



Legislative Assembly
of Ontario

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de l'Ontario

Première session, 38^e législature

**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Tuesday 9 December 2003

Mardi 9 décembre 2003

Speaker
Honourable Alvin Curling

Président
L'honorable Alvin Curling

Clerk
Claude L. DesRosiers

Greffier
Claude L. DesRosiers

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LEGISLATIVE ASSEMBLY
OF ONTARIO

Tuesday 9 December 2003

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

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*The House met at 1330.
Prayers.*

MEMBERS' STATEMENTS

ALGONQUIN AUTOMOTIVE

Mr Norm Miller (Parry Sound-Muskoka): I rise in the House today to recognize Algonquin Automotive. This Huntsville company has been noted as a national role model for innovation in Canada. Algonquin Automotive was acknowledged by the National Research Council as one of Canada's innovation leaders by demonstrating an entrepreneurial spirit and commitment to innovation.

Major automobile manufacturers take credit for producing vehicles, but it is smaller companies like Algonquin Automotive that define the details. Items such as running boards, spoilers, cladding and grille guards are both functional and attractive, and these products must be well designed and well built. Algonquin Automotive has turned 35 years of experience into highly prized products, regularly filing patents on their work.

The company currently employs about 300 people in plants situated in Huntsville, Bracebridge and Gravenhurst in the beautiful riding of Parry Sound-Muskoka. Algonquin's business has expanded dramatically in the past 10 years, from \$7 million in annual sales to more than \$60 million in 2002, and such growth is continuing.

This fall, Algonquin began work on a chrome tubular step for GM's Hummer H2, a version dedicated to rough off-road driving. The contract is one of four that are expected to generate an additional 50 jobs at Algonquin, and perhaps even more, with the company's many suppliers across Ontario.

Algonquin Automotive is a valuable community partner, and I am very happy that they have been recognized for their commitment to innovation and quality. I would like to personally congratulate Jim and Rob Alexander and the staff at Algonquin Automotive.

FAIRBANK COMMUNITY

Mr Mike Colle (Eglinton-Lawrence): Mr Speaker, I would like to share with you and the House an incredible example of community spirit and caring which took place last weekend in my riding of Eglinton-Lawrence in the heart of Toronto.

This past Saturday, December 6, the Fairbank community held its annual Christmas dinner for children and seniors, in partnership with the Eglinton Community Initiative and the Eglinton BIA. Over 500 people attended the event at the British Methodist Episcopal Church, in the heart of my riding. I have to tell you that it was an incredible sight to behold. There was music mixed with good food, good cheer and even a visit by Santa. Young and old were included in the celebration. It brought out the best in all of us, with a holiday spirit that was truly amazing.

I'm proud to stand here today and represent the thoughtful people of the Eglinton-Lawrence community. I would like to extend special thanks to Staff Inspector Glenn Decaire and PC Ojo Tewogbade of 13 Division for organizing the event; the Right Reverend Maurice Hicks, pastor of the British Methodist Episcopal Church; the president of the York-Eglinton Business Improvement Area, Arnold Rowe; the chair of the Eglinton Community Initiative, Andrea De Vaille; Dempster's Bread; and Tony and Teresa's No Frills. These are people who really put the Christmas back where it belongs: in the community. It's a community of sharing and generosity, and not a community of taking. We've got to put the giving and sharing back into Christmas.

POWER INTERRUPTION

Mr John Yakabuski (Renfrew-Nipissing-Pembroke): On November 28, much of my riding of Renfrew-Nipissing-Pembroke was hit with a major winter storm, causing widespread power outages and leaving some residents without power in freezing temperatures for up to 72 hours. This was the second extensive power interruption in a two-week period. This latest situation saw many trees downed because of snow load.

I want to take this opportunity to recognize the patience and resilience of my constituents in the face of this hardship. I also want to thank the volunteer firefighters of the township of South Algonquin for their selfless efforts in seeing that residents, particularly seniors and shut-ins, were secure and had fresh water and heat. The township also set up an emergency shelter if people needed to be moved. I also want to thank members of the Killaloe-Whitney detachment of the OPP for their assistance and the township council for their help as well. This is an example of how people in rural Ontario pitch in during times of crisis to ensure the safety of their neighbours. Rural Ontarians work together.

I would like to see this new Liberal government recognize the importance of our rural communities. So far, they have not acknowledged their significance to the province. More than one third of their cabinet ministers are from Toronto, and there was absolutely no mention of rural Ontario in the throne speech.

RIDING OF OTTAWA-ORLÉANS

Mr Phil McNeely (Ottawa-Orléans): I welcome my first opportunity to speak in this historic chamber as the MPP for Ottawa-Orléans. First of all, I would like to thank the good people of the riding for electing me and giving me the honour of representing the constituency, which, under new boundaries, will simply be known as Orléans.

As a high school student, I knew Orléans as a small francophone village on the Ottawa River, some 12 kilometres from downtown Ottawa. Today, its population approaches 80,000 people and encompasses all or part of the five wards of the new city of Ottawa—20% of the city of Ottawa, the eastern part. I am proud to represent this mainly urban riding, comprised of one third francophones and 15% visible minorities. This great mix of our two founding nations with those of other cultures makes the riding very special.

I join a long list of members who have served this area, including Brian Coburn, Gilles Morin, Bob McQuarrie, Bert Lawrence, Evelyn Gigantes and, back to the earliest member, William Craig, who represented the area from 1867 to 1875.

I intend to work hard on behalf of the residents of Ottawa-Orléans and the people of Ontario and am honoured to finally take my place in this, the 38th Parliament.

NANTICOKE GENERATING STATION

Mr Toby Barrett (Haldimand-Norfolk-Brant): We in Ontario, and indeed across many neighbouring states, were given a glimpse of an unplugged province during the blackout of 2003. The impacts could have been greater had it not been for the tireless efforts of workers at our much-maligned Nanticoke coal-fired generating station. I paid a visit to the plant a few days afterwards to say thank you on behalf of the people in Ontario.

I am proud of this important facility. From the moment power switched off on that hot Thursday afternoon, workers toiled round the clock in heated conditions to help get this province back up and running.

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We in Ontario rely on OPG Nanticoke and its coal-fired generated power for about 20%—at times 30%—of our energy needs. In times of crisis, as we saw last spring, Nanticoke's input becomes even more vital to the province of Ontario.

Given recent reports of limited natural gas and of aging nuclear units, we in Ontario are lucky to have OPG Nanticoke. We're lucky to have its 600 employees.

We're fortunate to have coal reserves that are estimated somewhere in the order of 1,000 years worth of coal.

Any attempt to snuff out our coal-fired plants without plans for adequate supply replacement ignores the facts, eliminates those reserves and leaves us where we would have been without the work of our Nanticoke employees: in the dark.

VOLUNTEERS

Mr Bob Delaney (Mississauga West): Each year, the province of Ontario holds some 24 events to thank and reward community volunteers. Each year, 7,000 to 10,000 awards are given across Ontario. Just a few weeks ago, more than 300 volunteers from Mississauga were honoured for their volunteer contributions to our community.

Who among us, when we reflect upon our lives and upon the men and women whose influence has shaped us and our character today, will not have among our most influential figures a coach, a Scout master, a counsellor, or some other person whom we've encountered as a volunteer? These volunteers gave us their time generously and freely so that our time with them could be so important and so priceless.

Thank you to Mississauga's and to Ontario's volunteers, on behalf of all the lives you have touched, shaped and adorned with your talents, with your dedication and with your love. Thank you for passing along, through your example, this timeless gift of volunteerism to so many others to give and to give again.

GOVERNMENT POLICY

Mrs Julia Munro (York North): Last the night the Ontario Energy Board Amendment Act, 2003, passed second reading. This bill continues the assault on farmers and small business by this government.

During the recent campaign, the Liberals pledged to retain the 4.3 cent price cap for families and small business. They broke that promise with this bill. But they also have attacked job creation in this province by raising the corporate tax rate and by eliminating personal tax cuts in January 2004.

The rate freeze on auto insurance covers only private vehicles—another attack on small business and farmers.

Moving nutrient management from the Ministry of Agriculture to the Ministry of the Environment portrays our farmers as environmental criminals, not land stewards.

Hydro rates, auto insurance, tax rates and the new regulatory burdens have been ushered in as the first offensive of the McGuinty war on farmers and small business. These are the producers and job creators in our province. Why is the McGuinty government attacking them?

This government has decided it wants to be known as the promise-breakers. Now they can add to their title the name of job killers.

FLU IMMUNIZATION

Mr Peter Fonseca (Mississauga East): Yesterday I, along with the Minister of Health, the Honourable George Smitherman, had the great pleasure of attending an influenza immunization clinic that was conducted in my riding of Mississauga East.

The clinic, which was hosted by the good people at Shoppers Drug Mart, was well attended and shows that the effort by the various levels of government, along with their respective agencies, including that of this government, have been doing a superb job at getting the message out that we can beat the flu.

Recently, Ontario's chief medical officer of health, Dr Colin D'Cunha, stated, "Getting a flu shot continues to be the best way of reducing the chance of becoming ill with the flu."

Many of you here today have already had the flu shot; I thank you. For those of you who have not, I urge you to do so. All of you can appreciate how busy our schedules are at this time of year and how easy it is to put off something like this. So if not for your own sake, then for sake of your friends, your families and your co-workers, please make the time.

I would also urge all of you here today to take this message back with you to your constituents.

So let's roll up our sleeves and beat the flu.

CONSERVATIVE PARTY OF CANADA

Mr Frank Klees (Oak Ridges): This past weekend was a historic occasion in the history of our country. After many years of dedication, the Progressive Conservative Party of Canada and the Alliance Party of Canada came together to form one strong, united and dynamic party. The Conservative Party of Canada is the result of hard work on the part of many thousands of Canadians across this country to form a strong and real alternative to the federal Liberals in the next election. Congratulations go to Peter MacKay and also to Stephen Harper, who worked tirelessly to ensure that this in fact would be a reality.

We've seen a 10-year drought of leadership in this country, and what the people of this country now will have, for the first time in many years, is a true alternative to the kind of Liberal-style government that we've had in Ottawa and quite frankly that is developing here in the province of Ontario. The voters will say no to that. Today, we stand proud of the work that has been done by people from across this country to give Canada a true alternative in the next federal election.

I would also say that, no matter how much I would hate to lose my colleague Bob Runciman, I think he'd make a great federal leader.

VISITORS

Ms Kathleen O. Wynne (Don Valley West): On a point of order, Mr Speaker: I just wanted to take a moment to acknowledge some students who are in the

gallery today from Don Valley West. Students from Crescent School and also from Denlow Public School are in the gallery, and I know there's another school, Blythwood Public School, that is coming. There are three schools from Don Valley West visiting today. I want to thank the teachers and the parent volunteers, and acknowledge the students.

RACIAL PROFILING

Mr Rosario Marchese (Trinity-Spadina): The Ontario Human Rights Commission delivered an important report today. It's called Paying the Price: The Human Cost of Racial Profiling. It's a startling report on the social and economic costs of racial profiling. The stories it tells are troubling.

Aboriginal people and Ontarians of African-Canadian, Arab, Chinese and Southeast Asian, Latin American, South Asian and Muslim descent are feeling as if they are being singled out because of the colour of their skin. Said one Ontarian, "You think you are like anyone else and you find actually you are not, because you are treated in a special way. It's humiliating."

New Democrats say that racial profiling has no place in our society. It's time to stop debating the issue and start acting on it. We say to the Liberal government, show courage and accept the report's call to action. We say, here are some immediate things you could do: set up a racial diversity secretariat, strike an independent police complaints commission and make anti-discrimination training mandatory for elementary and high school students. With some political will, we can tackle racial profiling and relegate it to the history books once and for all.

1350

INTRODUCTION OF BILLS

EXECUTIVE COUNCIL
AMENDMENT ACT, 2003LOI DE 2003 MODIFIANT LA LOI
SUR LE CONSEIL EXÉCUTIF

Mr Bryant moved first reading of the following bill:

Bill 17, An Act to amend the Executive Council Act /
Projet de loi 17, Loi modifiant la Loi sur le Conseil
exécutif.

AUDIT STATUTE LAW
AMENDMENT ACT, 2003LOI DE 2003 MODIFIANT DES LOIS
EN CE QUI CONCERNE LA VÉRIFICATION
DES COMPTES PUBLICS

Mr Sorbara moved first reading of the following bill:

Bill 18, An Act respecting the Provincial Auditor /
Projet de loi 18, Loi concernant le vérificateur provincial.

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

Minister?

Hon Greg Sorbara (Minister of Finance): I'll speak to it during ministers' statements.

CHILDREN'S HEALTH AND THE
ENVIRONMENT BRANCH ACT, 2003

LOI DE 2003

SUR LA DIRECTION DE LA SANTÉ
DES ENFANTS ET DE L'ENVIRONNEMENT

Ms Churley moved first reading of the following bill:

Bill 19, An Act to establish the Children's Health and the Environment Branch of the Ministry of the Environment / Projet de loi 19, Loi créant la Direction de la santé des enfants et de l'environnement au sein du ministère de l'Environnement.

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

Ms Marilyn Churley (Toronto-Danforth): The environmental protection office in the US has had such a department in its section for a number of years. This bill deals with environmental policies, programs and standards, which need to be based on the most up-to-date research and provide the highest possible level of protection and support for the health of Ontario's children.

We now know that as children grow and develop, they're particularly vulnerable to environmental hazard. It directly affects their health, as we know, for instance, with pesticides. This bill would simply set up such a department within the Ministry of the Environment so we can track, research and make sure there are remedies there to deal with children's environmental health.

VISITORS

Mr Michael Prue (Beaches-East York): On a point of order, Mr Speaker: I would like to introduce the family of one of our pages, Olivia. They're here in the members' gallery today to watch their daughter from Beaches-East York.

PARLIAMENTARY PROCEDURE

Mr Howard Hampton (Kenora-Rainy River): On a point of order, Mr Speaker: I rise to raise this point reluctantly, but just now I watched Ms Churley, the member for Toronto-Danforth, stand at least three times to be recognized to introduce a bill. I don't understand why someone would have to stand three times to be recognized in an attempt to introduce a bill.

The Speaker (Hon Alvin Curling): On the member's point of order, I recognized the member when I saw her. If I did not recognize her the first time, I apologize. I will usually recognize the ministers first, and then go to the other members.

Hon Dwight Duncan (Minister of Energy, Government House Leader): On a point of order, Mr Speaker: I seek unanimous consent to move a motion respecting sitting on Wednesday night without debate or amendment.

The Speaker: Did I hear unanimous consent? I think I heard a no.

Mr Gilles Bisson (Timmins-James Bay): On a point of order, Mr Speaker: Just for the record, there are still some discussions going on with regard to that point of order. I'm a little bit surprised that the House leader raised it now, after he assured me he would not until we had a chance to further speak about this.

The Speaker: It's not a point of order.

STATEMENTS BY THE MINISTRY
AND RESPONSES

DEMOCRATIC RENEWAL

Hon Michael Bryant (Attorney General, minister responsible for native affairs, minister responsible for democratic renewal): Our government has embarked upon a bold, positive, ambitious agenda to renew our democracy in the province of Ontario. We've made an historic commitment to democratic renewal because of a growing sense in this province that our democratic institutions and traditions are not keeping pace with changing times.

Voter participation in the last few general elections has slipped, and we all know that. Voter apathy and public cynicism is steadily rising, and I think we in this House all understand that. More and more people are becoming estranged from the very democratic process that makes some of the most important decisions in their day-to-day lives.

Clearly, now is the time to address these trends before it is too late, before people, especially young people, Ontario's future leaders, are turned off by democratic institutions that are unaccountable and unresponsive. That's why this week we are introducing a number of initiatives that are aimed at bringing our own House in order before we tackle further reform.

Yesterday we introduced legislation that would, if passed, extend the provisions of the Public Sector Salary Disclosure Act to Hydro One and Ontario Power Generation. Next, we announced that a regulation under the Freedom of Information and Protection of Privacy Act will be amended to extend the act's provisions to the province's hydro companies.

Today we are taking another step toward democratic renewal in this province by delivering real accountability to the people of Ontario so that they can have more confidence in their democratic institutions. That's why earlier I introduced the Executive Council Amendment Act.

Being accountable in this Legislature through its members to the people of Ontario is the principle at the

heart of our parliamentary system. It is a system that is not shared by all nations of the world. In the United States, the head of the government, the President, does not come forth before Congress for question period. In our system, that happens. The government is held to account in this House, among other things, through question period. In this Legislature, the government is answerable to the people during question period. So the Executive Council Amendment Act would, if passed, require cabinet ministers to attend at least two thirds of all question periods over a government's term in office.

We're introducing this legislation to demonstrate our commitment to the people of Ontario to the principle of accountability in our legislative system. We believe it will send an important message to Ontarians: The government belongs to the people and is accountable to the people. This Legislative Assembly is an important place where that business takes place and that accountability happens.

We are introducing this bill now, because we believe the standard that people expect from their ministers must be made early in the life of a government's session. In the days and months to come, we will continue to work toward a more open government and encourage greater citizen participation. We will take government in a new direction. We will ensure that the people of Ontario get value for their public services. As we undertake democratic renewal, we will treat our institutions with the respect they deserve—no Magna budgets in this House.

I hope that is what this Legislature would want of the government of the day, and I encourage all members to support the efforts to strengthen our democracy. I urge you all to support this bill.

1400

PUBLIC SECTOR ACCOUNTABILITY

Hon Greg Sorbara (Minister of Finance): On October 2, the people of Ontario chose change. They chose a government that is committed to bringing an open and transparent approach to managing both public finances and legislative institutions.

Yesterday, my colleague the Attorney General and minister responsible for democratic renewal spoke of our plan to bring to this House the most ambitious democratic renewal initiatives ever seen in the province of Ontario. He spoke then, and reiterated just before me, initiatives that would open up government and its agencies, bring the voices of Ontarians to Queen's Park, give members of this House an opportunity to do more on behalf of their constituents, ensure that ministers of the crown consistently attend question period and provide a fixed date for elections in the province.

As well, yesterday my colleague the Minister of Energy introduced amendments to the Public Sector Salary Disclosure Act to make Hydro One and Ontario Power Generation and their subsidiaries subject to the same salary disclosure rules as apply to public servants.

But democratic renewal does not stop there. We need to make the entire public sector more transparent and responsible to Ontarians, because transparency and accountability are the best safeguards of our public services.

