corporations, mostly the large ones, that wanted more tax cuts, but in this bill we've said no. We've said no to further corporate tax cuts. That's one of the main provisions of this bill, because we need that money to be directed into our nursing homes, to be directed into our schools and our hospitals and our cities, into small northern rural communities that need services. That's where the money should go. The corporations, at this time, are going to have to wait. That's what we've told them: Wait. We've got to fix the financial mess that we're in.

That's why, reluctantly—and I know the member from York West here will tell you that a lot of our seniors wanted some kind of tax relief, some kind of help. Just before the last election, the Tories did some polling and found out, yes, seniors wanted tax relief, so they came up with this scheme to give all seniors tax relief.

**1700**

But it was refreshing to see, whether it was in York West or in the beautiful riding of Davenport, that the seniors were much too smart and said to us, "We know the Conservatives are trying to buy our votes, and as much we would like that tax relief, we know that we need home care, that we need good hospitals." So they rejected that attempt by the Conservatives to buy their votes because the seniors were much smarter than the Conservatives ever gave them credit for, thank God.

Sure, we would like to give seniors relief right now, but as you know, we have a \$5.6-billion charge, credit, deficit. Unless you wipe out that deficit, you won't be able to provide funding for the necessary programs in this province. It's evident that the previous government ran the government on Visa. That's what they did. They charged everything and they're paying 28%—if you pay it on Visa, you're paying 28% interest. Sooner or later, you can no longer use that plastic. They were running this government on plastic. We're at the point right now where \$10 billion a year is now going to pay the Tory Visa bill. Can you imagine what we could do with \$10 billion? In essence, in eight years, when tax revenues were flowing, when gaming revenues were flowing—I think it was \$4 billion a year in gaming revenues—they squandered that resource in tax revenues and left us with not only a deficit of \$5.6 billion, but left us with a social deficit. Look at the state of our social services. Look at our schools, our hospitals. They didn't pay the necessary attention to their financial management. They let this province essentially go into the red like we've never seen before.

As much as the Tories used to talk about the financial legacy of the NDP government, at least the NDP went through a huge, massive downturn that was almost of depression proportions. We've been saddled with this deficit of \$5.6 billion after going through eight years of economic prosperity. They have no excuse for leaving this \$5.6-billion deficit.

Then we found out yesterday that we have an added deficit of about \$1 billion over at Ontario Power Generation. To our astonishment, what we found out they were

doing there—this is incredible: They were monetizing their deficit over there. They were doing what the poor, out-of-work person does. They go to the Money Mart or Cash Mart and go, "Listen, give me an advance on my cheque. I'm going to get the cheque next week." Then they get, what, 80 cents on the dollar? Ontario Power Generation was in essence doing the same thing. They were saying, "Lend us some money. We'll pay you back when we get our receivables in a couple of months." The cost of that is astronomical. It's the type of thing companies do when they're on the verge of bankruptcy. That's what Ontario Power Generation was doing.

So it is an amazing legacy of deficit we're faced with, and that's why this bill was essential. We've had to say no to the tax credit for seniors, we've had to say no to private schools, we've had to say no to corporations and we've had to raise tobacco taxes. By the way, very few people on the other side talk about the real reason we're raising tobacco taxes: Tobacco kills 12,000 people a year in the province of Ontario. The Tories never talk about that. Twelve thousand human beings die because of tobacco-related diseases every year. It might be a good reason to raise tobacco taxes. On top of that, there are \$4 billion in costs to the health care system because of tobacco-related diseases. So if that isn't good reason enough to raise tobacco taxes—and I think they should be raised higher, because we do have the lowest tobacco taxes in Canada. The Conservatives are complaining that we're raising tobacco taxes, which is killing 12,000 people a year. It's our responsibility to do something about that and we're taking a small step here.

These are the essential parts of Bill 2. It's a first step based on what we ran on in our campaign to stabilize ourselves as we have to make more tough choices. As the Minister of Finance said today, we're not going to take the Tory approach of slash and burn. We're not going to be reckless. We're going to be balanced in our approach to try and stabilize our financial situation. We're going to try to take into account the impact on people and our institutions and our public services.

We understand that the deficit is a monumental mess and a monumental challenge, but we have the monumental will to reverse this deficit. We are committed to doing something about it, and Bill 2 is a clear declaration of our intent to do something about it. We are saying clearly to the people of Ontario, as we did during the election, we can't afford these tax cuts to corporations, to private schools. We can't do this now. We need the money for our public schools. We need the money for our health care. We need to fix this mess that we're in.