To achieve that objective, I am pleased to have introduced earlier today legislation that would, if passed, give the Provincial Auditor new powers to examine the broader public sector. The expansion of powers for the Provincial Auditor would have a direct effect on accountability, since the major institutions in the broader public sector represent the single most significant demand on the province's financial resources. About 80% of total government expenditures, excluding interest on debt, is in the form of transfers to broader public sector organizations and individuals.

The amendments I am introducing today would give the Provincial Auditor the expanded power to conduct full-scope value-for-money audits of the so-called SUCH sector—that is, school boards, universities, colleges and hospitals—and also all crown-controlled corporations and their related subsidiaries. These value-for-money audits will report whether money was expended with due regard to economy and efficiency and whether procedures were established to measure and report on the effectiveness of those programs. They will go a long way to ensure that the people of Ontario get the value they deserve from the money they invest in these public services. Organizations subject to this expanded mandate will be required to provide the Provincial Auditor with information and access to their books and records.

It is not enough just to say that we have put more money into something; we also have to have a clear understanding of how that money is being spent. With this bill today, we'll go a long way toward that objective.

The Speaker (Hon Alvin Curling): Responses?

DEMOCRATIC RENEWAL

Mr Norman W. Sterling (Lanark-Carleton): We have yet another amazing piece of legislation put forward, ostensibly to call the executive council into some kind of accountability. But guess what, folks? This act does nothing of the sort.

First of all, it sets the bar very low: Ministers must be in here only 66% of the time. Ministers should be in here every day, save and except for some ministers who have greater need out in the community. My view is that the Minister of Economic Development and Trade should be here less than 50% of the time, because he should be off trying to make business for Ontario. Other ministers should be here all the time.

The greatest sham of this whole act is, who keeps score? Is it the Speaker who keeps score? No, it's the Premier who keeps score. And on the scorecard there are several loopholes with regard to whether or not you're here. First of all, it's not counted if the absence is justified because of illness, bereavement—everybody understands that—or religious holiday “or some similar reason.”

Secondly, it's not counted as an absentee day if the minister is in the chamber "during part but not all of the period set aside for oral questions if the Premier is of the opinion that his absence is permissible"—not your opinion, Mr Speaker, not the opposition's opinion but the opinion of the Premier.

Again, this act leads not to less cynicism; it leads to more cynicism. Mark my words, there will be not one minister over there charged \$500 a day during this or any other session. Do you know why? Because the Premier will protect their hides to the end of the day.

PUBLIC SECTOR ACCOUNTABILITY

Mr John R. Baird (Nepean-Carleton): It appears that with the Premier being the arbiter, the quarterback is going to be the referee in this game as well, which is more than an understatement when they said they would do things differently.

I am pleased to rise to speak to the Audit Statute Law Amendment Act. It reminds me of a bill that Niagara Falls MPP Bart Maves brought in in the last session. If Mr Maves were here, I'm sure he would thank you for adopting his legislation.

I think it is a good idea that we bring more transparency to our transfer payment agencies. I'm certainly strongly in support of that. I think transparency is a good thing. I looked at the act. We'll want to have a more thorough review of the act to ensure that it gives the auditor the tools he needs to do his or her job.

It will be important as well, when the minister brings forward pieces of legislation like this—the auditor will undoubtedly require additional resources to complete his mandate. His office is one of the most underfunded offices in the country, and there hasn't been a will to address that.

Interjections.

The Speaker (Hon Alvin Curling): The member from Nepean-Carleton.

Mr Baird: They're very testy today. We must be getting under their skin. Normie got them all riled up.

On first glance, I think this is a good bill. To my friend the Minister of Finance, I am disappointed that his House leader doesn't want to call this piece of legislation before we break for Christmas. Perhaps we could discuss passing this important piece of legislation expeditiously this fall.

Mr Howard Hampton (Kenora-Rainy River): Mr Speaker, I ask for unanimous consent for the member for Nickel Belt to respond.

The Speaker: The member for Kenora-Rainy River asks for unanimous consent to respond. Is it agreed?

1410

Ms Shelley Martel (Nickel Belt): I will deal with the announcement with respect to the Provincial Auditor's office first. I'm pleased to respond on behalf of the NDP, and I do so in the context of being the New Democratic Party critic—

The Speaker: Order. I heard a no coming from this section.

Hon Dwight Duncan (Minister of Energy, Government House Leader): On a point of order, Mr Speaker: I seek unanimous consent to allow the third party to have five minutes to respond to the government statements.

The Speaker: The government House leader has asked for unanimous consent for a five-minute response from the third party. I heard a no.

Mr Baird: On a point of order, Mr Speaker: I would just remind the New Democratic Party that motion 5 sits on the order paper that would allow them an automatic right of reply to this. We'd certainly be prepared, if the New Democrats and the government would agree, to pass order number 5 to give the NDP an opportunity to respond.

Interjections.

The Speaker: Order. Let me deal with one thing at a time. I heard a no when they asked for unanimous consent for this. Now your point of order.

Mr Baird: I ask for unanimous consent to call government notice of motion number 5 and that it be passed without debate, right now, so that Ms Martel can respond to this statement.

Interjections.

Mr Baird: They don't want to respond.

Hon Mr Duncan: On a point of order, Mr Speaker: Was it the third party, the New Democrats, who said no to that?

Interjections.

The Speaker: Order. I'm not here to identify who said no. All I heard was a no, and therefore there is not unanimous consent.

ORAL QUESTIONS

ELECTORAL REFORM

Mr Ernie Eves (Leader of the Opposition): Premier, yesterday and today your Attorney General, the minister responsible for democratic renewal, made a couple of statements in the House about how committed your government is to democratic renewal in the province of Ontario. Can you tell us why, in these last two statements, he has not announced the date of the next provincial election in Ontario?

Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs): I want to thank the member for his interest in the subject matter. We're very proud of the announcements we are making this week. We're very proud of the work that's been done by the minister responsible for democratic renewal. I can also assure him that in due course we will be bringing in legislation, something that we intend to send out to committee to consult the public, but we intend to move ahead with election dates that are predetermined.

Mr Eves: Well, there's no need to consult. The Liberal Party has already made up its mind. I quote from their campaign document. They're going to Americanize

the Ontario political system. "We will have fixed dates for elections. It is time to put the silly guessing game behind us once and for all." OK, put the silly game behind us once and for all and select the date of the next provincial election. You know when the last one was, so I assume the next one will be the first Thursday in October 2007.

Hon Mr McGuinty: The Leader of the Opposition may be afraid of transparency and accountability, but on this side of the House, I can assure you, we are not. The Leader of the Opposition may have enjoyed using his discretionary power to set the election date as some kind of plaything, but we intend to consult the people of Ontario and move ahead with a predetermined election date. We think that's an advancement. We think that's progress. We think that's in the interest of the Ontario public.

Mr Eves: This is not a difficult subject. Even Gordon Campbell in BC could figure it out. It's a very simple bill. It has two sections in it. I'd like to send this across to the Premier, and perhaps he can figure it out and tomorrow his Attorney General can actually bring in a bill. He can copy the one that BC did. It's two paragraphs long.

Will you not follow Premier Campbell's example and pass a very simple piece of legislation immediately?

Hon Mr McGuinty: I am absolutely delighted that the Leader of the Opposition has found religion and now embraces the concept of predetermined election dates. Now, if the Leader of the Opposition could only find religion when it comes to supporting our bill to grant still further powers to the Provincial Auditor, and if he would also support our bill to bring sunshine into the boardrooms of OPG and Hydro One—

I understand that the former Premier is now fully supportive of our movement toward democratic renewal in the province of Ontario. On behalf of the people of Ontario, I thank him for that support, although I must say it would have been great to have it when you were on this side, sir.

PROVINCIAL DEFICIT

Mr Robert W. Runciman (Leeds-Grenville): Premier, since you formed the government, we've heard tales of, "Whoa, the sky is falling," with respect to the financial situation in this province. You've indicated a significant deficit; we have disagreed with the conclusions that you've reached, and we have some differences with respect to Mr Peters's conclusions as well.

I have a press release in my hand which was issued by someone who spent some quality time with the Premier in the recent months, Mr John Williamson from the Canadian Taxpayers Federation. They have done a financial analysis which indicates that there will be \$3.09-billion improvement in the revenues for the provincial government in this fiscal year. They're indicating that any deficit above \$600 million is a Liberal deficit.

I ask the Premier, would he respond to this new assessment, and if indeed anything above \$600 million is

a fabrication and an excuse for you to continue to break your promises?

Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs): I appreciate the member's question, but if he wants to get into any discussion of fabrication, then I want to bring to his attention the \$5.6-billion deficit which he maintained simply did not exist.

I appreciate the advice that I'm getting from the member opposite; I appreciate the advice from Mr Williamson. But I can assure both gentlemen and I can assure the people of Ontario that we will be moving forward in a responsible way when it comes to cleaning up the mess that your government left us.

Mr Runciman: The Premier and his colleagues, during the provincial election campaign, indicated they were prepared to deal with a projected deficit of \$2 billion.

Mr John R. Baird (Nepean-Carleton): Plus a billion-dollar surplus.

Mr Runciman: Yes, plus \$1 billion in reserves. So we're talking about \$3 billion.

Mr Baird: Another \$3 billion.

Mr Runciman: Another \$3 billion. Now we have an indication that the revenues have increased dramatically beyond what Mr Peters projected, and we're still getting excuses from the government to justify breaking promises which put them in those seats over there, solemn promises made to the voters of this province that they were going to keep. Within weeks, they have suggested they will not be keeping those promises, and they're using false, bogus justification to do it. The taxpayers' federation has confirmed that today.

Stand up and defend the positions you continue to take to justify breaking your many, many promises.

1420

Hon Mr McGuinty: I'll tell you, Speaker, the last thing that I'm going to do is stand up and defend the fiscal record of this government. It seems that every single day we discover another mess, whether we're talking about \$800 million in deficits in previous years for our hospitals or \$25 million for children's aid societies. It doesn't seem to matter what kind of a rock we look under, we find another mess left to us by this government. We assure the people of Ontario we will proceed in a responsible and intelligent manner when it comes to cleaning up their mess.

Mr Baird: Premier, we discovered not two weeks ago that \$3 billion is missing from your economic plan. That's \$3 billion that you said—

Interjections.

The Speaker (Hon Alvin Curling): Order. Within 10 minutes, the opposition House leader has demonstrated these placards in the House, and you know that's not allowed. I expect better behaviour from you.

Mr Baird: The bottom line is, Premier, you budgeted \$3 billion in your economic plan to deal with the contingency of the financial pressures facing this province. You're accepting the Peters report. Surely to goodness, you should stand in your place and should commit that every single dollar above the scheduled economic growth

in the Peters report will go to deal with this year's deficit, or is it going to fund an orgy of new spending to pay off the special interests that you bought off during the election campaign? Will you stand in your place and tell us you will put that money toward the deficit?

Hon Mr McGuinty: The former Minister of Energy might want to take a look, in addition to the Peters report, which uncovered \$5.6 billion by way of deficit, at the Epp report, which is a comprehensive indictment of his government's failure to exercise its responsibility as a diligent shareholder, which has left yet another mess for the people of Ontario. We will, without fail, move ahead in a progressive way and in a responsible way every single day to clean up the mess his former government left the people of Ontario.

ONTARIO ECONOMY

Mr Ted Chudleigh (Halton): My question is for the Premier. Yesterday you were in New York trumpeting the benefits of doing business in Ontario. In your press release from yesterday you state that Ontario's economy is strong.

Today's Toronto Star has you quoted as saying, "It's hardly a case of trying to decide whether the glass is half full or half empty. On the contrary; those numbers represent one long tall drink of good economic news."

We thank you for finally recognizing that our economic policies have worked. Our tax cuts helped create over 1.1 million new jobs since 1995. Over 600,000 people left the welfare rolls since 1995. We balanced the budgets for four years in a row since 1995, and we were on track to do it a fifth time until you came along and messed it up. Why are you threatening the very economy that only yesterday you were saying is in such good shape?

The Speaker (Hon Alvin Curling): Before answering the question—I'm having difficulty hearing, especially from this side of the House.

Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs): I want to thank the member for his question. But we draw a very important distinction on this side of the House. The distinction is between the state of the economy, which is strong because of the good work and entrepreneurialism of the people of Ontario, and the state of the government finances, which are a mess because of what you've done to them. What I assured the economic community based in New York City is that we are here, we're on the job, we've rolled up our sleeves, we're taking a responsible course of action and we're going to turn this government around so that it too is in a healthy economic state.

Mr Chudleigh: Dr Jack Mintz of the C.D. Howe Institute released a study only two weeks ago on Ontario's tax competitiveness. He says, "We suggest that the biggest bang for the buck comes from corporate income tax rate cuts, which would help return Ontario to economic competitiveness with its major competitors."

Premier, you are raising corporate taxes, and taxes are jobs. You have indicated that you're raising hydro rates, small business taxes and minimum wage all at one time, and you've broken so many promises that people have serious concerns about the reliability of your word. Business can already react. According to Statscan, Ontario lost 6,600 jobs last month alone.

What are you going to do to actually help businesses stay in Ontario and live up to the boasting that you did in New York City this week?

Hon Mr McGuinty: I want to draw to the member's attention something that Jack Mintz said today in committee. He specifically said that tax cuts needed to be suspended, and that's what we have done. We are not going ahead with those tax cuts.

The message that we're getting from the business community, whether here in Ontario or in New York City, is that we have got to get our fiscal house in order. We're not going to proceed with tax cuts at a time that would compromise our public services or result in increased deficit sizes. What we're going to do is proceed in a responsible way. We will not lose sight of the fundamental interests of the people of Ontario: good-quality public services and, for the first time in a long time, real fiscal discipline inside the government.

MID-PENINSULA HIGHWAY

Ms Jennifer F. Mossop (Stoney Creek): My question is for the Minister of Transportation. The people of my riding of Stoney Creek need some clarification on the issue of the mid-peninsula highway. There's been some confusion created by the opposition with regard to this. We need to know on two issues, with regard to our commitment to the highway and also to an environmental assessment. First of all, unlike the former Tory government, is the McGuinty government committed to a full environmental assessment on the mid-peninsula corridor project?

Hon Harinder S. Takhar (Minister of Transportation): As I indicated in the House last week, our government is completely committed to a full environmental assessment for the mid-peninsula transportation corridor. This commitment was made as a part of the Liberal election platform, and we are keeping our promise.

Ms Mossop: My constituents are also concerned about the commitment to the overall project itself. There has been some confusion created, saying that we are slamming the brakes on the project. It is my understanding that our government is committed to the project because of the ever-increasing cross-border truck traffic, and also that that is putting pressure on the QEW to expand into our Niagara tender fruit lands. Minister, will you reassure the people of Stoney Creek that the government remains committed to the mid-peninsula transportation corridor project?

Hon Mr Takhar: Our government understands the importance of this project for trade, commerce and even the gridlock issues in that area, so we are absolutely

committed to proceeding with this project. But we want to make sure we do the full environmental assessment so we can assess the social, economic and environmental aspects of the issue.

SEVERANCE PAYMENTS

Mr Jim Wilson (Simcoe-Grey): My question is to the Premier. He'll know that I asked a question in this House regarding the refusal of his Minister of Finance to pay back a \$35,000 severance package that he received from the taxpayers of Ontario. I asked that question after some kerfuffle in this House yesterday, so I'm going to give the Premier an opportunity today to clarify his government's position.

A year ago, when they were in opposition on this side of the House, it was very clear that they demanded that Mr Eves pay back the severance he received as a retiring MPP, and that when he came back to serve as Premier of the province and take his seat in this place, he did the right and honourable thing and paid back the \$78,000 in severance that he received. The Liberals at that time demanded that that was the right and honourable thing to do.

So I ask the Premier, do you still believe that the right and honourable thing to do is that a member, upon returning to this place, should pay back the huge severance package he received from the taxpayers of Ontario?

1430

Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs): I can understand why the member doesn't want to talk about the Epp report or the auditor's report or the discovery of a \$5.6-billion deficit. I can understand why he doesn't want to talk about those things. But, no, I do not agree that the Minister of Finance should be repaying his severance, given the time frame involved. We think that we should abide by the rule that applies to the broader public service, which says that if you return to work within two years, then different rules should apply. We're talking about a six-year period here, and as a result, I do not believe that the severance should be returned.

Mr Wilson: You don't agree the Minister of Finance should pay back the \$35,000 that he received from the taxpayers, but you have another member, the former mayor of Pickering, the current member for Pickering-Ajax-Uxbridge, who received \$135,000 in a severance package from the taxpayers of Ontario. We have a law in this province called double-dipping; it's against the law to double-dip.

Our former staff, for example, who received 16 weeks' severance must give up their severance package if at any time during that period they get another job with the provincial government, whether that be a board or agency, or on your side of the House or our side of the House. If you had a government job and you get another government job, you've got to give up your severance.

Will you ask your member for Pickering-Ajax-Uxbridge to give up his \$135,000 severance from the

taxpayers of Ontario and abide by the double-dipping law in this province?

Hon Mr McGuinty: Again, I can understand why the members opposite don't want to talk about the independent assessments that we've had of the quality, or lack thereof, of the government they delivered, and I speak specifically about the Epp report and the Peters report.

Having said that, I say with confidence that the members of my government are abiding by the law.

CARDIAC SURGERY

Mr Bill Mauro (Thunder Bay-Atikokan): My question is for the Minister of Health. On an annual basis, anywhere from 600 to 1,000 people from my riding are forced to travel outside of Thunder Bay and leave northwestern Ontario for angioplasty and cardiac surgery services. These people are required to travel great distances to southern Ontario, Manitoba and other destinations to receive these services. As you can imagine, this creates a very stressful situation for these patients and their families.

Given the strong commitment made to the north by our party, given the specific commitment from both the Premier and the then-health critic, Sandra Pupatello, to a cardiac surgery unit in Thunder Bay, and given that such an endeavour would be an efficient, cost-effective use of resources, when will we have a cardiac surgery unit at Thunder Bay Regional Health Sciences Centre?

Hon George Smitherman (Minister of Health and Long-Term Care): Thank you very much for the question. I'd like to acknowledge the interest in this issue by this member and the other member from Thunder Bay as well.

We're committed to a health care system that is responsive to our patient needs by better managing wait times and access to care. We acknowledge that in northwestern Ontario access to cardiac care has been a particular challenge. The ministry is currently reviewing a multi-department review around the proposal for cardiac surgery expansion at the hospital in Thunder Bay, and I commit to the member to work with him and the Thunder Bay hospital and community to address this and make sure that the people of northern Ontario have ready access to cardiac care.

Mr Mauro: Thank you for that, Minister. There are currently large costs to our health care system associated with the provision of cardiac and angioplasty surgeries in the north. Will you meet with me in the near future to discuss this issue?

Hon Mr Smitherman: In response to the excellent question from the member, not only would I be happy to commit in the House to meeting with him and the other member from Thunder Bay to talk more about this issue, but I'd be happy to come to the community of Thunder Bay and meet with the community to see how we might be able to make progress and move this initiative forward expeditiously.

FEDERAL-PROVINCIAL
FISCAL POLICIES

Mr Cameron Jackson (Burlington): My question is to the Premier. You have made much of your new-found relationship with the federal Liberal government and in particular with your counterpart for the riding of Ottawa South, the Deputy Prime Minister and the finance minister of Canada. That same finance minister visited us for your throne speech, and I would have felt a whole lot better—I was pleased he was here—if his intransigence on tax-specific issues affecting Ontarians had been a little more progressive and not downright punitive. In particular, I reference the almost \$140 million that Ontario taxpayers are paying in GST payments to retire the Hydro debt. Have you ever privately or officially, formally or informally, asked the federal government, through the finance minister if he would drop these punitive goods and services taxes for electricity on Ontario taxpayers?

Hon Dalton McGuinty (Premier, Minister of Inter-governmental Affairs): I know the Minister of Energy has something to say on this, but I can assure the member opposite that I in fact did raise the issue when I sat on that side of the House when you and your government refused to look into that matter.

Interjections.

The Speaker (Hon Alvin Curling): Order. Maybe he can take the supplementary, because the Premier attempted to answer it in the first question.

Mr Jackson: Premier, you failed to answer a simple question about your ability to speak up for Ontario taxpayers. You failed to get Ontario's fair share of the federal SARS money. It was the same John Manley who shortchanged Ontario taxpayers by over \$350 million. You failed to speak up for Ontario taxpayers when two years ago the federal government discovered that they had made a billion-dollar mistake, and it was the same John Manley who forced Ontario to pay back a billion dollars that could have gone to pay down our debt.

You failed to speak up for Ontario taxpayers when Ontario employers paid the lion's share of \$20 billion of the unemployment insurance slush fund that the federal government has been using to balance their books on the backs of Ontario businesses—the same John Manley strategy.

Premier, my question is this: Why is it that all your personal relationship with John Manley seems to have produced in this province for Ontario taxpayers is that you've been able to convince him to open up his federal seat for your brother, and in exchange you're probably going to appoint him—

The Speaker: Question.

Mr Jackson: —to the board of Ontario Hydro or OPG.

Hon Mr McGuinty: With this line of questioning, I'm wondering whether the member is getting ready to launch his bid for the leadership of the new federal party.

I want to tell the member opposite something that he may have missed. When it comes to the issue of SARS

funding, you and your government received nothing. You brought home nothing to the people of Ontario. You engaged in some kind of a skirmish which resulted in nothing.

Interjections.

The Speaker: I'm not quite sure that you want the answer. The Premier has attempted about three times to answer the question. If you want to hear it, could you give him the opportunity?

Hon Mr McGuinty: The point I'm making is that at the end of the day, money talks. His government got us zero. They brought home zero dollars with respect to SARS funding. We brought home, in short order, \$330 million. We're proud of our ability to work with the federal government.

UPTOWN THEATRE

Mr Howard Hampton (Kenora-Rainy River): On a point of order, Mr Speaker: I ask for unanimous consent to ask a question on behalf of New Democrats.

The Speaker (Hon Alvin Curling): The member for Kenora-Rainy River has asked for unanimous consent for a question. I heard a no.

Hon Dwight Duncan (Minister of Energy, Government House Leader): On a point of order, Mr Speaker: I agree to seek unanimous consent to allow the leader of the third party to place a question.

The Speaker: Is it the pleasure of the House that he get unanimous consent? I'm hearing a no.

1440

Mr Hampton: On a point of order, Speaker: I ask for unanimous consent to ask a question concerning the collapse of the Uptown Theatre and the death and the injuries that resulted therefrom.

The Speaker: The member from Kenora-Rainy River has asked unanimous consent to ask a specific question on the collapse of the Uptown Theatre. Do I have unanimous consent? Agreed.

Mr Hampton: My question is for the Premier. I'm sure you heard that yesterday the Uptown Theatre collapsed. One person was killed; 14 were very seriously injured. I'm sure our thoughts and prayers go out to the families of the victims.

Earlier this month you gave a speech where you said it was a good thing to impose a hiring freeze on the civil service. What we've learned is that it looks as if this construction site was not being adequately inspected. In fact, we know that we are short by some 70 construction work site inspectors across the province. In my part of the province, which is larger than most European countries, there are only two construction work site inspectors.

Premier, in view of the fact that you think it's a good idea to impose this hiring freeze on the civil service, do you also think it's a good idea that we're short some 70 work site inspectors in the Ministry of Labour?

Hon Dalton McGuinty (Premier, Minister of Inter-governmental Affairs): I want to begin, in keeping with

the sentiment first expressed by the member opposite, by offering on behalf of the government our deepest sympathies to the families and friends of those affected in this terrible tragedy. I also want to assure the member opposite that when we put in place our hiring freeze, we said, and we were very explicit about this, that there would be an exception for cases affecting public safety. It is my understanding that we are in the process of completing the hiring of some 25 new inspectors, and we intend to continue with that.

Mr Hampton: We spoke with some of those inspectors today. The 25 that you refer to were already announced before your government took office. In fact, what we know is that we need a further 42 inspectors. The 25 that were announced—it takes a year of training before they can even get on the job.

Premier, one person died; 14 were seriously injured. Even the owner of the property said that he had concerns that it was not being adequately inspected. He had concerns about what was happening there. Which is more important to you, Premier: that you continue with the hiring freeze, or that workers and citizens who happen to frequent construction sites have their health and safety adequately inspected? Are you going to hire the full complement of workplace inspectors now, so that we can protect the safety of workers and the public of Ontario?

Hon Mr McGuinty: I know the Minister of Labour has more details that he can share with the member.

Hon Christopher Bentley (Minister of Labour): First of all, it is of the utmost importance to this government that the health and safety of workers and workplaces be protected, and we will do absolutely everything to ensure that happens. That's number one.

Secondly, the Premier was absolutely correct in his answer to the honourable member's first question when he said we are completing the hiring of 25, whom the previous government had started hiring at the end of their mandate. That's point two; the answer was completely correct.

Third, the honourable member is correct when he speaks about a reduction in the number of inspectors. When the previous government took office in 1995, there were 278 inspectors. By the time they completed, there were 205.

When we took office, the first thing we attempted to do, and we are doing, is determine how many inspectors we need as part of an overall health and safety strategy to ensure—to guarantee—that we maximize health and safety in the workplace. We are going to do that. This was a terrible tragedy, and it should not be minimized. Our determination is to make sure we have—

The Speaker: Thank you.

HAMILTON DEVELOPMENT

Ms Judy Marsales (Hamilton West): My question is to the Minister of the Environment. My riding of Hamilton West, of which I am fiercely proud, offers the scenic beauty of the Niagara Escarpment complemented by the magnificent and busy harbour.

But we have many parcels of land, known as brownfields, currently laying waste. These brownfields demonstrate a city in transition, a city whose industry formed the backbone of this province's economy at the turn of the last century. These parcels of land must be returned to vibrant residential use if Hamilton's vision of a sustainable and healthy urban core is to be realized.

Minister, what will the government do to ensure the redevelopment of these lands for the future prosperity of this great city?

Hon Leona Dombrowsky (Minister of the Environment): I want to assure the member that this government is committed to assisting cities across Ontario, including the great city of Hamilton, to proceed with development in a meaningful way. We know that some of the challenges related to development more recently have been related to sprawl. That of course, for all the people of Ontario and particularly the Minister of the Environment, gives cause for some concern.

You would recall that in the throne speech the Premier has committed to a brownfields redevelopment plan. We see this as a very responsible way to promote development within city boundaries. These are sites that are now serviced, usually, by the city. It can be a very economical process. We are going to do all we can to ensure that these brownfields can be redeveloped, having good regard for the environment, ensuring that the redevelopment is carried out in a very safe way to the health and well-being of the people in the community.

Ms Marsales: Minister, as you can see, there is a new vitality about Hamilton and a new spirit from our new mayor, Mr Di Ianni, to the hard-working leadership of our chamber of commerce. We want to bring a change to the direction of Hamilton's downtown. It's going to take teamwork and coordination to tackle the redevelopment of these brownfield sites in Hamilton.

I'd like to get your commitment today to meet with the representatives of the city of Hamilton and the chamber of commerce to discuss this redevelopment. Will you agree to meet with those representatives?

Hon Mrs Dombrowsky: This government intends to be very open and transparent. We do want to meet with all the partners on issues that impact our communities and that impact our environment. Certainly, I would be very happy to meet with officials from the great city of Hamilton or any other municipality that has an interest in developing brownfield sites.

STANDING COMMITTEE ON GOVERNMENT AGENCIES

Mr Norman W. Sterling (Lanark-Carleton): My question is for the Premier. I want to ask you about integrity and about your failure to keep promises. I want to ask you about your failed commitment to give MPPs a greater role in this Legislature.

In the short time you've been in power, your government has demonstrated an astonishing arrogance when it comes to democracy in this place. We have seen you as

Premier intervene in the election of the new Speaker. Your government has been petty and mean in its treatment of opposition members with regard to office accommodation and seating arrangements.

Now, Mr Premier, we watch as you take the unprecedented step of insisting that the chair of the committee that vets your own political appointments must be a member of the Liberal caucus. Why are you going to turn the government agencies committee into a clearinghouse for your own patronage appointments? Is this your idea of democratic renewal?

Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs): I know the minister for democratic renewal is anxious to speak to these issues, Speaker.

Hon Michael Bryant (Attorney General, minister responsible for native affairs, minister responsible for democratic renewal): We look forward to getting the advice from the honourable member, who has served in this House before. My parliamentary assistant, the member for Sarnia-Lambton, is heading up an unprecedented process, one that you might have done when you were the House leader, except you didn't serve in a government that had the guts to move forward with democratic renewal initiatives.

We aren't here just to talk about democratic renewal; we're proceeding with democratic renewal. That's why I know that Ms Di Cocco is looking forward to meeting with the government House leader and his counterparts, so that we can in fact have real, meaningful participation of members of provincial Parliament in this House, unlike what happened under Mr Sterling's government.

1450

Mr Sterling: I understand the Attorney General hasn't been in this place that long, but the Premier has been here since about 1990 and he knows that the whole appointments review process was in fact created in about 1986 or 1987 in the previous Liberal government. All parties of the Legislature supported this, because we saw there was a critical need for an independent body to play an oversight role in reviewing political appointments made by the government of the day.

I'm sure you know that since 1986, the Chair of this committee has always been a member of the opposition. This tradition was established to ensure that this committee didn't become a rubber-stamp clearinghouse for the government's own political appointments. Will your government show integrity and reverse your decision to control this committee from the Premier's office?

Hon Mr Bryant: I'm surprised that the member would ask that question. When he was in government, they appointed 50% of their own defeated candidates to public appointments.

I'm surprised that the member would want to raise the subject of attendance in this House when we have just brought forth legislation to require all cabinet ministers to attend in this House two thirds of the time. We need to do that. We need to do that because we have to deal with the reality of former cabinet ministers who were recalcit-

rant about attending. A certain former finance minister, Mr Ernie Eves, now the leader of the official opposition, attended less than half of question periods in this House in the year 2000. If our bill had been the law, Ernie Eves would have owed \$7,500 for the year 2000 alone. That won't be happening under the McGuinty government. It's time to get some accountability in this House.

Mr Ernie Eves (Leader of the Opposition): On a point of personal privilege, Mr Speaker: The minister might want to rise in his place and retract the statement he just made, because it is not appropriate, as I'm sure he's aware and you are aware, to refer to another member's attendance record in this House.

The Speaker (Hon Alvin Curling): Minister?

Hon Mr Bryant: Withdrawn.

The Speaker: New question. The member for Scarborough Southwest.

I'm just waiting for the deputy House leader from the official side to quiet down a little bit for me. Thanks.

COMMUNAUTÉ CULTURELLE DE L'ONTARIO

M. Lorenzo Berardinetti (Scarborough-Sud-Ouest): Ma question s'adresse à la ministre de la Culture. Comme vous le savez, la province de l'Ontario est le lieu de présentation d'environ 40 % des activités artistiques du pays. Le secteur des arts et de la culture fait croître l'économie de 11 \$ milliards par année.

Madame la ministre, l'Ontario dispose des plus grands artistes et des plus grandes institutions artistiques au monde. L'Orchestre symphonique de Toronto, le Musée royal de l'Ontario et les festivals de Stratford et Shaw attirent des visiteurs du monde entier, enrichissent notre qualité de vie et alimentent notre économie. Qu'allez-vous faire pour assurer la vitalité de l'industrie des arts et de la culture en Ontario ?

L'hon Madeleine Meilleur (Ministre de la Culture, ministre déléguée aux Affaires francophones): Premièrement, je voudrais remercier mon collègue pour la qualité de son français ; c'est excellent.

Je voudrais vous dire que depuis ma nomination au poste de ministre de la Culture, j'ai eu l'occasion de rencontrer plusieurs organismes de la communauté culturelle. Comme vous le savez, monsieur le Président, la vie culturelle ontarienne nous touche tous et toutes. Peu importe notre âge, notre lieu de résidence ou nos origines, nous sommes influencés par la culture de différentes façons. En protégeant et en montrant notre patrimoine culturel unique et irremplaçable, nous renforçons notre sentiment d'appartenance et de fierté.

L'éducation à propos des arts est une nécessité. Les jeunes de l'Ontario ont besoin d'être plus exposés aux arts, parce que les experts nous disent que l'éducation artistique aide à améliorer le rendement académique de nos jeunes.

Ce sont quelques-unes des raisons pour lesquelles nous allons créer un conseil ministériel des arts et de la culture, et c'est une priorité pour notre gouvernement.

Nous avons besoin d'un forum de discussion, et ce groupe consultatif composé de membres de la communauté des arts sera l'idéal pour remplir ces fonctions. Notre objectif est de donner à nos organismes culturels un financement stable et prévisible. Ce financement va nous permettre de créer une relève artistique talentueuse et d'administrateurs compétitifs dans le domaine des arts. Nous voulons—

The Speaker (Hon Alvin Curling): Merci. Thank you. There is so much in that. Maybe in the supplementary—

Interjections.

The Speaker: Maybe you'll get that in the supplementary.

M. Berardinetti: Merci, madame la ministre. Dans un récent sondage, plus de 92 % des Ontariens et Ontariennes ont répondu que les arts contribuent à une augmentation générale de leur qualité de vie. Qu'allez-vous faire pour promouvoir les arts et la culture, de même que pour veiller à ce que les Ontariens soient au courant des activités culturelles qui leur sont présentées dans l'ensemble de la province ?

L'hon M^{me} Meilleur: Je suis entièrement d'accord avec mon collègue le député de Scarborough–Sud-Ouest. Le secteur de la culture contribue énormément au bien-être économique et à la vie sociale de l'Ontario. La culture enrichit la qualité de vie de tous les Ontariens et Ontariennes.

Le gouvernement et mon ministère allons continuer à travailler avec les organismes, groupes et individus pour faire en sorte que le secteur culturel continue de grandir. Nous avons prévu plusieurs initiatives pour atteindre ce but. Une des ces nouvelles initiatives c'est la création de la médaille du premier ministre, soulignant l'excellence dans le domaine des arts. Cette médaille sera accordée à des individus ou organismes qui ont contribué d'une façon extraordinaire aux arts et à la culture de l'Ontario. Nous sommes en train de concevoir des moyens innovateurs pour faire connaître les produits artistiques ontariens.

À ce sujet, j'encourage les citoyens et les citoyennes de tous les coins de la province à se détendre pendant la période des fêtes et à visiter tous nos organismes culturels, soit le Musée des beaux-arts de l'Ontario, le Musée royal de l'Ontario ou le Centre des sciences.

Le Président: Merci, madame. Thank you.

Mr Cameron Jackson (Burlington): On a point of order, Mr Speaker: I ask for unanimous consent to give the minister another eight minutes.

Interjections.

The Speaker: I understand from the government they'll give her a minister's statement when she could do that in 20 minutes.

M. John R. Baird (Nepean-Carleton): Sur un point d'ordre, monsieur le Président : Félicitations à la ministre pour sa nomination et son élection à cette Chambre. Elle a annoncé une nouvelle initiative du gouvernement. Est-ce que c'est propre de faire ça dans une question ?

Comme porte-parole pour les affaires culturelles, est-ce que je peux avoir cinq minutes pour répondre ?

The Speaker: It's not a point of order, but I also welcome you as a minister.

1500

ITER FUSION PROJECT

Mr Jim Flaherty (Whitby-Ajax): My question is for the Premier. It is about a massive, superb research project that is just what Ontario needs in the future, and that is the ITER project. I know that you are aware this is the long-term international project to establish fusion as a viable option for power generation. It is a once-in-a-generation opportunity. It is a big idea. It's an opportunity for Ontario and Canada to excel in the world at scientific research. It would mean at least 250 of the best and the brightest people in the world moving to Ontario, specifically to eastern Ontario: Clarington and Durham region and the counties east of there.

Our competitors are Japan and France, and they have entered bids. There has been a great deal of work done in Ontario on our bid. It was supported by the Eves government. I want to know what steps you have taken since your election in October on behalf of the people of Ontario with the federal Liberal government to get federal Liberal support for this very important scientific project for Ontario.

Hon Dalton McGuinty (Premier, Minister of Inter-governmental Affairs): I know the Minister of Economic Development and Trade has been working very hard on this file, and I'm sure he's prepared to answer this.

Hon Joseph Cordiano (Minister of Economic Development and Trade): The Ontario government has consistently expressed its support for the ITER project. Shortly after the Premier was sworn in, on October 6, he sent a letter to the Prime Minister of the country and I want to quote from the letter. It says, "Prime Minister, it is very important that Canada indicate its commitment to the ITER project as soon as possible. Once again, I urge you and your government to come to the table with a solid financial commitment to this vital endeavour."