So this Bill 2 is nothing but a reconfirmation of our commitment to help the people of Ontario get their services back. It's not going to solve the \$5.6-billion deficit; it's not going to solve the \$800-million deficit in our hospital funding; it's not going to solve the Ontario Power Generation hydro debt of \$1 billion and counting. But if we don't do this, how are we ever going to even have a chance of dealing with those? You can't even

have a hope, if you don't pass Bill 2, of achieving those objectives.

Bill 2 is a very modest bill. If you don't support Bill 2, I just wonder how you're ever going to get to the other billions of dollars that we have to make up for so we can provide our services. It's just staggering to look at what we have in front of us, but on the other hand, we have a plan to deal with these challenges. This is the first part of our plan whereby we take it step by step and we do things that are difficult to do, but we do them. For all of these, we could have taken the Tory approach.

Remember, on top of these promises about private school money and seniors, they were going to give away money. Remember the mortgage scheme? These clowns were going to give everybody in Ontario money if they had a mortgage. Can you imagine the deficit now if they had given everybody in Ontario who had a mortgage some kind—they were going to put a cheque in the mail to everybody holding a mortgage to buy their votes. That's not even in here. Luckily, we didn't have to repeal that chicanery. That was probably the worst scheme of all, the mortgage scheme. They ran on that too, and they were trying to buy votes with those schemes.

Again, the people of Ontario said, "We don't care about your mortgage schemes. We don't care about your private school schemes. We don't care about your seniors schemes. We want good services, because we know your schemes mean that someone's going to get hurt and you're going to add to the deficit." The people of Ontario were right. The mortgage scheme: God save us from the mortgage scheme. That would have been a real treasure. Can you imagine what the deficit would have been if they had gone ahead with all that stuff? It would have been uncontrollable.

In fact, the Conservatives on the other side are still in denial. They don't even admit there's any deficit. We on this side are saying, "We wish they were right." The NDP are saying, "Well, you knew"—all of a sudden, we knew there was a \$5.6-billion deficit. We knew there was some size of deficit, but looking at the books now, we've seen there are not only deficits but program spending that is going to be difficult to rein in.

**1710**

The other thing we're doing in this bill: We're saying we would rather forgo the corporate tax cuts than sell off our assets. That's the other scheme that government was very good at: selling public assets. These public assets would generate tax revenues so you could build better highways and build better schools.

As you know, the sort of hallmark of the past regime was the giveaway of Highway 407. That was a public asset that is now estimated to be worth up to \$12 billion. They gave it away to a Spanish consortium, in partnership with a Quebec company, for \$3 billion. Remember when they told us in the House, "That's a great deal. We got \$3 billion"? A great deal for the taxpayers.

They did that because they were doing that chicanery with their budget-balancing schemes. They said, "The budget is balanced. Because we got the \$3 billion from

selling the 407, we balanced the budget." That's the type of questionable accounting the former government did. And they were ready to sell off more assets. I guess they planned to sell off the LCBO. I don't know what other public lands they would have sold off, what other high-ways they could sell off.

That type of accounting is not in Bill 2. Bill 2 is very straightforward. We're saying that in order to achieve some kind of level playing field so we can do more program adjustments and so we can start to ratchet down this deficit, we need to forgo these tax-cut promises that the previous government made. If you go through the bill, that's the essence of it.

There are some other parts that are included—I should just mention them in passing—really for the purpose of ensuring that things are still in place. For instance, the Energy Star-rated appliance rebate will be extended to March 31, so you can get a retail sales tax rebate. We thought it would be good to keep that in to encourage more conservation. The Energy Star-rated appliance rebate is in place until March 31.

The tobacco tax, as I mentioned, has gone up \$2.50 a carton. We've also amended the GO Transit Act, in essence giving municipalities the ability to partner with GO Transit for some cost-sharing models for GO Transit expansion at stations and so forth.

These are some of the other aspects of this bill. The bill, as I said, is not about trying to punish corporations; it's not about trying to punish seniors or people in private schools. We've said emphatically that schools that are private are going to have to wait; we've got the public schools to repair and fix. We know that in all our ridings there are public schools that are overcrowded, that are in bad repair, that don't have English-as-a-second-language programs and that don't have special education teachers. That's why we said we can't promise money to private schools when we have an obligation to fix our public schools.