It was indeed a very important initiative. The Premier supported it, the Minister of Finance also expressed his support for this project. This government was fully behind the effort. We sent our officials to the various international meetings, supported by the Ministry of Economic Development and Trade. We continue to support the efforts and initiatives.

Mr Flaherty: The reports in the press are negative of late, as the minister probably knows. You made a commitment—the Premier made a commitment in writing—in support of this project before he was elected. Premier Eves and our government made a 50% commitment that we would participate regardless of the siting, whether the siting was in Ontario or elsewhere. This is 68,000 jobs in Ontario going forward over the next 30 years—operational jobs, construction jobs. Just as importantly, this is

the big idea in the scientific world today in terms of research.

What have you done? Have you gone to Ottawa and talked to your federal Liberal friends, to Mr Martin and Mr Manley? You pride yourself on the relationship. What have you accomplished? Can you assure the people of Ontario that this project will get federal support? Because then we'll win.

Hon Mr Cordiano: I can assure the member that our relationship with the federal government is a very sound one. What we have accomplished is \$300 million in terms of funding for SARS, something you failed to do over there. We were able to put that together.

I would also like to note that our government is working very well with the federal government, given the recent GTA caucus meeting that was held between the federal members of Parliament and our members of provincial Parliament—a very historical meeting, I might add, that dealt with transportation and issues around housing, something you miserably failed to do when you were the government. You failed to sign an agreement on housing with the federal government. You couldn't cooperate if your lives depended on it, and it was proven to the people of this province because they threw you out of office.

With respect to ITER, the federal officials indicate that the project is still being considered. We fully support it. There is a commitment made by this government in unequivocal terms that we will support our 50%. It's still on the table. We continue to support the initiative.

SOFTWOOD LUMBER

Mr Michael Gravelle (Thunder Bay-Superior North): My question is to the Minister of Natural Resources. As you know, it appears that the Canadian and US negotiators have worked toward a proposed interim deal on the softwood lumber dispute. Many of us have heard loudly and clearly from Ontario's softwood lumber producers that this deal is not in the best interests of Ontario's softwood industry. In fact, it's my understanding that they have written the federal Trade Minister Pettigrew, urging him to categorically reject the proposal.

I share the concerns raised by the softwood industry. I fear that this agreement will punish our softwood producers and this could lead to further job losses in northern Ontario, which we certainly cannot afford. Minister, will you fight for Ontario's softwood industry and will you protect these valuable jobs in northern Ontario?

Hon David Ramsay (Minister of Natural Resources): I'd very much like to thank the member for Thunder Bay-Superior North for the question. As he knows, especially to our region of Ontario, it's a very important issue, it's a very important industry and it's especially a very important industry to northern Ontario. We have to fight for that industry and for our economy.

Forestry is 10% of the economy of Ontario; it's about 50% of our northern economy. This is a bad deal for Canada, and therefore it's a bad deal for this province.

The quotas that will come out of this agreement mean that there will be an immediate 8% to 10% production cut in our mills across northern Ontario. Of course, that's going to mean production cuts and therefore laid-off workers. For new and expanding producers, such as First Nations that we're dealing with on a day-to-day basis, expanding their economic opportunities, it's going to mean that they're no longer going to be able to enter that market, so it's going to curtail their activities. Furthermore, the \$1 billion that our industry is going to leave on the table means that the US industry is going to be able to take that money and modernize their facilities and become more competitive against our industry, at our industry's expense. Quite frankly, those countervailing duties have shown to be illegal by the WTO panel. This is a bad deal.

Mr Gravelle: I think all of us in the north appreciate that response.

I was also pleased to see that Minister Pettigrew has stated that he will take his marching orders to accept or reject the deal from the industry and the provinces. He's quoted as saying something I'd like to quote back to the House: "I will listen to what the Canadian industry and the provinces have to say. If they believe it's good enough, that will be it. If they believe that we should continue with the litigation course instead and try to get something else, I will do that." I trust that he is committed to that position.

Minister, my supplementary to you is, have you had the opportunity to share your concerns about the proposed deal with Minister Pettigrew and your provincial counterparts? If so, what do you see as the next step for the province?

Hon Mr Ramsay: Yes, over the last few day I have been in touch with International Trade Minister Pettigrew and my colleagues across the country. I've made it very firmly known that this is a bad deal for Ontario. Our government is going to stand up for the forest industry of this province. To solve this dispute is a very high priority for our government. It has been ongoing and hurting our northern economy especially. To date, 17 communities and over 4,000 workers have been affected by this.

We must continue to negotiate, but we don't want anything to prematurely fold those negotiations or prejudice the clear progress that we are making with the trade panel rulings that have come down so far. Each of these decisions should be giving us greater and greater leverage to negotiate a better deal. I'm asking the minister to do that, to go back to the table and get a better deal for Ontario and Canada.

OAK RIDGES MORAINÉ

Mr Frank Klees (Oak Ridges): My question is to the Minister of Municipal Affairs. As the minister responsible for the Oak Ridges moraine, he has now been in his position for a number of weeks and I'm sure he has had an opportunity to familiarize himself with his files. I wonder if the minister can, for the benefit of the House

and the people who are interested in the negotiations that he, no doubt, has been leading, confirm for us whether he has in fact seen an estimate of the costs involved for the trade-off of some 50 acres in Richmond Hill. Can he confirm for us whether he is aware of the cost of that trade-off?

Hon John Gerretsen (Minister of Municipal Affairs, minister responsible for seniors): I can tell you this: The deal we made about three or four weeks ago was a heck of a lot better than your deal. Under our deal there will be 900 fewer homes built there, there will be a much wider corridor for wildlife, and there will be a \$3.5-million contribution toward the parkland. As you know from earlier comments made in this House, the trade-off of land for units will be on a value per value basis. That process is going on right now.

1510

Mr Klees: This is really quite appalling. As the minister who has the lead responsibility for negotiating this deal, what he's admitting to the House today is that he has no idea what the value is that he's trading off. That's shameful. As a government that represents itself to be responsible, this first major sell-off that this minister is responsible for—he has no idea. Can the minister at least clarify whether or not he has had any dealings whatsoever directly on this file of negotiating this deal? Has he had any involvement personally in negotiating this deal? Clarify that.

Hon Mr Gerretsen: The real tragedy of the situation is that your government made a solemn commitment to this House that the Oak Ridges moraine was going to be protected, but at the same time you made a side deal with the developers to allow 6,000 units of houses to be built there. We took that bad deal and were able to negotiate a reduction of 900 units and a major contribution toward the parkland, and also made sure there is a much wider corridor for the wildlife that is there so that the environment can be protected in a much better way for future generations.

SCHOOL FACILITIES

Mr Mario Sergio (York West): My question today is for the all-important Minister of Tourism and Recreation. As you're well aware, the cost associated with use of community schools has skyrocketed over the past eight years. Many sports-based organizations throughout the province, especially in my riding of York West, are feeling the weight of increased user fees for the use of community school facilities, including library spaces. What part is your ministry playing in decreasing those costs and helping our community schools become the vibrant centre of activities they once were?

Hon James J. Bradley (Minister of Tourism and Recreation): It's an excellent question and one which requires an answer, which we did not hear previously, because what happened—I know that members of the government of the past will want to know what actually happened. They decreased the amount of money that was

available within the school system, for instance, for the community use of schools. As a result, school boards charged a tremendous amount of money for the utilization of those schools.

Second, they downloaded on to municipalities all kinds of additional onerous financial responsibilities and, as a result, we have these huge increases in fees. I am working together with the Minister of Education and with the Minister of Community and Social Services in a multi-ministry manner, along with our municipalities and our partners who are involved in sports and recreation, to bring down those costs so that those who have a modest income will be allowed to have their children participating, and the health of the province will be increased immensely.

Mr Frank Klees (Oak Ridges): On a point of order: With all respect, in light of the fact that the Minister of Municipal Affairs did not answer my question, I am going to request a late show, so that it gives him an opportunity to think about it.

The Speaker (Hon Alvin Curling): Serve papers and the show will be on the road.

PETITIONS

EDUCATION TAX CREDIT

Mr Tim Hudak (Erie-Lincoln): I'm pleased to present a petition on behalf of a number of constituents, like Eve Vandering and Herman Kropper. It reads as follows:

“To the Legislative Assembly of Ontario:

“Whereas the Mike Harris and Ernie Eves government respected the right of parents to send their children to independent schools; and

“Whereas the Mike Harris and Ernie Eves government passed a law providing parents with a tax credit of up to 50% of tuition to a maximum of \$3,500 when it's fully implemented; and

“Whereas the Dalton McGuinty government has now introduced a bill that will cancel this important credit that provides working-class parents with the ability to send their children to a school of their choice;

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

“To protect the equity in education tax credit and stop the Liberal tax hike bill from becoming law.”

I affix my signature in support.

TUITION

Mr Tony Ruprecht (Davenport): I keep getting petitions from the Canadian Federation of Students regarding freezing tuition fees. The petition reads as follows:

“Whereas average fees in Ontario are the second-highest in Canada; and

"Whereas average undergraduate tuition fees in Ontario have more than doubled in the past 10 years; and

"Whereas tuition fees for deregulated programs have, in certain cases, doubled and even tripled; and

"Whereas Statistics Canada has documented a link between increased tuition fees and diminished access to post-secondary education; and

"Whereas four other provincial governments have taken a leadership role by freezing and reducing tuition fees;

"Therefore we, the undersigned, petition the Legislative Assembly of Ontario to:

"(1) Freeze tuition fees for all programs at their current levels; and

"(2) Take steps to reduce the tuition fees of all graduate programs, post-diploma programs and professional programs for which tuition fees have been deregulated since 1998."

Since I agree with this petition, I'm delighted to put my signature on this page.

EDUCATION TAX CREDIT

Mr Jim Flaherty (Whitby-Ajax): I have a petition to the Legislative Assembly of Ontario:

"Whereas the equity in education tax credit seeks to restore equity and parental choice to Ontario's education system;

"Whereas the equity in education tax credit allows those from lower-income homes to have the same opportunities as other students;

"Whereas families who choose to send their children to independent schools have to pay twice for their children's education;

"Whereas the majority of families who benefit from the equity in education tax credit come from lower or middle-class homes;

"Whereas the United Nations has called on the government of Ontario to remedy the inequity in the education system;

"Whereas senior members of Dalton McGuinty's cabinet support the equity in education tax credit;

"Whereas Premier Dalton McGuinty has been inconsistent on his stance on the equity in education tax credit;

"Whereas Dalton McGuinty promised the people of Ontario that he would not raise our taxes;

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

"To allow the equity in education tax credit to continue to be the law of the land in Ontario, and allow lower- and middle-income parents the privilege to send their children to independent schools if they so choose, and vote against Bill 2, which would repeal the equity in education tax credit."

I affix my name.

SENIORS' PROPERTY TAX CREDIT

Mr Toby Barrett (Haldimand-Norfolk-Brant): I have a petition entitled "Don't scrap the seniors' property tax credit" signed by people from Selkirk, Jarvis, Vanessa, La Salette, Langton, Port Dover, Waterford and Simcoe.

"Whereas Liberal leader Dalton McGuinty has announced plans to scrap the Ontario Home Property Tax Relief for Seniors Act, eliminating this tax break for renters and owners;

"Whereas this tax relief would help Ontario seniors remain in their own apartments and houses and assist them with rising costs;

"Whereas this tax relief program would provide \$450 million in net benefits for 945,000 senior households;

"We, the undersigned, respectfully petition the Parliament of Ontario as follows:

"That the government of Ontario support Ontario seniors and help them remain in their own homes by maintaining the PC's Ontario home property tax relief for seniors program and rejecting any proposal to take this tax break away from our senior citizens."

I sign my name to it.

HISTORIC VEHICLES

Mr John O'Toole (Durham): I have a petition to the Legislative Assembly of Ontario.

"Whereas the province of Ontario, through Bill 99, enabled owners of historic automobiles to display year of manufacture plates on their vehicles; and

"Whereas John O'Toole, MPP for Durham, has worked with others, including MTO staff, to pass legislation allowing registration of vehicles using year of manufacture licence plates; and

"Whereas owners and restorers of old automobiles have made suggestions for improving regulations governing year of manufacture plates; and

"Whereas these improvements would enable old auto enthusiasts to display year of manufacture plates and further encourage the collection and restoration of vintage vehicles;

"Therefore we, the undersigned, respectfully petition the Legislative Assembly of Ontario as follows:

"That the Legislative Assembly of Ontario enact legislation that would make more licence plate numbers available to the public by freeing up the numbers that have been assigned to non-automotive vehicles such as trailers and snowmobiles; and

"That the Legislative Assembly of Ontario reduce the cost of year of manufacture plates to encourage more owners to make use of these plates and reflect the fact that most historic vehicles are not driven on a regular basis."

I'm pleased to support and sign this petition.

LIBERAL CAMPAIGN PROMISES

Mr Ernie Hardeman (Oxford): I have a petition here signed by a great number of constituents. It's to the Legislative Assembly of Ontario.

"Whereas this government promised to invest in the next generation of researchers and professors by increasing graduate scholarships by 50%;

"Whereas your government promised to improve financial help for students;

"Whereas your government promised to offer prepaid tuition programs for students;

"We, the undersigned, call upon the provincial government to stop playing politics and campaigning for the next election and start working for the taxpayers of this great province. Please keep at least some of your promises to the people of Ontario."

It's signed, as I said, by a great number of people in this great province, and I affix my signature to it.

1520

HYDRO LINES

Mr Norm Miller (Parry Sound-Muskoka): I have a petition from constituents from my riding. It says:

"To the Legislature of Ontario:

"We, the undersigned, petition the Legislature of Ontario as follows:

"Improve hydro lines to stop frequent and prolonged power outages on the Kahshe Lake corridor."

I support this petition, and I affix my signature to it.

SCHOOL CLOSURES

Mr Tony Ruprecht (Davenport): I have another petition from the residents near the old Hughes Public School, and it reads as follows:

"Whereas the Hughes Public School at 17 Innes Avenue in the city of Toronto closed down, and its premises have been declared surplus by the Toronto District School Board;

"Whereas the city of Toronto has issued a building permit to the Toronto District School Board permitting the reconstruction of Hughes Public School for an entity called Beatrice House, for the purpose of a private academic school;

"Whereas the Beatrice House is not a private school registered with the Ministry of Education, nor a mident has been issued to that organization;

"Whereas within the context of the zoning bylaw (438-86), the subject lands have been designated as R2 Z0.6 and permit a 'private academic, philanthropic or religious school';

"Whereas the TDSB has chosen not to lease the subject premises to a computer training company for \$1.25 million annually. Instead, the board has chosen to lease it to the Beatrice House for a fraction of the current market value;

"Whereas a lease has not been signed between the TDSB and Beatrice House, while renovations to the building are underway;

"Whereas local taxpayers' concerns have been ignored by the TDSB;

"Whereas other locations, such as the Brother Edmund Rice School at 55 Pelham Park, or the Earls court Public School at 29 Ascot, which are being closed down, have been offered to Beatrice House to no avail;

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

"That the Honourable Minister of Education investigate the leasing arrangement between the Toronto District School Board and Beatrice House inasmuch as:

"(1) Boards are to seek fair market value when selling, leasing or otherwise disposing of schools except that the price for the property not to exceed the value of the ministry's grant for the new pupil places when the purchaser is a coterminus board, a provincial school or a publicly funded care and treatment facility offering programs leading to a diploma.

"(2) Boards are to offer the property to coterminus boards and other public agencies operating in the area in accordance with the priority order currently specified in regulation 444/98.

"(3) Toronto District School Board has not dealt in good faith with our neighbourhood residents.

"Therefore, we respectfully ask" the Minister of Education "to consider our plea for justice. The Toronto District School Board has ignored our concerns and due diligence. We as a community tried everything within our power to fight the glaring and obvious wrong done to us, to no avail."

I'm delighted to make this presentation to you.

SMALL BUSINESS TAX RELIEF

Mr Toby Barrett (Haldimand-Norfolk-Brant): This is a petition titled "Stay the Course on Small Business Tax Relief." It was signed by people attending a meeting of the local chapter of the Canadian Manufacturers' Association.

"Whereas business tax cuts have helped fuel the strongest economic and job growth ever seen in Canada; and

"Whereas corporate income taxes on the smaller businesses that create most of our new jobs have been scheduled to be reduced to 5% in 2004 and 4% in 2005; and

"Whereas the corporate income tax rate for manufacturing and processing firms has been scheduled to be cut to 10% for 2004, 9% for 2005 and 8% for 2006; and

"Whereas the general corporate income tax rate has been scheduled to be 11% for 2004, 9.5% for 2005 and 8% for 2006; and

"Whereas the capital tax on employers is on the road to be cut by 10% in 2004, with the plan to scrap it entirely;

"We, the undersigned, petition the Parliament of Ontario as follows:

"That the government of Ontario stay the course and maintain the scheduled tax reductions for job-creating businesses."

I affix my signature to this petition.

LIBERAL CAMPAIGN PROMISES

Mr Garfield Dunlop (Simcoe North): The petition reads:

"To the Legislative Assembly of Ontario:

"Whereas this government promised to live by the balanced budget law; and

"Whereas your government promised to measure every investment against results; and

"Whereas your government promised to give the Provincial Auditor enhanced powers to protect taxpayers;

"We, the undersigned, call upon the provincial government to stop playing politics and campaigning for the next election and start working for the taxpayers of this great province. Please keep at least some of your promises to the people of Ontario."

I'll sign that as well.

TUITION

Mr Tony Ruprecht (Davenport): This petition is addressed to the Legislative Assembly of Ontario, and the subject of it is the ever-increasing rise of tuition fees in Ontario. It reads as follows:

"Whereas average tuition fees in Ontario are the second-highest in Canada; and

"Whereas average undergraduate tuition fees in Ontario have more than doubled in the past 10 years; and

"Whereas tuition fees for deregulated programs have, in certain cases, doubled and even tripled; and

"Whereas Statistics Canada has documented a link between increasing tuition fees and diminishing access to post-secondary education; and

"Whereas four other provincial governments have taken a leadership role by freezing and reducing tuition fees;

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

"(1) Freeze tuition fees for all programs at the current level; and

"(2) Take steps to reduce the tuition fees of all graduate programs, all post-diploma programs and professional programs for which tuition fees have been deregulated since 1998."

Our side of the House, all of us here, are certainly in favour of this petition, and I'm delighted to sign my name to it.