In my riding, by the way, I have probably more private schools than most of you here—probably more than all of you combined. I had to tell people that I could not support—except for the member from Thornhill, perhaps—the money for private schools. I said, "I empathize; I understand the choice you make. But we are committed to fixing the public school system."

All these choices we made in this bill are things we ran on, like the public school tax credit. We said we would rescind it; we would repeal it. That's what this bill does. There's no money for private schools in this bill. That's what we said; that's what's being done here. We were clear for two years before the election. We're carrying through with our commitment that we were going to put money into public schools and public hospitals, and that's what this bill does.

We don't, as I said, think there are any quick fixes here, but this is the beginning of some solutions to the mess that we're in. We can fix this mess if we work together and we tell the people of Ontario straight: We can't afford to give you these tax cut schemes.

It's so clearly evident to everybody in North America now that the old adage of, "Tax cuts are the salvation of the economy," obviously doesn't work. The legacy of tax-cut/neo-con chicanery of the past have been proven totally false because they leave you with a deficit—not only physical, of \$5.6 billion; they leave you with a social deficit. Our schools are in disrepair; our hospitals are in debt; our cities are in disrepair and dysfunctional because of a lack of funding. That's the legacy of the neo-con chicanery. The Newt Gingrich school of economics failed miserably in Ontario. Mike Harris is a living disciple and proof that it doesn't work. We're here with the beginnings of an attempt to repair the damage. With Bill 2, we're saying forget the tax cut promises; we can't afford them. We need the money for your basic services that everybody needs—essential services: hospital care, home care, public schools, city services. Those are the basics. The tax cuts, we can't afford at this time.

**The Deputy Speaker (Mr Bruce Crozier):** Questions and comments?

**Mr Norm Miller (Parry Sound-Muskoka):** I'm very happy to comment on the debate on Bill 2 and the comments from the member from Eglinton-Lawrence, who certainly has given us a very creative version of the world.

One of the things that I'd really like to focus on in terms of Bill 2 is the 27% hike in taxes for medium-sized businesses in this province. That is very significant and is the thing that probably worries me more than anything about this bill. We have businesses around my riding, around the north, that are making business decisions about expanding, about whether they can go ahead with a new line or whether they're going to go underground with a mine, based on real costs. When they see that they have to pay 27% higher taxes on January 1 of this year than they would have under our government, that is a real, cold hard fact that affects their business decisions.

Where do you think you get your tax revenues from? This government does not have a revenue problem. This government has a spending problem. Look at your report from today, page 36. Your outlook for this year: \$75 billion in spending. Your spending is increasing 10%. That's what you have to control. That's what you have to get down to work and work on, the 9.7% increase in spending.

You want a \$5.6-billion deficit. On October 29, Mr Peters did a report. What was there? A \$5.6-billion deficit. Since then we've had a \$3-billion increase in revenues, and what are you predicting now, today? A \$5.6-billion deficit. Miraculously; what a surprise. If you keep saying it enough, I guess it will happen. You guys are really determined to have a \$5.6-billion deficit. Control your spending: \$75 billion. You are going to have record revenues this year. We've never seen over \$70 billion in revenues in this province, ever. If you controlled your spending, you could balance the budget, so why don't you get to work and balance the darn

budget, like you should be doing? Please, just get to work and balance the budget. We need you to do that.

**Mr Prue:** I rise to comment on the statements made by my friend the member from Eglinton-Lawrence. I have to keep coming back to this: Much of what you have to say is totally justifiable.

I look to what you said about the cigarette tax. We need to increase the cigarette tax—

**Hon John Gerretsen (Minister of Municipal Affairs, minister responsible for seniors):** Vote for the bill.

**Mr Prue:** If you separate off that one section, I'll do it. If you separate off the obnoxious section, I'll vote for the rest of it.

**Hon Mr Gerretsen:** Wouldn't that be something else.

**Mr Prue:** No, it would not.

**The Deputy Speaker:** I caution the members to direct your remarks through the Chair.

1720

**Mr Prue:** OK, what you have talked about in terms of the cigarette tax is absolutely right. Ontario continues to tax at a lower rate than all of the other jurisdictions in Canada. We need to do that; we need to do it fast. I would suggest that \$2.50 is probably not sufficient, but I'm not going to oppose the bill on that ground, even though it's not sufficient. I would hope that in the spirit of co-operation, as you promised you would do, you will take this matter back to the minister, especially in terms of loose tobacco, because there is a lacuna here.