LIBERAL CAMPAIGN PROMISES

Mr Garfield Dunlop (Simcoe North): The petition reads:

"To the Legislative Assembly of Ontario:

"Whereas this government promised to ensure that parents had access to affordable quality daycare; and

"Whereas your government promised to end the 60-hour workweek; and

"Whereas your government promised to create an auto sector strategic investment fund;

"Therefore we, the undersigned, call upon the provincial government to stop playing politics and campaigning for the next election and start working for the taxpayers of this great province. Please keep at least some of your promises to the people of Ontario."

I'd be happy to sign my signature to that as well, and I'd be happy to give it to Daniel here to run down.

NOTICE OF DISSATISFACTION

The Speaker (Hon Alvin Curling): Pursuant to standing order 37(a), the member for Oak Ridges has given notice of his dissatisfaction with the answer to his question given by the Minister of Municipal Affairs concerning the Oak Ridges moraine agreement. This matter will be debated at 6 o'clock.

ORDERS OF THE DAY

AUTOMOBILE INSURANCE RATE STABILIZATION ACT, 2003

LOI DE 2003 SUR LA STABILISATION DES TAUX D'ASSURANCE-AUTOMOBILE

Resuming the debate adjourned on December 3, 2003, on the motion for second reading 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 / 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): I think we've reached questions and comments on the member for Oxford's speech.

Mr Tony C. Wong (Markham): I'm happy to speak in favour of this bill, because during the campaign we received numerous requests in respect of how incredible the insurance rates have been during the last few years. I think it is important for us to recognize that this does not apply only to residents and ordinary motorists but also to small business people who have been experiencing such great difficulty in running their businesses. Insurance premiums are in fact one of the greatest expenses for these folks.

1530

I think it's important for us to freeze the insurance premiums to begin with, because this is a much more complex issue than some of us initially anticipated. I think it is fair to say that even some of the members do not fully appreciate the complexities when we really get down to the level of detail that we now intend to.

It is unfortunate enough that many of the insurance companies obtained approvals even prior to the election, never mind prior to October 23, when the announcement was made, but many of the residents now have received bills with increases of insurance premiums. It of course depends on medical costs as well as administrative costs, and those are exactly the aspects our government intends to deal with.

I want to say that it might be unfair for us to just say that the professionals such as physiotherapists, neurologists, occupational therapists, chiropractors and all the rest have been irresponsible in making the insurance premiums as high as they are. I do not accept that. I think it's much more complex than that, and we really want to get down to the facts, so that we know what numbers we're looking at, how much which profession is in fact charging, maybe in an unfair manner, and we want to deal with those unfair details.

Mr Garfield Dunlop (Simcoe North): I'm pleased to rise this afternoon to make a few comments on the debate by the member from Oxford, a person who has a great deal of business experience and municipal experience. Certainly in his years as the president and chairman of the ROMA board of directors, this issue of insurance has come up many times in the life of the honourable member from Oxford. We've heard a lot of debate, and I know we're voting on this this afternoon at 6 o'clock, but I think what's important is that we have to know that most of the plans we're looking at now were actually implemented earlier in the year.

On July 2, 2003, our government at the time announced changes to regulations which complement legislative changes passed in the budget bill. That's the bill called Keeping the Promise for a Strong Economy Act (Budget Measures), 2002. I just wanted to put on the record in this debate that the ones on July 2 did in fact streamline access to treatment for common injuries such as whiplash by introducing a pre-approved framework for treatment. They improve benefits for children suffering from serious injuries; they restrict the use of medical examinations by insurers in order to end duplication; they prohibit unfair business practices by health care providers and paralegals; and they introduced a code of conduct for paralegals.

It's too bad that the Liberals didn't follow up on this as they took over the government. But again, they've decided to take another route, and we'll look forward to the results of that. They've already guaranteed, under a promise, a 20% reduction in rates. We look forward to seeing those rates happen. I hope it's not another broken promise.

Mrs Liz Sandals (Guelph-Wellington): I'm pleased to respond to the member from Oxford and his comments

the last time this was debated. I'd like to actually respond to something that the member from Simcoe North just mentioned, which is that much of what we are seeing happening right now was previously in place. I think it's very important for the voters of the province, those people who are getting their insurance bills right now, to understand that despite the fact that the Liberal government has asked insurance companies to freeze rates, consumers are seeing increased rates because the previous Conservative government, over the course of the last year, approved increases. Despite the fact that voters were very upset about rising insurance rates, despite the fact that as we go door-to-door we hear horror stories about consumers who are not able to purchase insurance any longer because of the exorbitant cost, the Conservative government continued to approve increased rates. Those are the rates that are currently being seen.

Effective October 23, we have stopped any further rate increases. Effective January 23, insurance companies will be required to file with us their plans for rate reductions, which will average 10%. We believe that in working with the various stakeholders in the insurance industry, we can find ways to implement those cost reductions. We have received a number of concrete suggestions, and we are very optimistic that we can see an average 10% rate reduction.

Mr Norm Miller (Parry Sound-Muskoka): I'm pleased to join in and offer comments on the insurance bill that has just been put forward by the Liberal government and would like to comment on the comments made by the member for Guelph-Wellington, who was trying to somehow blame the past government for recent increases.

I'd like to point out that the work done by our past insurance commissioner, Rob Sampson, would have had reductions in auto insurance in place as we speak, had they been allowed to be put in place. On July 2 he had made changes to the insurance regulations that would have taken several hundred million dollars in costs in the industry out of the system. Then, in late August, there were further changes made that were going to reduce the cost of the whole system by \$1.4 billion, more than the \$650 million the Liberal government is putting forward now in this Bill 5.

So what the government has done is water down the savings that the taxpayers of the province would have received, had the changes that were in process been allowed to go through. It also delayed it by several months, so there is a late freeze. There is, sometime next year, supposed to be a 10% reduction in the amount that people will pay on their auto insurance bills, when, with the savings that would have gone through had they been allowed to be put forward by the past government, good drivers would have seen a 15% reduction in their auto insurance costs, this at the same time as they're going ahead with many other tax hikes and increased energy costs as well. I'd just like to point that fact out.

The Speaker: The member for Oxford has two minutes to respond.

Mr Ernie Hardeman (Oxford): I'd like to thank the members for Markham, Simcoe North, Guelph-Wellington and Parry Sound-Muskoka for their kind comments to my presentation. I have some further comments on the some of the issues they brought up.

The member from Guelph-Wellington spoke about previously approved rates. As it goes through the insurance commission, of course, insurance companies must apply to increase their rates, as they always have in the past. That had been going on. That was, I suppose, what necessitated the need to deal with rising insurance rates. During the election campaign, I think it was pointed out quite clearly by the government that they were going to immediately stop the rates from going up. Then, within 90 days, they were going to bring the rates down by at least 10%. They did make the effort to immediately freeze the rates. The Premier, within minutes, I suppose, or maybe within an hour of being sworn in, said he was going to freeze the rates where they were. I was then hoping that the legislation coming forward would immediately allow the 90-day process to start and within 90 days my constituents could see at least a 10% reduction. That doesn't happen in this bill.

I also want to point out that the other thing this bill does is allow the insurance company to come forward and put forward the position that they can't provide the insurance for the rates they are presently getting. Then it allows the insurance commission to approve that rate. So, in fact, it takes away the freeze. I think that's of great concern.

1540

The other concern I have is that the bill only deals with insurance on cars; it doesn't deal with trucks and the insurance farmers and small business people have to pay. Incidentally, those rates are as much out of line as car insurance, and we are now doing absolutely nothing to deal with those.

Mr Speaker, I want to thank them for their comments and thank you for the time.

The Speaker: Further debate? The member for Etobicoke North—

Interjection.

The Speaker: I'm sorry. There's a rotation time with the NDP. My apologies.

The member for Trinity-Spadina.

Mr Rosario Marchese (Trinity-Spadina): It could happen to anyone. Thank you, Speaker.

I welcome the citizens of Ontario to this political forum. It's 20 to 4 and we're on live, happy to have 10 minutes, a mere 10 minutes, to speak to a bill of serious import. I'm sure the good doctor will be able to get his time to speak today.

Interjection.

Mr Marchese: I suppose we'll do our best to say what we can in 10 minutes.

The previous Conservative speakers talked about many things, except I want to say to the citizens of Ontario that nothing they did helped you, drivers of Ontario, and nothing the Liberals are doing or will do

will help you either. And that's the dilemma. You drivers are going to continue to be whacked, day in and day out, year in and year out. It doesn't matter whether the Tories would have remained in power or whether the Liberals are in power, the result is and would have been the same: Drivers are going to get whacked—good drivers especially are going to get whacked—and you are experiencing it at the moment.

I want to use myself as an example of how this Bill 5 doesn't affect me at all. The first part of this bill says, "The bill temporarily freezes automobile insurance rates for private passenger vehicles at the rates in effect on October 23...."

For the benefit of some MPPs—I'm sure they have their own stories. It isn't just us; I'm sure it's ordinary folk out there. We have a little more money than most ordinary folk. My insurance rates two years ago were about one thousand, one hundred and something dollars, and last year my rates went up about 500 bucks. That was last year. I called the broker and I said, "I haven't had any accidents. I have no problems with the law. My rates went up 500 bucks"—

Mr Richard Patten (Ottawa Centre): You're driving a Mercedes. What do you drive?

Mr Marchese: Richard, quiet down, please.

I said, "I didn't drive my automobile through some building that would have caused my rates to have gone up. It wasn't me. I didn't do anything. It's not right and/or fair that my rates would have gone up 500 bucks," a year and a half ago. They explained that it was maybe having to do with many, many issues, of course.

Hon James J. Bradley (Minister of Tourism and Recreation): Rosario, in here, I'm looking—

Mr Marchese: What are you looking at, Jim?

Hon Mr Bradley: —for government insurance.

Mr Marchese: Ah. I'm getting to that, Jim. Take it easy. I wouldn't avoid that.

And so my rates this year—again, no accidents, good driver—went up from—

Mr Patten: Big car.

Mr Marchese: It's irrelevant, Richard. Tell your story when you stand up for two minutes. It's irrelevant what kind of car I've got.

My rates went up from about \$1,600 to \$2,798, and it comes into effect January 14. I'm not sure how this bill helps me. I'm not sure how this bill will help anyone who finds himself or herself in the same situation. I say to you that the majority of people driving are in the same situation. Freezing the rates has whacked me and whacked many other people like me. We're not protected at all. This is a toothless bill that doesn't help anyone, and that it should pretend to do so belies the facts. It would be wrong to say that this particular bill is helping anybody out there, because it isn't.

I'll be fascinated to listen to a number of speakers who will get up for their two minutes, or 10, and show me how they're helping me. I'm looking forward to it.

The Minister of Tourism has a book in his hands and he says, "What did you do when you were there in

1990?" He is right. We didn't keep that promise. And some of us in that caucus said that to have not kept that promise, even in and in spite of the economic recession we were feeling, and yes, even if, some of us argued, some jobs would be lost—yes, in a recession—some of us said, "We've got to keep that promise." At the end of that discussion, some of us lost and we broke that promise.

You would think that successive governments would learn from those mistakes. We did. We learned that we can't regulate this beast, this insurance company, any insurance company—the beast. They can't be regulated. Liberals tried it when Richard Patten was there in the early years of the Liberal Party. We tried it in 1990, and even New Democrats can't regulate. We can't regulate. Tories tried it. Every political party tried to regulate the insurance industry. It doesn't work.

Our rates have been skyrocketing in Ontario, similar to many of the Atlantic provinces, causing the Liberals in Nova Scotia and New Brunswick to reconsider their position vis-à-vis public auto insurance. Oh yes, we have learned from our mistakes and we admit that we made a mistake. And Jim Bradley, the Minister of Tourism, can stand up and show the book and say, "Yeah, you did it." Yes, we did.

That's why I stand up here to tell you we made a mistake that cannot be repeated. Your bill to freeze rates does nothing. Even if, at some point, some of you guys can bring in another bill and say you're going to reduce the rates by 10%—my bill, up from \$1,600 to \$2,798; what kind of help are you giving me?

Interjection.

Mr Marchese: Sorry, Mikey. You can blame the Tories all you like, but you are not helping me one bit. I'm talking about you driving the wheels. You will be in cabinet some day, too, and you'll be driven; not to worry.

Mr Mike Colle (Eglinton-Lawrence): But the approvals came before—

Mr Marchese: I know, Michael, I know. This is Michael Colle—through you, Chair, because I can't see you. He's a tall fellow.

It's what the Liberals are doing, not what the Tories did. What they did was bad, wrong—

Mr Colle: But you're paying for their sins.

Mr Marchese: But, Michael, I'm asking, what are you doing for me? What did you say during the election that was going to help me?

The Speaker: Refer to members by their riding names.

Mr Marchese: Yes, what did he say? And you, when you were there, tell me about how you were going to help me reduce my rates. It's not about them; it's about you. You are in charge. Michael, you must remember now that you guys have the limousines. You're no longer in opposition without them. You have the limousines and you have to decide how you're going to help me.

Mr Colle: Correct the record. I have a Jetta.

Mr Marchese: That's great. You have a Jetta, Michael. That's good.

Ms Monique Smith (Nipissing): You haven't identified your car yet. We're still waiting.

Mr Marchese: My point, Madame, is that public auto insurance is the only way to go.

Ms Smith: Mademoiselle, please.

Mr Marchese: It's the only way, Mademoiselle, to go. There is no other way.

You can have all the insurance companies talk about how fraud is the big problem. Some have spoken and said, "God, if fraud is the problem, why haven't we seen thousands and thousands of prosecutions?" It's a criminal act. Why haven't we seen the prosecutions to make fraud not an issue? That's what the insurance companies say is the problem. Liberals say that's a problem; Tories say that's a problem.

Some say, "Ah, it's the stock market." And yes, we argue that investing badly in stock markets by the insurance companies is forcing me to have to pay for their problems and their mistakes. They lose money and I pay? I don't like it. I just don't like that. And I'm convinced that thousands of drivers, millions of drivers, like me say, "I don't like the fact that they play the market, they do badly and I've got to pay for them. Sorry." And then to say, "It's fraud," as an excuse? Uh-uh.

Public auto insurance is the only way to go. It works in British Columbia, Manitoba and Saskatchewan. It does. You'll have Tories and Liberals argue, "Oh no," but it does. There's nothing that would prevent us from bringing in a public auto insurance system that would work for us; nothing at all.

1550

I love the arguments my Tories and Liberals—when we say we can make it more efficient, we can consolidate 110 insurance companies and make it more efficient and save money. When you have an opportunity for the Tories to agree with you—because we speak the language that they normally speak—they say, "Oh no. That kind of efficiency doesn't work." The first time New Democrats say that we can consolidate public auto under one company and save money, causing greater efficiencies, the Tories say, "No. That's not good." They can consolidate all they want to save money, as they did for eight years; New Democrats can't do it. Public auto insurance is the only solution to solving the skyrocketing rates we've seen in the last eight years.

The Speaker: Questions and comments?

Mr Khalil Ramal (London-Fanshawe): I agree with all the members from the three sides that the insurance issue is a very difficult issue to deal with.

I appreciate the comment my friend made a few minutes ago that they tried in the past to regulate the auto insurance industry, but they failed, also the comment by different speakers from the Conservative side—from Simcoe North, from Oxford, from Parry Sound-Muskoka—that they promised the people of Ontario to reduce auto insurance by 20%. But they had more than eight years to deal with this issue and never did anything with it.

This issue only came alive around election time, and now they are accusing the Liberals of trying to play games. We know it's very difficult. We know the insurance industry is a beast; it's a strong and dangerous beast. That's why we promised the people of Ontario we'll give them a freeze at the beginning, and deal with experts later on, in order to introduce a bill—a fair one—for all the drivers across the province, not just come and deal with it without any scientific solutions. We're looking for long solutions, not a temporary solution. I believe our approach, Dalton McGuinty's approach and his government's, is the right approach to deal with this issue. Hopefully we'll see the positive result in the near future.

The Speaker: The member for Haldimand—

Mr Ted Chudleigh (Halton): Halton. The great riding of Halton.

The Speaker: The member for the great riding of Halton.

Mr Chudleigh: The member speaks with great passion, and I know he believes in everything he says. It's always disappointing to me that someone who believes so passionately in what he says can be so wrong. But that's something I guess he has to live with.

He said you can't administer auto insurance. Well, in 1996, we passed Bill 59, the automotive rate reduction bill, and it reduced auto insurance rates in this province by 20%. Rates came down 20% in 1996 and 1997.

He talked about the only solution being public auto insurance. I'd like the member opposite to give me one example of what government does better than private industry does. What does government do that is more efficient than what private industry does? Oh, I know the party mantra is that someone is making a profit out of it. It's too bad profit is not a four-letter word, because it would fit with the lexicon of the NDP party. Unfortunately, it's not a four-letter word; it's more letters than that.

Mr Howard Hampton (Kenora-Rainy River): Be careful, Ted. Your arthritis is going to start to act up.

Mr Chudleigh: I keep moving, Howie. If I move, I'm OK.

What does government do more efficiently? I can't think of anything. The profit factor: most companies in Ontario could live well and make a nice return on investment, plus cut the costs of most services, just through efficiency alone, because there is so much waste in most government programs.

Mr Hampton: I want to congratulate the member for Trinity-Spadina for pointing out that in a number of jurisdictions now in Canada it's beyond debate that public auto insurance is the effective way to lower the cost of auto insurance for individual consumers. It's worth noting that since the NDP implemented public auto insurance in Saskatchewan, for example, Saskatchewan has had Liberal and Conservative governments, and yet those Liberal and Conservative governments have not touched the public auto insurance system. Why? Because it works effectively. In British Columbia, since the NDP

implemented public auto insurance and substantially lowered people's auto insurance premiums, they have had Social Credit governments and they now have a Liberal government, although it looks more like a Conservative government, and they all have agreed that public auto insurance is the most cost-effective and efficient way to deliver auto insurance to consumers.

In Manitoba, since the NDP implemented public auto insurance there, they've had two Conservative governments and two different Conservative Premiers who consistently have said that public auto insurance is the way to go. They're not interested in changing the public auto insurance system because it is so cost-effective and efficient in terms of providing affordable auto insurance that people can rely on. Even in Quebec, where you have a bit of a hybrid system where part of the system is operated on a public, not-for-profit basis, you had Liberal governments and you now have a former Conservative, now Liberal, Premier who also admits that public auto insurance is the most cost-effective way to provide people with auto insurance coverage. I congratulate the member for pointing that out.

Mr Dave Levac (Brant): I'd like to make sure we understand that if we read the book *Rae Days*, chapter five, *Revenge of the Pink Ladies*, we will see exactly what's being said about public auto insurance.

What I also want to suggest to the members opposite is to take a look at the claim rates in public versus private auto. The claim rates are just as important as the rates to pay for insurance. We know that when it's publicly owned, those claims go way down compared to the private rates, about a \$4,000 or \$5,000 difference. So what we're telling the people of Ontario is, you're going to pay a little less, but when you make that claim you're not going to get the money you need to cover you when you injured.

The other point I'd like to make is on the BC experiment that gets referred to very often over here. Take a look at the costs to the health care system that got pushed from the private auto over to the health care costs.

Let me ask the other question that needs to be asked here: whether or not we want to create another bureaucracy that would be a little bit bigger than that of the Ministry of Health. That kind of money is what we're coming up with. Is the member over there going to tell us where that money is going to come from, when we've been saddled with a \$5.6-billion deficit already? They want to keep going further and further into debt, and what's unfortunate about that is that they seem to simply wave a wand and say, "No matter what happens, we'll just keep sucking the money out somewhere and keep putting it out there."

We're trying to attack this in a very responsible way. The balance we do is as important as it is for the claim side, as it is for the cost side, as it is for the costs to our whole system and the bureaucracy that's wanted to be created. There are so many that we are going to be putting out of work if we go to the public system. There are so many people who are going to sit back and say,

“You know what, you got injured but your claims can’t go very high.” So what I want us to understand is what even Bob Rae understood. Out of the book *Rae Days*, in chapter five, *Revenge of the Pink Ladies*, he makes it very clear that he understood the problem. It’s too bad the members over there don’t.

Mr Marchese: I thank all the participants. To the member for Halton, I guess it’s OK to gouge the driver, because profit is not a dirty word. That’s OK. Profit is not a dirty word, but you can gouge me day in and day out. That’s OK, member for Halton. I remind him that rates went up 30% under his government.

To the member for London-Fanshawe, how can you say a rate freeze is responsible and fair? I just don’t get it. How you can stand up and defend that is beyond my comprehension. I was telling you my bill went up from \$1,600 to \$2,700, and you’re telling me that’s fair and that’s responsible? You people are living in a different world.

1600

You attack public auto insurance because we would be creating another bureaucracy. It’s amazing how Liberals and Tories can argue when New Democrats want to bring efficiency, proficiency into the system by consolidating the 110 private insurance companies into one single company, by making it work where so many insurance companies are crying foul every day, saying, “We’re not making any money.” I say to them, “If you’re not making any money, get out of the way. The government would be happy to run it”. It would pay for itself; it would be as cheap as it is in British Columbia, Saskatchewan and Manitoba. I’m telling you, even the leader of the Liberal Party in Alberta is talking about public auto insurance. Check out his Web site. He understands the politics of it. He knows that if you want to be able to control rates, there is no other way.

Liberals and Tories can attack a government-controlled public plan that would be cheaper, but they’re wrong. Drivers in this province know that their rates are skyrocketing, and they won’t take it any more and they won’t accept it from you either, Liberals. They didn’t accept it from the Tories, and they won’t accept it from you.

The Speaker: Further debate?

Mr Shafiq Qaadri (Etobicoke North): It’s an honour and privilege for me to speak to Bill 5 regarding auto insurance. I thought before engaging in some of my substantive remarks, I’d like to deal with three Tories and the NDP—not that dissimilar to *Three Weddings and a Funeral*.

I’d like to start by addressing the remarks of the MPP from Parry Sound-Muskoka and some of the fuzzy logic or Enron-style economics that they’re really engaging in. First of all, as the Premier mentioned earlier today, it seems a number of the Tories have found religion. It seems it’s only nearing an election campaign or shortly thereafter that they realize all these initiatives that will actually help the public and in particular the motorists. I remind this chamber and I remind Ontarians that for eight

years the previous Tory regime stood by and allowed increase after increase to accrue to the motorists of Ontario.

I would like to compliment the MPP for Oxford, because he quite rightly recognized that it was the Liberal government, upon taking office formally on October 23, 2003—within minutes, as the member quite rightly pointed out; literally speaking, 15 minutes—as the first official act of this government, brought forth the beginnings of this legislation.

I’d also like to recognize that the MPP from Halton was straining a bit, I thought, when he was trying to recognize his own government’s record in this area and had to go back all the way to 1996, when there was at least some progress in the area of auto insurance. I’d like to respectfully remind, the MPP from Halton, as well as this chamber and Ontario, that it was under the Tory regime that increase after increase was allowed and tolerated. To be very specific, as of September 30, 2003, the increase in the last year under the Tory regime was 19.4%. To extend that term two years was 33.7% and to extend that for three years was 42.7%. That’s really the record that they should be sharing, and I commend him for digging into the archives. That must have been a museum-level search, perhaps an archaeological dig by the Tories to actually bring forth any progress they may have made.

To deal specifically with the theatrics, generally very well received, I would say, by the MPP from Trinity-Spadina, I had an opportunity to actually define the word “theatrics,” and I’m glad he’s continuing in that vein. I would like to first of all acknowledge a particular piece of vocabulary that seems to be his favourite word for the day and that was, I say with respect, “whacked.”

I agree with him that he is in fact whacked in various ways, both his logic and the tenor of his arguments, and I would also say, looking back to the old days, the Rae days, the grand old days of the promises made and completely broken, reneged upon by the Rae government with regard, for example, to public auto insurance—he very rightly said, and I quote, “Nothing you did helped Ontario.” Whereas he was trying to direct that, I think, to others, I would like to hold up a mirror to him in that particular statement and say that’s precisely the Rae government, while on their watch—and I would like to say, with respect, that the MPP from Kenora-Rainy River was there at the cabinet table for that particular discussion.

For the eight million motorists of Ontario who deal with the 110 auto insurance companies who suffer through the 250,000 collisions that are experienced by the motorists of this province, I think they’re really pleading ignorance and pleading a learned helplessness. The MPP from Trinity-Spadina, whereas he’s generally not claiming helplessness broadly, seems to be pleading a learned ignorance or a learned helplessness in the auto insurance sector, saying that it cannot be regulated.

I would like to say with respect to this chamber, to you, Speaker, to my colleagues and also to the people of

Ontario and to my constituents in the great riding of Etobicoke North that, as the government, we have been entrusted with the fundamental responsibility, a moral enterprise, to deal with these very difficult issues. I believe the phrase “the beast” has been used. That’s precisely what our government has attempted to do, and I would like to remind the chamber and the people of Ontario that that occurred within 15 minutes or so of taking office.

Again to really set the tone, what exactly are we attempting to accomplish? As we were campaigning in our own respective ridings through the length and breadth, one of the issues that was brought forth repeatedly was the fact that a segment of the eight million motorists of Ontario in each of our ridings was really hurting, was complaining about the endless increases. That’s why it’s a proud moment for us as a government, moving forward, trying to honour those deep commitments that we’ve made, that the McGuinty government is actually delivering on this particular promise, helping to begin the initiatives, the first steps to lowering auto insurance rates and protecting Ontario consumers.

I would like to respectfully remind the MPP from Halton and others in this chamber that it was really the Tories, who it seems are recently finding religion, who sat by after increase after increase was allowed. First of all, to recall for a moment the actual phraseology, the words, the statement of this bill, I would like to read it once again, even though it has been read formally by Deputy Clerk Deller: “An Act to temporarily freeze automobile insurance rates.” The word “temporarily” is of note. This allows us approximately 90 days in which further increases are not going to be allowed, in order for us to move forward with future legislation.

I was having a conversation this morning with the parliamentary assistant to the Minister of Finance, Mike Colle, who assures me that steps are being taken to move on this file to actually bring to bear the full weight of the Ministry of Finance. In particular, there have been a number of meetings with the stakeholders that are involved, including the motorists of Ontario, as well as the many insurance bureaus and auto insurance companies that are in force that are operating in Ontario. To do what? To actually bring forth legislation on our commitment, to move forward with the 10% future reduction in auto insurance rates.

As has been mentioned, this is a beast. Our government has been very instrumental in working and bringing forth legislation to move immediately. Why? To make good on our commitment, as well as to protect consumers of Ontario, something that was not done within eight years on the Tory watch.

I thank you, Speaker, for this opportunity to speak on the auto insurance bill.

1610

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

Mr John Yakabuski (Renfrew-Nipissing-Pembroke): I want to thank the member from Etobicoke North for his

comments on the bill. He seemed to spend a lot of time with a Shakespeare-like performance in order to discredit the honourable members on this side of the House and their record on auto insurance. But the record is clear that it was this party that brought in Bill 59 in 1996, which led to a reduction to the tune of 20% in the cost of auto insurance in the province of Ontario. What they’re trying to do here is to deflect any real scrutiny on what their bill doesn’t do. They’re purporting to freeze rates on insurance in the province of Ontario with a proposed future reduction to the tune of 10%, but the bill is so full of holes that it will accomplish very little. It is simply a way of placating the electorate into thinking that this government is actually doing something with the auto insurance file in the province of Ontario. But in fact, they’re admitting—and he used the words himself, “the beast”—that they don’t know where to start with the auto insurance situation in Ontario. So they’re coming out with this bogus, empty bill that is trying to give the impression that they’re very actively looking for solutions in the auto insurance industry when in fact they really don’t want to tackle it because, as they say, the beast is bigger than them.

I think what we’re going to find in the fullness of time as this bill evolves—and as they said, they brought it out within 15 minutes of the throne speech. Within 15 minutes of that, it was pretty well discredited by everybody who looked at it.

Mr Marchese: I’ve got to admit that I was almost crushed by the weight of the substance of the arguments presented by the member from Etobicoke North. In fact, I was trying to exfoliate the substance of the arguments. I could find so little. I’m not quite sure what he said. In the end, I think he said, “Look at the bill; it says temporarily frozen”—ie, the rates. That’s the substance of his argument, that the rates are temporarily frozen. God bless you, member; I didn’t read that carefully, but I’m happy you added to the substantive arguments presented here. Yes, we know the rates are temporarily frozen, and yes, I’m telling you that you haven’t helped me one bit. You haven’t helped one driver one bit. They’re all experiencing incredible increases. Mine went up by over \$1,000 this year.

Interjection: It’s because you drive a big car.

Mr Lorenzo Berardinetti (Scarborough Southwest): What do you drive?

Mr Marchese: No, my brothers and sisters, it’s not what I drive that matters; it’s the fact that insurance rates are skyrocketing. Brothers and sisters, you can smile all you want, but it’s about the fact that you Liberal folk think that by saying, “We’ve frozen the rates,” you’ve helped me. You haven’t helped me one bit.

The other substance that I could discern after exfoliating the man’s argument is that he talked to Mike Colle, the PA, and Mike assures him that they’re going to deal with this, that they are committed to this and that they are bringing forth instruments, presumably, or are instrumental toward bringing change. There’s nothing here. The man can enlighten me when he speaks again,

but there was no substantive argument he put forth except that the freezing of rates doesn't help me and doesn't help you, and that talking to Mike Colle is not going to help me, not now and not in the future.

Mrs Linda Jeffrey (Brampton Centre): I'm happy to enter this debate to talk about the freeze on automobile insurance rates. I was listening intently to the member from Etobicoke North. He made some very interesting points.

As a person who was out door-knocking in September, I ran into a lot of constituents at the time, when I was a city councillor, who were absolutely distraught at the way insurance rates were going. I found that I probably responded far too emotionally, because I too was experiencing the kind of rate increase that many parents of teenagers experience.

As the mother of three teenaged boys, I have a true appreciation of what insurance rates can do. They escalate year after year. I remember listening to George Smitherman, who was then going around the province listening to people and educating candidates on what kinds of things influence our insurance rates. I remember thinking how complex and how out of control the premiums had become and wondering why nobody had addressed this issue.

I am pleased to be in this House. I am pleased to be in the job I am in now, to be able to go back to my constituents and tell them that we are responsibly taking on this issue. We're brave enough to tackle something really difficult on their behalf, to tackle something that prevents people in the 905 area from even getting insurance. They're not able to legally obtain insurance because of their skyrocketing costs. We're prepared, as the government, to take responsible, timely action on this issue.

Mr Dunlop: It's a pleasure to rise again this afternoon and make a few comments on the speaker. In my years in municipal politics and in small business over the last 15 or 20 years, I've watched with a lot of interest all the different debates over the years on the auto insurance industry and tax rates. We've heard the no-fault and we've heard the proposals, the public insurance system, from the NDP. We ran into problems, obviously, about a year ago now, when rates started to get high as a result of a lot of reasons. I understand, and you and I have had this discussion, Mr Speaker, that many of those same concerns we have are worldwide concerns. That's not uncommon today. If you talk to people anywhere in the world, you will find that insurance is an issue on any of the continents.

However, if the public in Ontario believe this is the saviour of the insurance industry, I think they're going to have another thought. The citizens of the province are being told now that they're going to be guaranteed under an election promise that they'll receive a 20% decrease in their auto insurance rates, and I look forward to that.

It will be really interesting to come back into this House next April and May and see what has actually happened to auto insurance rates as a result of all the

studies and the standing committee or the select committee that's going to go out on the road and resolve all the problems in this industry. I look forward to those results, but I just want to tell the public here in Ontario, don't hold your breath on this. This may be just another broken promise and we won't see the 20% rate reductions. Time will tell, but I think we'll know by next April or May.

The Acting Speaker: The member for Etobicoke North has two minutes to reply.

Mr Qadri: First of all, I would like to call attention to the remarks by the MPP from Trinity-Spadina. He seems to be stuck on the cover page of the bill, focusing on the word "temporarily." I would invite him to actually open up some of the various pages, in particular section 4, page 2, in which, for example, one of the provisions is that any future increase by the 110 auto insurance companies would have to be officially OK'd, authorized by the superintendent of financial services, and they would have to actually show just cause.

I would like to say, with respect, that typical of the NDP, recognized or not, it seems to be really a call back to the Bob Rae days. They promised public auto insurance, and they were willing to create a bureaucracy that would exceed the size of the Ministry of Health. That seems to be their general solution.

I would also like to say, even though I think they are attempting to impugn the reputation of the parliamentary assistant to the Minister of Finance, the MPP from Eglinton-Lawrence, Mr Mike Colle, that he has been extremely busy meeting with stakeholders, meeting with motorists, meeting with affected groups to actually move forward and bring forth proposals and future legislation to make good on our commitment to a future 10% reduction. He keeps asking what the government has done for him. This is the first step. Again, it's something we acted upon, a commitment, within 15 minutes or so of taking office.

The honourable member also used the word "exfoliate." I would like to say that the arguments, exfoliated as they are, naked as they are, are the straight goods and are for the benefit of Ontario motorists. Thank you.

1620

The Acting Speaker: Further debate?

Hon Mr Bradley: Tim, did you want the copy of Rae Days?

Mr Tim Hudak (Erie-Lincoln): I thank the member from St Catharines for the offer. I read it, actually, and did enjoy the book. It is on the shelf.

Hon Mr Bradley: Chapter 5.

Mr Hudak: I remember chapter 5, but do you know what? I'm not concerned about debating chapter 5 of Rae Days today. I understand that the NDP's position today is for public auto insurance, and that's what they're bringing forward in debate. The Conservative and Liberal parties believe in market forces, that by changing regulations in terms of how payments are made, how people are assessed and treated, they can relieve pressure, and then

the market, through competition, will deliver savings to customers across the province. I think that debate was relatively clear during the election campaign.

I think what will be surprising to folks now, several weeks into the Dalton McGuinty mandate, is that the promised—and I do recall the promised 20% rate reduction in auto insurance within 90 days of taking office. Whether that's actually going to happen or not—you know, maybe I'll give Premier McGuinty and his team across the way the benefit of the doubt. Ninety days have not passed so far. But certainly, whatever the trigger date was, if it was October 2 when they won the election—

Mr Chudleigh: October 23, when they were sworn in.

Mr Hudak: October 23. Nonetheless, in the new year it will either be a New Year's surprise to see whether rates actually do come down 20%—I've got to tell you, they have some time, but I'm suspicious. I'm doubtful.

Mr Chudleigh: We're hopeful.

Mr Hudak: I'm hopeful for our constituents, for those people who have come into my office, constituents who have seen their auto insurance rates rise. They say, "Do -- you know what, Tim? Dalton McGuinty promised me my rates would go down by 20%. Dalton McGuinty promised that he'd get into office, he would freeze rates, my rates would come down by 20%, but my rates have gone up. So did he mean somebody else?" I say to them, "Well, let's give them a chance." Dalton McGuinty promised a 20% reduction in auto insurance rates. He has until some time in January to see if that will come true, but I don't believe it. I'm suspicious.

I'll tell you why. In terms of the way this government has chosen to approach issues on the whole, reflected in Bill 5, it has shown two types of retreats, retreats in areas where Dalton McGuinty made promises during the election campaign, I think with no intent whatsoever to really keep those promises. I hate to be cynical about it, but I think we have seen that demonstrated; for example, the oft-made pledge that he would not raise taxes across the province of Ontario when in fact the second bill they introduced in the Legislature was the biggest tax increase in the history of the province, number one on the hit parade. We used to talk about how Bob Rae or David Peterson increased taxes—nothing compared to Dalton McGuinty's tax hike home run that he brought in with the second bill.

There's another kind of retreat that I don't think was forced by their view of the state of the economy. I think that Dalton McGuinty as Premier is showing an inability to back up his word, to show the backbone that's necessary to be a successful Premier in the province of Ontario. Whether folks agreed with Mike Harris's policies or not, you knew that he stood behind what he believed, that he was a strong leader. To date, I'm not seeing that reflected in Premier McGuinty's decision-making.

The Oak Ridges moraine, like the auto insurance bill, is similar. He made very strong promises, even when he became Premier, that he was going to freeze development on the moraine. But whether out of inexperience, naïveté

or because he did not have the forcefulness of negotiation, they've actually stumbled into a deal that's going to result in significant development of land in the Seaton area and the Pickering agricultural preserve. I think McGuinty is bargaining from a position of weakness. He doesn't have the strength to stand up to the developers and carry through with his promises.

On a similar issue, negotiations with the federal government, I would argue that the old man in Ottawa, Jean Chrétien, swept the table in his negotiations with Dalton McGuinty. I would not want to be there. I think it would be an ugly sight to see McGuinty playing poker with Chrétien, because he got taken. He said he was going to go in there and negotiate all this money for SARS, and he took a bad deal that puts more challenges on the finances of the province of Ontario. Again, whether it's inexperience or naïveté or, as I think, strength of character, he was unable to stand up and keep his promises.