*Interjection.*

**Mr Prue:** All right. I take you at your word. Thank you for that. There is a real lacuna here. You are going to cause young people to go out and buy, not tailor-made cigarettes but roll-your-own in order to save money. They'll get hooked just as fast, probably even faster, because most of those do not have a filter and most of those, if they pack it too densely, provide even more carcinogens than they would get from store-bought cigarettes.

There's no doubt you need the revenues. There's no doubt in my mind that you should be able to raise those revenues in a fair and equitable way. All I am asking you to do is to find another way that is fair and equitable and not to use retroactive taxation.

**Mr Ruprecht:** I listened very carefully to the member from Eglinton-Lawrence and he's absolutely correct. His message needs repeating, "Tax cuts didn't work." These tax cuts don't work. Why not? It was the Progressive Conservative goal, if I recall correctly, to bring our taxes down to the same level as—

**Mr Richard Patten (Ottawa Centre):** Alabama.

**Mr Ruprecht:** —Alabama, Mississippi, Louisiana. Does that kind of level of taxation attract investment and therefore jobs? The answer is absolutely no. Why not? Because investment is attracted by good health care, skills development, good order and good government. That's what we want to achieve here in Ontario today.

The tax cuts resulted in closing the heart of our community, our schools. We all remember, Mr Colle and I

remember. We actually created some demonstrations because we were requested to do that by the schools. We had to do it. Do you know how many people joined us in Ontario? Thousands joined us because you closed the schools. Your tax cuts resulted in closing the lifeblood, in taking and choking the lifeblood of our community in closing those schools. That's what this created.

Very briefly, I have one quick story to tell you. Your tax cut did not apply to small businesses, oh no. If Mr Colle remembers correctly, it was the exact opposite. You wanted to increase—

**Mr Colle:** On Main Street.

**Mr Ruprecht:** —on the businesses on Main Street. We had to organize more demonstrations, and do you know why? Because you didn't want to listen. You shut your ears and that's why we had to do it. The people were so upset in Toronto because of these increases that tax cuts did not work.

**Mr Dunlop:** I'll tell you, this has been interesting to listen to, especially the member from Davenport. You think you're going back in time, listening to this. I compliment Mr Colle for his comments and I'm certainly very supportive of the comments from my colleague the member from Parry Sound-Muskoka, a person who knows what it's like to get up every morning, work hard in 80- and 100-hour weeks to maintain a small business. He comes from a family of people like that. Unfortunately—I happen to side with those types of people—when I see increases in spending like in this fiscal outlook today, which is putting the increase of spending at almost 10%, I think you should be ashamed of yourselves, first of all, for bringing this joke out today, preceded by the joke we've seen back from the professional consultant, Mr Peters, that you hired right after the election. When we see these types of numbers, it's actually disgraceful to the citizens of our province.

Second, if this government found our tax breaks and our tax credits so negative, one can only think that the intention Dalton McGuinty and the Ontario Liberals have is to remove all the tax breaks that we gave the citizens of Ontario, which amount to about \$16 billion. So that's what Ontario citizens have to look forward to: tax increases after tax increases after tax increases. We know that's going to happen. We know that by your fiscal outlook. We know that you're trying to demonize our government by the comments we've seen not only here this afternoon, but in the fiscal report and in Mr Peters's report. That is obviously the intent.

I can only think of one thing when I hear about a tax increase. I think of a certain guy by the name of Dalton McGuinty standing in front of the citizens of Ontario, and what did he say? "I will not raise your taxes." Ladies and gentlemen, today you're looking at a \$4.1-billion increase in taxes. That's what we're going to see at 5:50 today when you vote on that.

**The Deputy Speaker:** The member for Eglinton-Lawrence has two minutes in summary.

**Mr Colle:** I want to thank all my colleagues for their comments. I think they're all well taken and I appreciate your listening.

One of the things that I remember clearly during the committee hearings, and I know the member from Beaches-East York will remember, is that the Conservatives asked Professor Jack Mintz to come and speak to the committee. Professor Mintz is a neo-conservative type and he's the executive director of the C.D. Howe Institute. Jack Mintz—remember that name, member for Kingston and the Islands. The first thing Professor Mintz, a neo-conservative economist, said was that one thing the Liberals are doing right is they're deferring the tax cuts. That's what Jack Mintz said: "You're right to do what you're doing with this bill because it doesn't make sense when you're running a deficit as big as you are." Jack Mintz said that in committee, clearly and unequivocally. That wasn't our deputant; that was the former government's deputant, Jack Mintz. I don't agree with Mr Mintz on everything he says, but on that point he was unequivocal. We're doing the right thing by not proceeding with the reckless tax cuts.

If we talk about us having a spending problem, all I say is, look at the record of this past government after eight years. Do you know where you find the record? Go to your local school. See the potholes on the roads in your cities. Go to rural Ontario and see the services they're missing. Go to see the wall-to-wall gridlock. Go to your hospitals and see the waiting lines. Don't dare go to Emergency. That's the legacy of the failed tax cuts, of a Newt Gingrich type of economics, which is a clear and utter failure. That's the record of the last government, a record of failure—

**The Deputy Speaker:** The member's time has expired.

The member for Lanark-Carleton has 20 minutes.

**Mr Norman W. Sterling (Lanark-Carleton):** I want to talk about one specific part of this bill. It's a very large bill; it encompasses a whole part of tax measures. The one that I want to zero in on is the education tax credit. I want to talk about this firstly from an economic sense, because the government has put forward the notion that by cancelling this credit, which is now \$1,400 a year, in some way this is going to enhance their treasury so they can give more of this money to the public school system.

We know that in Ontario it costs approximately \$7,000 to educate each and every student across our province. The tax credit for each student in the private education system is \$1,400. That means that if we transfer that student from the local Christian school, where it's costing the taxpayer \$1,400, into either the public system or the Catholic system, it will cost the taxpayer an additional \$5,600 for that child's education. This whole notion that by cancelling the tax credit there's going to be this huge plethora of money that is going to be there for the public education system is totally bogus, because two thirds of the kids who are in the private school system are from families with modest incomes, and they cannot afford the fees, which, as we know, are

being taken away from them retroactively, with regard to the \$1,400 credit, which is, in my view, unbelievably mean and nasty toward a community which had a government saying, "You're entitled to this credit. Make your decision on where you're going to send your kids on September 1, 2003, based upon that." And these guys yanked the rug from under them. The basic reason the NDP is voting against this, as I understand it, is on the retroactivity of this particular bill.

1730

One of the subjects we have not discussed very openly in this Legislature is the whole discriminatory aspect of pulling back this tax credit. We have two systems of publicly funded education in our province: We have the public system, which is a secular system, where children of all races and religions go to school together, and then we have the Catholic system. We have a Catholic system which gives priority to children who are Roman Catholic. It gives priority to teachers who are Roman Catholic. We as a Legislature voted to discriminate in favour of the Roman Catholic religion in 1986, when there was no obligation to do so. We made that move. I was here when we voted for it. We voted in this Legislature to discriminate in favour of the Roman Catholic religion in 1986, although we had no obligation to do it, when we extended the separate school funding. I stood in this place and spoke against that bill; 117 to 1. I voted against that bill because I didn't believe we should divide our children up into religious schools. We shouldn't divide them on the basis of their religion. Children should come together at least at one stage of their education and learn to trust each other, even though it might be in the high school, secondary area. But we, the Legislature, voted 117 to 1 to discriminate in favour of a religious school system. We did that in 1986. There was no obligation. That's what the Supreme Court of Canada said after. They said, "This is discriminatory."

**Hon Mr Gerretsen:** Who was the one?

**Mr Sterling:** I was the one. I voted against it. I'm proud of that vote. I was against dividing children on the basis of their religious affiliation. I don't believe in that.

But here's the crux of my argument. Once you do it for the largest single religious group in the province—43% or 46% of our province is Roman Catholic—and we made the decision in this Legislature to fund their system. We said that we were going to discriminate—

**Hon Mr Gerretsen:** Look at the BNA Act.

**Mr Sterling:** I have looked at the BNA Act. I have read the Supreme Court of Canada's decision. I have read the Court of Appeals decision, and I know what I'm talking about, Mr Gerretsen.

**Mr Ted McMeekin (Ancaster-Dundas-Flamborough-Aldershot):** How about your own letters to the UN? Did you read those?

**Mr Sterling:** Yes, I have read the UN decision that says we are discriminating.

By the yanking of this particular provision, we as legislators, all parties, in effect have said, on the one

hand, that we are going to discriminate in favour of the largest group—and, quite frankly, I should mention that my grandchildren are being educated in the Roman Catholic school system.

**Mr McMeekin:** So you're benefiting from it.

**Mr Sterling:** I lost the vote here in this Legislature. From that point on, I would help both school systems with regard to what they're doing.