That's why I think that this auto insurance Bill 5, the Automobile Insurance Rate Stabilization Act, which I would call the No Rate Cuts for Drivers Act, is another example of a retreat by the McGuinty government from campaign promises. I think it's an inability to stand up and draw the line in the sand and say, "This is where I stand," because we have seen retreat after retreat after retreat. Not only are we seeing broken promises that affect the pocketbooks of taxpayers across the province of Ontario, we're seeing broken promises because this Premier does not have the backbone to stand up for what he attests he believes in.

I believe it was in August 2003 that our former colleague Rob Sampson, our insurance commissioner in the previous government, who knew this file inside and out and did an excellent job and who was assisted quite ably by Ted Chudleigh, the member for Halton, who is going to speak on this bill a bit later and provide some background on this—I remember Rob Sampson brought in some changes. I'm trying to remember; my notes remind me about \$1.4 billion in costs that were reduced from the industry.

Some of the new members may not have been following politics closely at this time. In 1996, I believe, Mr Speaker—you were certainly here at that time as well—we brought forward changes to reduce auto insurance rates by double-digit figures. They had accelerated through the early to mid-1990s. We demonstrated that we were as good as our word. We brought in the important changes and reduced those rates by 12.5%. Subsequent to that, with pressures through health costs, I believe, and some report costs, legal costs, rates had gone up again and started taking away that 12.5% or whatever it was, the double-digit savings.

So Rob Sampson, who had helped out on the original bill, went to work with Ted Chudleigh and others and found about \$1.4 billion in savings, which we believe would have translated to—what?

Mr Chudleigh: Ten to 15, depending on what company.

Mr Hudak: Thank you, sir. Between a 10% and 15% rate reduction. Those regulations were brought forward and filed, but unfortunately, whether it was the timing of the election, the civil service did not want to bring these things forward until the election was decided. Those rate reductions had not yet taken place for the new filings.

I think it's a shame, but there was certainly that opportunity for the McGuinty government to at least bring those things through to give immediate rate relief to families across the province of Ontario. Whether that's because of partisan reasons, whether it's a pettiness, that they didn't want to say that the previous government had some good ideas—I'm not sure why they rejected that. But they basically put that 15% reduction that families could be expecting on the shelf, gathering dust, and brought forward their own bill, which does not deliver on a 20% rate reduction. It simply freezes rates in place, at an unsatisfactorily high level.

I would suggest that to the members, to get the dust off that 10% to 15% rate reduction in the changes we had brought forward and put them into action. It gets them half or two thirds of the way to Dalton McGuinty's promise to reduce rates by 20%. So I want to encourage that, bring that to the debate today. Even if they're not a particular government's or party's ideas, sometimes those ideas can still be put into action. Witness the question from Mr Hampton today with respect to the labour inspectors, who had been hired under our government, which the new government is claiming credit for. Great. If you want to claim credit for our idea of a 15% rate reduction, go ahead. It helps to bring those savings to taxpayers across the province of Ontario.

In my last minute or so on this particular bill, if we look back on the package of bills that have been brought forward in this Legislature, I talked about the theme of how Premier McGuinty seems to be retreating from difficult decisions and breaking his word as Premier. The second item is, what is this going to mean to the pocketbooks of taxpayers in Erie-Lincoln and Niagara and across the province of Ontario? Well, they're likely going to be seeing, in my estimation, higher auto insurance rates, and certainly not the 20% reduction they may have been budgeting for, and secondly—another one of the broken promises of Dalton McGuinty—higher hydro rates on our seniors and on our small businesses across the province of Ontario, and of course higher taxes that have kicked in already or higher taxes coming on January 1. I suspect that we'll see soon, either in the economic statement or an upcoming budget, another massive Dalton McGuinty tax grab. So not only are we seeing broken promises and a withering of the word of the Premier of the province of Ontario, but it's going to impact directly on the pocketbooks of working families in the province. I certainly will not support this bill.

1630

The Acting Speaker: Questions and comments?

Mr Marchese: I want to say to the member from Erie-Lincoln that nothing you guys did helped drivers, nothing for eight years. Under you folks, rates went up 30%.

Please. I do agree with you, however, that nothing that the Liberals have presented here so far is going to help drivers. This tax freeze hasn't helped me with an additional \$1,000 that I'm going to be paying for my insurance, and won't help millions of other drivers out there at all.

I want to remind the member from Etobicoke North about section 6, which he made reference to and which I had very little time to speak to. That section says, "if the insurer believes it is just and reasonable in the circumstances having regard to the insurer's financial circumstances," then the insurance company can keep hiking the rates.

They will do that. They will hike the rates. I have never seen an insurance company saying, "I'm making loads of money. Don't worry." Every insurance company in the world always says that they're a hair away from bankruptcy. Sorry. They're all going to come to the superintendent and say, "I'm broke, and if you don't help me, I'm out, I'm gone." That section is there for the insurance company, not for me and not for you. This is a loophole designed to allow the insurance company to make sure that it continues to get the money it wants. That's why Peter Kormos called it the Mack truck loophole, the Boeing 707 loophole. It's a loophole that helps no one except the insurance company. The freeze on rates doesn't help you and doesn't help me one single cent.

Mr Ramal: First I would like to thank my colleague from Etobicoke North for his articulate and eloquent speech while he was describing the insurance policy and talking about it in detail.

I also want to go back to the various members from the Conservative Party when they start talking about the insurance policy and talking about how they were going to reduce it by 15% and how they in 1995, I think, with Bill 59, were going to reduce it by 15%. My question is, what happened to that bill? How come it was not implemented? How come the insurance went back up again?

I'll give you an example. In 2002, it went up 9.2%; in 2003, some 20%—another increase, another increase. Within the last three or four years, the insurance went up more than 30%.

What did they do about it? A few days before the election they came up with a plan to have insurance reductions, just for the election. When the elections happened, nothing happened.

Mr Marchese: But we have the answer now. They've frozen the rates.

Mr Ramal: That's not just the answer, freezing the rates. I want to ask my colleague from Trinity-Spadina to go back to the bill and read it carefully. It seems like, as my colleague from Etobicoke North said, he's reading just the cover. He's not going into the details. We said we are going to tackle the issue in detail. We are going to go step by step. It seems my friend from Trinity-Spadina has a sensitivity to companies making a profit. He forgets that we live in a capitalist society. We have—everyone

has—a right to make a profit in order to continue in business, but we would apply a fair game for both sides.

Mr Yakabuski: I'd like to thank my colleague from Erie-Lincoln for his deeply considered comments on the issue. He's demonstrated a significantly clear understanding of what's been going on in the auto insurance industry in this province for many years. I want to thank the member from Trinity-Spadina and the member from London-Fanshawe for their comments.

Of course, the auto insurance bill they're proposing they're calling the bill to temporarily freeze rates—temporarily freeze rates. When I'm driving down Bay Street and I come to a red light, I temporarily stop, but shortly thereafter, I'm off and running again. It is a temporary freeze they're talking about, but it's not significant. It will not stand up. Shortly thereafter, the rates will rise again, because this bill doesn't address them. The loophole they've granted in section 6—and my colleague from Trinity-Spadina articulated that himself, that it leaves a loophole the size of the Taj Mahal to allow the insurance companies to apply for significant rate increases because they've been stricken with hard times and they're not making a profit serving the insurance needs in the province of Ontario.

Interjection.

Mr Yakabuski: Well, I can tell the honourable member from Simcoe North that my rates have increased as well, and not due to any kind of problems in my driving record, I can assure you.

This bill just won't cut it. It's false. It's a fallacy. It's going to fail.

Hon Mr Bradley: I found the remarks to be interesting.

Mr Marchese: Do you have a quote for that too?

Hon Mr Bradley: I have a quote. The quotes my constituents are getting now are quotes in fact from the Tory days. People are saying, "You're going to freeze the rates"—yes, we have—"as of a specific date." Unfortunately, when the previous Conservative government was in power—and I'm not trying to be partisan; I'm just trying to be factual now—they approved a number of rate increases that are now showing up as we have renewals of these particular policies. So I'm saying to them, "After we have our freeze in effect, you will find that these rates will be frozen, first of all, and second, you're going to see a rollback coming in the months to come." But what I want to point out to them is that the present increases are—I hate to use this—Tory increases. They are ones that had been approved when my good friend from Erie-Lincoln was an esteemed member of the cabinet. He probably spoke against it and said, "Please don't allow these to be approved now, because whether we're the government or a new government takes over, there are going to be huge increases." I admire him for saying that behind the closed doors of cabinet, as I'm sure he did.

I don't want to say anything about the NDP, other than that the book I have is called—this is a commercial for Tom Walkom; he used to be here—Rae Days. It's chapter 5, and it's called "The Revenge of the Pink

Ladies." It describes how they were moving forward with dispatch toward implementing public auto insurance, and then came Honey Harbour, September 6, 1991, and the matter was completely dropped. And I am sorrowful for that.

The Acting Speaker: The member for Erie-Lincoln has two minutes to reply.

Mr Hudak: Thanks to my colleagues from Trinity-Spadina, London-Fanshawe, Renfrew-Nipissing-Pembroke and St Catharines for their comments on my speech.

Just a quick response to the member from London-Fanshawe. I asked what if the bill in fact passed and the regulations were put forward. You now have the opportunity to put those into action on the insurance filings, which could bring, we estimated, about 10% to 15%. But you may not know this, because your cabinet ministers may not have told caucus that that's a possibility.

1640

I suspect that one of two things is going to happen. Those reductions, which could be the law of the land in the province of Ontario today if you weren't taking this partisan approach, will stay on the shelf. Potentially, you may dust them off, put a red ribbon on them, bring them forward in the new year and claim them as your own—and obviously, I would like to see the rate reductions for the constituents of Erie-Lincoln; or, I suspect, you will not, in fact, bring forward rate reductions as Dalton McGuinty and his candidates promised in the most recent election.

There's that old expression, "Fool me once, shame on you. Fool me twice, shame on me." We have certainly heard when it comes to hydro rates, we have certainly heard when it comes to the Oak Ridges moraine, we have certainly heard when it comes to taxes, and we have certainly heard on the softening of the so-called hard cap on class sizes that what Dalton McGuinty said in the campaign is not what Dalton McGuinty is bringing forward as Premier. I think this is the oldest, most cynical trick in the book: to promise one thing in an election campaign and do something else once you're in power; to try to buy votes, and at the end of the day throw all those promises out the window. Whether Dalton McGuinty thinks he can live with the reputation of a promise-breaker remains to be seen.

I think there's something second to that. I think not only is that affecting pocketbooks, but I think it demonstrates that as Premier, Dalton McGuinty lacks the backbone to make the tough decisions that are necessary to keep a strong province like Ontario prosperous and growing. We have just seen too many retreats, not all of which are related to financial circumstances, that I think indicate a serious character flaw in this Premier in his early days in office.

The Acting Speaker: Further debate? The member for Scarborough Southwest.

Mr Berardinetti: Thank you, Mr Speaker. I'd like to start off by congratulating you on your position as Deputy Speaker. I don't think I had the opportunity to do so publicly, and I wanted to congratulate you.

I'd like to start off where the previous member just finished off.

Interjection.

Mr Berardinetti: I want to ask the member to listen a little bit to what I have to say. He doesn't have to listen to all of it, but if the member for Erie-Lincoln would give me the courtesy to say a few things, I think he'd find it quite interesting.

I had really no intention to seek higher office and to go into provincial government but for the fact that we had in the Liberal Party a leader like Dalton McGuinty. Contrary to what the previous speaker said about Mr McGuinty, I think the opposite is the exact truth and was my main motivation for seeking office. Mr McGuinty has demonstrated time and time again a tremendous backbone, a tremendous willingness to make tough decisions and a tremendous willingness to do what may at times be unpopular.

We take, for example, the whole issue of Pickering and the energy issue and the introduction of a bill just recently by the energy minister to deal with the energy problems in this province. They were tackled very quickly, within weeks of this government being formed.

This bill that we're debating today actually had its germination—its seeds were planted the same day the Premier was sworn into office, on October 23, 2003, less than two months ago. After that swearing-in, where I was present, as many others were, he and his cabinet met, and he gave direction to the Minister of Finance to immediately freeze auto insurance rates.

I'm new to this Legislature, so you can call me a rookie, you can call me a newcomer, you can call me someone who's green here, but my understanding is that most governments take some time after they're voted into office to actually come into this Legislature and to begin bringing forward laws. The Liberals were elected on October 2, 2003. The Premier and his cabinet were sworn in on October 23, 2003—that's 21 days after they were elected. Action was taken on auto insurance 21 days after the election, which, to me, is unprecedented. I don't know what the Tories did when they were elected back in 1999, and how much time they took after their election to come into this House and bring forward legislation. I don't know, with all due respect, what the NDP did when they were elected.

Mr Marchese: I'll tell you.

Mr Berardinetti: Well, we'll wait for your two minutes, because I would really like to know. I'm new to this and I'd like to know what the NDP did after they were elected, if they did act very quickly.

Our leader took very decisive and quick action on something that is very controversial. The bill in front of me today and the bill that we're debating is called 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. First reading: November 26, 2003.

In my view, this bill is very straightforward. We are moving to freeze auto insurance rates. We are moving to have public consultation to engage the public in looking at solutions to a situation and to assist on what is dysfunctional and is not working. We all admit that here, whether we're Tory or NDP or Liberal: The system is broken. The system needs to be addressed, and the question is, how do we address it? The Premier and the finance minister did the right thing by immediately freezing the rates. They also came forward very quickly with this bill to look at ways of engaging the public and ultimately freezing and rolling back insurance rates on automobiles.

The great majority of my constituents in Scarborough Southwest use automobiles at some point or other in the course of their day, whether it be to go to work or to pick up their kids from school or take their kids to school or to go out shopping. There are a lot of streets out in Scarborough Southwest, and a lot of people use cars. During this recent election campaign, many people at the door said to me that they wanted some action taken on auto insurance and auto insurance rates. We could have come back into this House and I could have been answering my constituents' calls saying, "You know what? We'll do it some time in January. We're tired. We had a tough election. We thought we were going to have the election in June. We thought it was going to be in May. It ended up being in October. We want a rest." But we didn't.

Mr Levac: Who chose that day?

Mr Berardinetti: The Conservatives, for some reason—the leader, Mr Eves, decided not to hold the election in May or in June but to hold it instead in October, very close to the municipal elections. He did that partly because he believed that there was a crisis with SARS and that there would be some sort of a problem holding the election in the spring.

So we held off. We continued working hard. We remained diligent and we stuck to our message. We went to the polls on October 2, and the people heard our message. Overwhelmingly they wanted change. They wanted to see a government that was going to take action and not talk. This government has taken tremendous action in the course of just a few short weeks; very quick action. I wait for the replies from the other members, hopefully honest replies as to what their governments did shortly after they were elected back in 1999 and in 1995 and back to 1990. But as far as this government is concerned, we have acted very quickly.

The key to this, in my view, is the fact that it involves public engagement. We have brought this bill forward. It's being debated here in the House, but we are also engaging the public to look for a solution. We're not imposing or saying that we have all the answers. We are willing to listen to the public and to come back with some suggestions. Maybe my friend from the NDP will say, "It has all been done before; it doesn't work; you're wasting your time; rates keep going up regardless; you're not addressing that concern." But with all due respect, I will say that we are addressing those concerns and we are

trying to find an answer to a very difficult problem. It's not easy.

1650

In my honest view, public insurance is not the way to go. It's not something I'm just saying as the member from Scarborough Southwest or as a member of this Legislature; it's something that Bob Rae said back in 1990: "It won't work; it'll cost too many jobs and it's too expensive." If Bob Rae couldn't do it, who can? Why would Howard Hampton or the present NDP be able to do something that Bob Rae and the NDP government could not do in 1990?

We need to be very sober and serious about this. The Premier clearly has taken a very firm, very serious and very candid, and perhaps somewhat vulnerable, look at this, because in the end some of the comments that are going to come back in this consultation process will not be favourable. But the bottom line is that we are going to get that feedback, we are going to bring forward proper recommendations, and I am convinced that at the end of all of this we will have a system in place that will benefit the drivers and the public in Ontario. It won't be something that will satisfy just the insurance companies or one particular group of individuals; I think it's something that will satisfy all drivers in Ontario in the best possible way. We do not live in a perfect world, we never will, but this act goes in the right direction and will do the right thing. That's why I support it.

The Acting Speaker: Questions and comments?

Mr Hudak: I appreciate the member's comments. I have one question that I've not heard answered adequately by the government side. Mr Smitherman, the member for Rosedale, the current health minister, had done consultations in the run-up to the campaign, I think in the spring and summer, province-wide consultations to get input on where to go with auto insurance rates and the changes to bring about. In fact, there was a detailed plan brought forward at that point in time. It could have been just a cynical ploy to try to generate some controversy, to try to win support for the Liberal Party. I don't think that was the chief goal of the member. I think he was honestly trying to get input on how to wrestle down auto insurance rates.

What I don't understand is, what happened to the Smitherman report? Where did it go to? In the throne speech they talked about the burning thing in the basement; maybe it was his report that was on fire. Instead, they've frozen the rates, with a vague promise to deliver savings of less than 20% in the new year, and are sending out Mike Colle to do new consultations and new hearings. So where did the Smitherman report go? I suspect that this government has a tremendous incapacity to make difficult decisions that are necessary to run this province. I think they saw the weighty decisions that were necessary to get auto insurance rates under control and they balked. They were afraid to make the tough decisions in this respect. Instead, we have this delay mechanism, and I suspect at the end of the day, in reality we're not going to see that 20% rate decrease that was

promised by the previous government. Maybe they will bring forward in debate on this bill later on what in fact the health minister brought forward as advice on rate reductions, but I can't understand for the life of me why it was not part of this bill.

Mr Marchese: The member for Scarborough-Southwest talked about this bill going in the right direction. I've got to tell you, it's not going to the right; it's not going to the left; it's not going anywhere. You talk about the Premier taking firm action, decisive action, even vulnerable—I guess you'd be attacked by somebody. I don't know by whom. It's no action at all. And then, when you say, "We froze rates immediately and we could have frozen them in January," you make it appear like you've done something extraordinary. I don't get it. The rates have already been approved, member for Scarborough Southwest. My rates have gone up a thousand bucks.