But what we're doing here—and what this government is doing here is discriminating against Jewish people, they are discriminating against the Islamic community, they are discriminating against the Dutch Reformed community. You are discriminating against minority religious groups who should have the right to have their own religious schools, because in 1986 we decided in this Legislature that we would discriminate in favour of the single largest religious group. Some 43% to 46% of our population practises Roman Catholicism.

You cannot have your cake and eat it too. You have to be consistent in this place. You cannot say, "We are going to allow religious schools that teach Roman Catholicism to the largest majority group. You can have your religious schools, but we won't give them to the Islamic group, the Jewish group, the Dutch Reformed group. We will not give them to the other groups."

This is discriminatory on the part of this government. That is the most distasteful part of this legislation. You are discriminating. You should read the Supreme Court of Canada's decision with regard to the past decision that this Legislative Assembly made.

I find it very—

**Mr John R. Baird (Nepean-Carleton):** Outrageous.

**Mr Sterling:** —outrageous, what we're doing here. What we have is a record in this Legislative Assembly over the last 20 years now, because in 1986 we made this decision. We as legislators stood up at the time and said, "Roman Catholics deserve this public funding." They called it fair funding or equal funding or something like that and they said, "Yes, we're going to fund this group." Nobody mentioned that 43% of the people or the voters were Roman Catholic, but I had it in the back of my mind at the time that that might have a little bit to do with why the Legislature voted for a particular religious group getting their own school system.

I don't know how we can sit in this place and say to other groups who want to—and I believe in the Orthodox Jewish religion they have to send their kids to religious schools, according to their religion. According to what they believe in, they have to send them to religious schools, which is probably a greater burden upon them in terms of living within their religious principles than other religious groups. We're saying to the Orthodox Jews, "You cannot get any help from the government with regard to your religious schools," yet we did it for 43% of the population.

I find that so hard to understand. I find it so hard to understand any of the Liberal nonsense with regard to this, as to how they can stand up and say, "We're defend-

ing the public school system,” because the Catholic school system is not a public school system.

**Hon Mr Gerretsen:** Yes, it is.

**Mr Sterling:** It is not a public school system, sir. It is not. Read the legislation. If your child is not a Roman Catholic, you cannot demand that your child go to that school. They can refuse entry to that child. There’s no question; they can. Read it.

*Interjection.*

**Mr Sterling:** No, it isn’t open access. It is not. And if you want to teach in those particular schools and you’re not a Roman Catholic, you cannot insist on fair treatment in terms of getting those jobs. You better read it, David, because I’ve read the legislation as well.

At one point when I was debating this in 1986 in front of this House, I said during the debate, “Some time in the future, we’re going to have to extend funding to other religious groups, because we can’t do this without being fair to other religious denominations.” When it came along, I had mixed feelings, because my first positioning on that bill at that time was that I didn’t like to see kids divided on the basis of religious teachings. I still don’t like it, but there’s something that comes before that, and that is fairness. You can’t do for the single largest religious group something you’re unwilling to do for the smaller religious groups. You just can’t do that and be a democratic and fair society.

1740

In our Legislature, we’re stuck with what they did in 1986. And what they did in 1986 was make a decision to favour one group, the largest group, even though there was no obligation to do so. Why did they do so? Because it was politically expedient to do so. That’s why they did it.

**Mr Colle:** Why did Davis do it?

**Mr Sterling:** Why did Bill Davis do it? He didn’t do it. Actually, it was the Liberals who passed the legislation in 1986. Bill Davis made the promise. I didn’t agree with Bill Davis. If you read the cabinet records, you’ll find my opposition therein.

I made it clear to the Roman Catholic school boards in my area, after this legislation passed, that I would continue to support them. I would go out and fight for them in terms of the funding they got for their system, because that decision was made here. I hold no grudge against the system; I think it’s a good system.

But when we, as a Legislature, do something for the majority, we’ve got to do it for the minority. That’s why this piece of legislation is so rotten. It’s rotten because it smacks of discrimination, it smacks of political expediency. That’s what we’re doing in this bill, and it is disgraceful in my view.

I understand other matters deal with fiscal matters, taxes and those kinds of things. I understand the implications of those particular matters, but to me, they do not hit the moral principles, they do not hit the history of this Legislature in making one decision for a group that I now term is politically expedient because of the number

of them, but discriminating against other minority religions.

I hope this government wears this. I will go and speak to groups about the discrimination of this government against their particular religions. I will openly speak about that, because that’s the case.

I would now like to share my remaining time with the members from Simcoe North and Erie-Lincoln, if there is any time.

**Mr Dunlop:** I’d like to thank my colleague from Lanark-Carleton for his comments because he made some very valuable points—and I certainly didn’t pressure him to give up his time.

I think what’s important here tonight is the direction we’re going. Obviously, you as the government won the election with a majority.

**Interjection:** They can do whatever they want.

**Mr Dunlop:** You can do what you want; that’s right. As I said earlier, I expect the whip will have everyone in here in a while to vote for Bill 2 and support it.

The Progressive Conservative Party will not be supporting this piece of legislation, primarily because we believe this tax hike—the largest tax hike in the history of Ontario—works against what our government achieved and will have a very negative impact on the citizens of our province. I think we made it very clear over the course of the debate and in committee that Bob Rae increased taxes by \$2.2 billion; David Peterson had the second-largest tax increase in Ontario’s history, at \$2.8 billion; and tonight we’re going to see a vote come through that will probably approve a tax increase of \$4.13 billion, the largest increase in the history of Ontario. That’s very disappointing to our economy in particular.

I actually hope I’m wrong on this, but I think this will have a very negative impact on job creation in Ontario. As I look through this document that was passed out this afternoon, the Ontario Economic Outlook and Fiscal Review, I think it will impact revenues dramatically, next year, the year after and the year after that. That’s when you’ll go back to the trough, back to the people of Ontario, and as to all those tax breaks we gave the citizens of Ontario, trying to keep a strong economy, you’ll go back the way the NDP did. You will continue to tax heavily and drive our country and our province into a deep recession. I hope I’m wrong on that. I think there’s the possibility it may not happen.

Let’s be serious about this. This is a large tax increase. It’s contrary to what your candidates right across Ontario said between September 1 and October 2 of this year, when at various all-candidates meetings throughout the province you looked the people straight in the eye, Dalton McGuinty looked the people of Ontario straight in the eye, and said, “I will not raise your taxes.” Over and over again on every TV station, in newspaper ads, in brochures: “I will not raise your taxes.” Ladies and gentlemen of the province of Ontario, tonight, in less than 15 minutes, we will be voting on a bill that will increase your taxes \$4.13 billion, the largest tax increase

in the history of the province. This will have a negative impact on our economy and on the future of our province.

With that, I would like to see this last couple of minutes wrapped up by my good friend and colleague, the brilliant young guy, the former minister and the member from Erie-Lincoln, Tim Hudak.

**Mr Tim Hudak (Erie-Lincoln):** Thank you to my colleague from Simcoe North for some time to speak to this. It's still a bit smoky here in the assembly right now after we saw the finance minister, Greg Sorbara, cooking the books of the province of Ontario just a couple of hours ago—all kinds of hocus-pocus. Houdini would blush at the kind of magic tricks he's doing with the numbers.

If you look at page 60 of their Ontario Economic Outlook and Fiscal Review, what happens? You overplayed your hand with this whole Peters thing. The taxpayers federation showed you, using the Liberals' own cooked numbers, that you could balance the books this year if you made some tough decisions. Using your own numbers, the Ontario Taxpayers Federation showed that to you, so Sorbara had to come back and say, "We've got to change the numbers, throw a few tricks in there, a little hocus-pocus there." Lo and behold, he got back to \$5.6 billion. I hope members across the floor can see me through the smoke and mirrors, through the smoke from cooking the books. Greg Sorbara performed an amazing magic feat today to get back, but I don't believe him. In fact, we saw the mystery man from the cabinet. Pinocchio showed up today, I think the 25th man in cabinet, Premier Pinocchio.

**Mr Bob Delaney (Mississauga West):** On a point of order, Mr Speaker: In accounting terminology "cooking the books," in its plain and ordinary meaning, is an inappropriate—

**The Deputy Speaker:** That's not a point of order.

**Mr Hudak:** I appreciated my colleague from Lanark's comments on the independent school tax credit. You are going to be successful at ensuring that independent schools are only the refuge of the wealthy, taking that tax credit from hard-working middle-class families in the province. I can't believe that not one of you stood up to justify the retroactive tax increase—

**The Deputy Speaker:** The member's time has expired.

**Mr Prue:** As always, it is a pleasure to hear my colleague speak on this issue, or on any issue. You never know what you're about to learn. Going back, the member from Lanark-Carleton is one of the deans of this House. I think he is the dean of this House, having served here longer than anyone else, and he can tell us a little bit of the history of how we got here today. It was instructive to note the pickle the province has got itself into, in terms of having one religion have its public system authorized and others feeling quite badly about it.

I've had an opportunity to read the Waldman decision. I glanced through it again today. It's really quite instructive in terms of the fine wire that we in this

province must constantly be walking. On the one side, we have historical precedent, we have the British North America Act, we have the Manitoba schools question and we have all of those things that have brought about Catholic education in Ontario. On the other side, we have our fundamental rights and freedoms—the Charter—and we have the United Nations. They seem at times to be diametrically opposed. I commend the member for bringing it up, but I'm still not entirely sure of the relevance in terms of the argument. If the argument is that we should do away with all such schools in order to have just a public school system, I might see some considerable merit to that, but that is not what I am hearing from him. What I am hearing is that we further have to chop up into little tiny pieces the public school system to accommodate people of various faiths, various creeds, various beliefs, various financial backgrounds and institutions. If that is the argument that is being made, I cannot support that.

I would ask in future if he would give his considerable historical knowledge and be clear exactly where he wants to take his party and this province. If it is to one school system, I would very much welcome an opportunity to hear that.

**The Deputy Speaker:** Pursuant to the order of the House dated December 4, 2003, I am now required to put the question.

Mr Bradley has moved third reading of Bill 2, An Act respecting fiscal responsibility. Is it the pleasure of the House that motion carry?

All those in favour, say "aye."

All those opposed, say "nay."

In my opinion the ayes have it.

Call in the members. This will be 10-minute bell.

*The division bells rang from 1751 to 1801.*

**The Deputy Speaker:** All those in favour will stand one at a time and be recognized by the Clerk.

#### Ayes

Arthurs, Wayne	Gerretsen, John	Phillips, Gerry
Bartolucci, Rick	Gravelle, Michael	Pupatello, Sandra
Bentley, Christopher	Hoy, Pat	Qaadri, Shafiq
Berardinetti, Lorenzo	Kular, Kuldip	Racco, Mario G.
Bountrogianni, Marie	Kwinter, Monte	Ramal, Khalil
Bradley, James J.	Lalonde, Jean-Marc	Ramsay, David
Broten, Laurel C.	Leal, Jeff	Rinaldi, Lou
Brown, Michael A.	Levac, Dave	Ruprecht, Tony
Brownell, Jim	Marsales, Judy	Sandals, Liz
Bryant, Michael	Matthews, Deborah	Sergio, Mario
Cansfield, Donna H.	Mauro, Bill	Smith, Monique
Caplan, David	McGuinty, Dalton	Smitherman, George
Chambers, Mary Anne V.	McMeekin, Ted	Sorbara, Greg
Colle, Mike	McNeely, Phil	Takhar, Harinder S.
Cordiano, Joseph	Milloy, John	Van Bommel, Maria
Craitor, Kim	Mitchell, Carol	Watson, Jim
Delaney, Bob	Mossop, Jennifer F.	Wilkinson, John
Di Cocco, Caroline	Oraziotti, David	Wong, Tony C.
Dombrowsky, Leona	Parsons, Ernie	Wynne, Kathleen O.
Duguid, Brad	Patten, Richard	Zimmer, David
Duncan, Dwight	Peters, Steve	
Fonseca, Peter	Peterson, Tim	

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

**Nays**

Arnott, Ted  
Baird, John R.  
Barrett, Toby  
Bisson, Gilles  
Dunlop, Garfield  
Eves, Ernie  
Hampton, Howard  
Hardeman, Ernie  
Hudak, Tim

Jackson, Cameron  
Klees, Frank  
Marchese, Rosario  
Martel, Shelley  
Martiniuk, Gerry  
Miller, Norm  
Murdoch, Bill  
O'Toole, John  
Ouellette, Jerry J.

Prue, Michael  
Runciman, Robert W.  
Scott, Laurie  
Sterling, Norman W.  
Tascona, Joseph N.  
Witmer, Elizabeth  
Yakabuski, John

**Clerk of the House (Mr Claude L. DesRosiers):** The ayes are 64; the nays are 25.

**The Deputy Speaker:** I declare the motion passed.

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

It being past 6 of the clock, this House is adjourned until 6:45 of the clock.

*The House adjourned at 1805.*

*Evening meeting reported in volume B.*

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