Hon Mr Bradley: That's a Tory rate.

Mr Marchese: No, no. And you've got to remember this, you and Jim, the Minister of Tourism: You are driving the limousine now. You can attack the Tories and the New Democrats all you want, you can make reference to Bob Rae, you can do all you want, but in the end it no longer matters. What matters now is that you are driving the limousine. Your promises are now under the microscope. It's what you're doing. Your promise to freeze rates helps no one.

It's your section 6 that allows rates to go up: "if the insurer believes it is just and reasonable in the circumstances having regard to the insurer's financial circumstances." It's got to mean that rates are going to go up, because insurance companies are always a hair away from bankruptcy. I'm telling you, Lorenzo, this bill does nothing; it does absolutely nothing. It's going in no direction, and your consultation—having the PA go around as opposed to George Smitherman, the now Minister of Health—is going to lead to nowhere. Nowhere.

Mr Phil McNeely (Ottawa-Orléans): I participated in the consultations carried out by Minister Smitherman prior to the election. Bill 5 is a much-needed piece of legislation that will go a long way in bringing insurance rates in order. The freeze authorized by this bill will go a long way in protecting our families from these increasing insurance rates that we are all very aware of. This legislation will permit us in the future to roll back insurance rates for passenger car vehicles. Rate increases last year of approximately 20%, and over 30% the last two years, are just unacceptable and are not within the means of drivers in Ontario.

Bill 5 will bring stability to auto insurance. The Liberal government will deliver the reductions that we had promised. We will continue to work toward lower insurance rates in Ontario. The solution will be one that the public and the industry can accept. This government has taken action. It is important that this bill proceed, and we will deliver that stability to the families of Ontario who need this stability. That was clearly shown as we

went around this province during the campaign. Insurance costs were out of control.

Mr Norman W. Sterling (Lanark-Carleton): It's interesting to hear people debate this particular subject. I think as the debate goes on, and I've listened to it not only today but other days, people should realize that the answer is not going to be a government fiat saying, "You are going to charge this or that." It's going to be a collective solution with government, regulators, industry and consumers getting together to figure out what's wrong with the present system.

We already know what's wrong with the present system to some degree. The previous government had begun to take significant steps to address some of the problems. Fraud: something like 10% of the cost of our insurance system, some \$700 to \$800 million. That's why, as a former Ministry of the Attorney General, we created some special crown prosecutors to deal with fraud in this whole area.

One of the fallacies with regard to Bill 5, though, is that it holds out to the public that it actually is a solution to the problem. It doesn't do anything. I don't know whether to vote for it, against it or stay seated in my chair because, quite frankly, you're voting for nothing. This bill doesn't create any new powers for the Ontario government to do anything. They have all the regulatory powers in their hands now to do what they claim they're going to do under this bill.

I think that the debate we've had is of some value, perhaps, to the members and to the public, but this bill, truthfully, does nothing. It really allows and holds out in a false way that this government is doing something about this when in fact they're doing nothing.

1700

The Acting Speaker: The member for Scarborough Southwest has two minutes to reply.

Mr Berardinetti: I would like to thank the members from Erie-Lincoln, Trinity-Spadina, Ottawa-Orléans and Lanark-Carleton for their remarks.

In closing, I just want to reiterate two central points. First of all, I think this government has acted very, very rapidly. The question that I asked earlier has still not been answered. I was hoping to get the question answered by either my Conservative friends or my NDP friends as to how quickly their governments were able to respond to this issue, especially after they were elected. We came back into the House within a month or so after the cabinet was sworn in and shortly after the election. We moved very rapidly.

With the greatest of respect to my friends across from me here, I would say that we have acted quickly and this bill does have teeth. Just look at section 12, providing for offences. I'll just read it:

"12. Every insurer that does any of the following is guilty of an offence and on conviction is liable on a first conviction to a fine of not more than \$100,000 and on each subsequent conviction to a fine of not more than \$200,000:

"1. Contravenes either section 7 or 8.

"2. Fails to comply with an order of the superintendent made under section 11."

This, to me, shows clearly that this act has very strong teeth, and is giving the superintendent the power to say no to an insurer who comes to that superintendent and tries to increase rates. This act freezes the rates. This act engages the public in dialogue. This act, in my view, is the only solution and the best solution to a problem that needs to be corrected.

The Acting Speaker: Further debate?

Mr Chudleigh: As the member for Erie-Lincoln said earlier, "It's another day, another broken promise." It's an immediate freeze on auto insurance—well, sort of. It's an immediate freeze until January 23. That's not very far away. Up until that time, I guess we can say that maybe there will be something that comes in that will reduce the price of auto insurance. I would like to think that would happen, because I like to think that we are all honourable members in this House and that we all have some integrity.

That was the election promise after all, that rates would be reduced by 10% and, to be specific, there would be another 10% reduction with some reduction in coverage, if you so wished. I don't know if that reduction in extra coverage would cover the injured person or the driver of the car, but however that would work, there would be an option out there for a 20% reduction. That 20% reduction has been hedged on by the members opposite. And would the clock start ticking on that 20% reduction or the 10% reduction from the company's last fee increase or would it be from October 23, when the government was sworn in, or would it be from October 2, when the election was made? When does the clock start ticking on the 10% rate reduction, or the 20% reduction? We know that the freeze started ticking on October 23 of this year. Of course, it's a 10% cut in 90 days from an insurance industry that is rapidly going broke in this province—they're not making any money.

You wonder what happened to the rest of the promises that the Liberals made during the election. They talked about protection against unjustified rate increases. That was something they wanted to bring in immediately on their election. Having read this bill, there is nothing in there—not one thing. That could be a bit of a backtrack on a promise that was made. At least it has been put off into the future some time, if it ever comes back at all.

They also said that they were going to do away with the designated assessment centres—independent groups who assess people who are injured in automobile accidents. They were going to refer those people to the family doctors and let them assess and coordinate the care for rehabilitation that these people needed.

There are other jurisdictions that do that. Whenever that has been put in place in other jurisdictions, it escalated the cost of recovery for those people. That, of course, will be something that this government probably will not do, so we can expect that the demise of the designated assessment centres is perhaps premature. I think they may be around for some time to come.

They also said they were going to implement a pre-approved framework for injuries. That's a great election promise, because we did that about a year ago. That has been in place since last spring, I guess it was, about eight or nine months ago that we brought that in. It's a beginning.

Whiplash type injuries—or WAD Is and WAD IIs, as they're called—were brought in in the spring. That's a system that has been working extremely well and has been saving companies and saving money in the process. More importantly, it got treatment to injured people more quickly. It's a proven fact, in WAD Is and WAD IIs—whiplash type injuries—that the faster the treatment takes place, the more successful the recovery. A pre-approved process is something that saves money and decreases the recovery time of injured people and brings them back to normal in a much faster way.

They also said they were going to reduce excessive court costs in the insurance business. Having gone through this bill, I don't see anything that refers to court costs at all. There's just simply nothing in the bill. That may well be another promise that is falling on the floor of the dustbin of promises that the Liberals have made over their exuberance to get elected in the last election.

They also said they were going to eliminate fraud and conflicts of interest. Conflicts of interest—I assume they were talking about doctors who own DAC centres. A doctor who saw a patient would refer them to their physiotherapy clinic. That clinic would go through a number of treatments for that individual. Sometimes it was perhaps seen to have a conflict of interest. The package of regulations that we introduced—I think we passed them in August of this year—eliminated that conflict of interest possibility so that a doctor could not refer to a clinic that he owned.

The elimination of fraud, as the former Attorney General pointed out just a few minutes ago—when he was Attorney General of this province, he designated 10 prosecutors to look at the prosecution of people involved in fraud in the automotive industry. That is going down the road.

I'm not sure that, given what human nature is, elimination of fraud would be a reasonable goal. Certainly the reduction of fraud and the lack of giving people a free ride as far as deceptive tactics in the business might be concerned is very, very important. Again, I don't see anything in this bill that would work in that way.

They also said that they would protect and reward safe drivers. In my time as parliamentary assistant to finance and in dealing with automobile insurance, I talked to a lot of people about their insurance rates, about their personal driving habits and their personal driving assessments. Every single one of them, regardless of their driving record, thought they were safe drivers. They may have had a ticket or two, or they may have even had an accident. Some of them had two or three accidents—none of them their fault, of course: “The guy in front just stopped too quickly,” or, “The speed limit changed from

80 kilometres an hour to 60 kilometres an hour; didn't notice it; got a ticket for 30 kilometres over; my insurance rates go up.”

1710

Well, things on the road that you don't notice dictate as to what kind of driver you are. But certainly protecting safe drivers and rewarding safe drivers is a very important part of any insurance program, to ensure that they are not punished and they continue to have incentives to drive safely and drive with caution when they are on the road. I don't see anything in this bill about that either.

They also said they were going to appoint an auto insurance watchdog. That's something that would need some legislation and a few regulations. They could do it by regulation, I suppose, but you would think that if they were going to do it, they might put something about that in this bill. I don't see anything in this bill about appointing an auto insurance watchdog. We have an auto insurance ombudsman now. I don't know how a watchdog differs from an ombudsman. Maybe with a watchdog you scratch up alongside the ear and he kind of likes that.

Mr Hudak: I like that too.

Mr Chudleigh: Yes, I like getting scratched up alongside the ear.

Mr Robert W. Runciman (Leeds-Grenville): Let's not get into that.

Interjections.

Mr Hudak: We got their attention now.

Mr Chudleigh: Yes, nobody's yelling at me yet.

There is nothing about that in this bill, and that's disappointing.

Then a big thing in the election campaign was a rate shock protection plan. That's a great clause, “a rate shock protection plan.” Of course they went through September in the election talking about a rate shock protection plan. In the first piece of legislation that they bring in regarding auto insurance in this province, is there anything to do with rate shock protection?

Mr Hudak: At a guess, no.

Mr Chudleigh: You'd be right. My friend guessed no, and he's right.

Finally, they were going to identify \$650 million in industry savings. That's what they guaranteed to do during the election. You know what? A rate freeze ain't going to do it.

There are about six or eight broken promises in this bill alone to go along with the broken promises on the Oak Ridges moraine, the no tax increases, the hydro, whacking the seniors every time we turn around. It's just a litany of broken promises fulfilled even more strongly by this legislation.

The Acting Speaker: Comments?

Mr Hampton: I'm always pleased to be able to comment on speeches by some of the Conservative members because, having been in government for eight years, they should know that they re-regulated the auto insurance system in 1996. In 1996, we heard glorious speeches from Conservative cabinet ministers saying that the re-

regulation of the auto insurance industry that they were putting forward in 1996 was going to be a permanent solution, that auto insurance rates would drop, would remain consistent and that this was the ultimate answer, the final answer. Just as Liberals are now trying to do, the Conservatives re-regulated the auto insurance industry in 1996. The auto insurance industry laid low for about six or seven months—12 months in some cases—and then, lo and behold, people started getting those big rate increases again. That happened for a while, and then—I think it was Sampson, wasn't it?

Mr Chudleigh: Sampson.

Mr Hampton: Yes, Minister Sampson, who then started shopping around another re-regulation scenario in about 1999, I believe, and so some more re-regulation was engaged in and it was supposed to do it.

Then as we got ready for this last election, the Conservatives floated another re-regulation idea that was supposed to solve auto insurance. Now we have the Liberal government promoting yet another re-regulation of the auto insurance industry. I predict you'll have the same fate that they had: It won't work. These guys are too slippery for us.

Le Président suppléant: Merci beaucoup. Questions et commentaires ?

M. Jean-Marc Lalonde (Glengarry-Prescott-Russell): Merci, monsieur le Président. Je dois vous féliciter pour avoir soulevé quelques points en français, tout d'abord.

Mon collègue de Halton vient de mentionner que nous n'avons pas tenu nos promesses. Je peux encore une fois, dire que le gouvernement Dalton McGuinty démontre que les promesses que nous avons faites durant la campagne, nous tenons à les tenir. Nous nous rappelons très bien que le 23 octobre on avait dit qu'on ajouterait un gel sur le renouvellement des polices d'assurance. Il a été fait 15 minutes après l'assermentation.

Nous avons aussi dit que 90 jours après l'assermentation, il y avait la possibilité d'avoir une réduction de 10 %, et allant même jusqu'à 20 % si nous rencontrons tous les critères qui seraient établis. Mais je dois dire que le parti au pouvoir—je ne me rappelle pas le nom ; on me dit que c'était les Tories qui étaient là anciennement—a fait tout genre de promesses. Aujourd'hui, si on fait face à des difficultés avec nos assureurs, c'est dû à la position prise par l'ancien gouvernement, qui a appuyé et octroyé les augmentations auxquelles nos assureurs font face aujourd'hui. Ils n'avaient qu'à appliquer pour une augmentation 45 jours avant le 23. Dû au fait qu'on avait dit que nous procéderions avec un gel, on a demandé des augmentations, et puis le gouvernement conservateur a approuvé ces augmentations.

Je vois aujourd'hui que les personnes reçoivent leur renouvellement des polices d'assurance qui sont datées rétroactives du 6 octobre leur autorisant une augmentation allant jusqu'à 30 %. C'est injuste.

Puis nous n'avons qu'à nous rappeler que le gouvernement du temps du NPD avait mis sur pied plus de 100 bureaux d'évaluation de taux d'assurance-auto qui

coûtent au-delà de 100 \$ millions aux assureurs d'autos. Aujourd'hui, on a bel et bien dit que ces bureaux, nous allons les annuler.

Mr Runciman: I want to compliment the member from Halton, Mr Chudleigh, and his comments here this evening—insightful as always—and to relay the message to his constituents, who certainly are not strangers to his competence and his willingness to work hard on their behalf. That was reflected in the results of the provincial election.

We all know this Liberal legislation is a sham. It's a sleight-of-hand; it's a shell game. I will speak to that a little bit later.

I want to comment on the intervention by the leader of the NDP, though. I find it passing strange, especially when the leader stands up to comment on auto insurance, given the track record, the history, of the NDP government with respect to this issue, especially since the honourable member was a member of the cabinet that made a decision to walk away from what was the cornerstone of their plank in the election platform. They walked away from it; they abandoned it. They made a complete 90-degree turn here. The leader can stand up here today and try to suggest to the public that this is a new day. If he had any honour at the time, any integrity at the time, if he believed so strongly as he's trying to suggest he does today and in the last election campaign, he should have resigned. He would be held in much higher esteem today if he had acted in the responsible way.

I still recall the member's comments in the dying days of the election. He said the Conservatives were burnt toast. Well, the results show that we may have been toast, but there's the burnt toast right there.

Mr Levac: I appreciate the opportunity to offer a couple of minutes on this debate.

One of the things that some of the people are talking about is the differences between public and private, and also the theme that's going on from the members on the other side of trying to paint this into anything other than a good first piece of legislation. To imply that nothing else is going to be done in this portfolio is not accurate. What we are trying to portray on this side is that we are going to work with the people in the province of Ontario to ensure that these issues get laid out properly, fully vetted with the people of Ontario. All of the stakeholders who are involved in this—we took 17 different communities across the province—and that piece of paper is in the hands of the parliamentary assistant who is dealing with these issues.

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This first piece of legislation is an extremely valid one, one that sets the tone to the rest of the people of Ontario that we've heard the message loud and clear. Quite frankly, across the country everybody is quite aware that it did create, and could have created, some chaos in different governments across the country. The people who were not paying attention to their portfolios almost lost their governments. It could have defeated

governments across this country for not paying attention to it.

To the credit of each and every one of the parties in this place, everyone recognized it was an issue that needed to be dealt with. Why and how and when it was going to be dealt with is the difference between each of the parties.

One of the things that I want to make sure I point out again and again is that when you go to the public system, you are looking at claims that are an awful lot lower than those in the private sector because of the way in which the system works. It's easy to say, "We want to keep those prices down," but then if you go public all the way, what happens is the claims also go way down. In terms of the private sector, when you make sure that it's done properly and efficiently across the country, then those claims are there for those who need it the most. So let's be careful before we go down that public discussion road again.

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

Mr Chudleigh: I appreciate the member for Kenora-Rainy River and his comments. He pointed out that in 1996—it might have been 1997—that we made promises that we would deliver a 20% reduction in insurance rates to the people of Ontario. My gosh, what happened? Let me see. A promise was made and a promise was kept. Insurance rates went down 20%. Do you remember when that used to happen in Ontario, that when a promise was made, a promise was kept? That was our motto.

I thank the member from Glengarry-Prescott-Russell. Keeping those promises is a very important thing. I'm sure we have you on record now, Jean-Marc, that you believe that the promises will be kept. That's what you said. You're a man of faith. For your sake, Jean-Marc, I hope it happens, because I know you are a man of integrity. I just have a few suspicions that you may be disappointed in that. However, we have until January 23 to realize that 10% reduction in rates. I'm right there with you. I'm hoping that we're going to get there too, as I'm sure of all of the motorists and drivers in Ontario are hoping with us.

The member for Leeds-Grenville, thank you very much for your kind remarks, kind comments.

Mr Hampton: He wasn't kind.

Mr Chudleigh: Well, he was kind to me, Howie. He wasn't kind to you. Unfortunately for you, the member for Leeds-Grenville has a very good memory, and it goes back a long way in this House. I'd also like to thank the government whip. His comments were that they are consulting. I don't know what happened to the Smitherman report, where they consulted on auto insurance for some time before the election. According to your comments, I have to suspect that you were unprepared for government.

The Acting Speaker: Further debate?

Mr Hampton: I'm pleased to take part in this debate. Let me say at the outset that we recognize that the cost of auto insurance in Ontario is a very serious problem and

that the escalation of auto insurance rates in Ontario is a very serious problem from one end of the province to the other. I want to lay out why I believe public auto insurance is the best way to address this problem, and why New Democrats from one end of Canada to the other, from British Columbia to Nova Scotia to Newfoundland, and in Ontario, support public auto insurance, why public auto insurance is a better deal.

The first reason that it's a better deal, that it will allow us to reduce rates, is because you take the profit out of the system. It's very clear that private insurance companies want at least a 15% profit range. So 15% of the auto insurance rate, in effect, is the profit factor. We say that insurance, whether it's for truck or car, is almost essential nowadays for people to take part in the economy. There are a few cities where the transit system is so good that you don't need vehicular transportation, but those are really very few and far between. Auto insurance has really become essential to participate in the economy. For that reason, we believe we should take the profit factor out. Doing that would allow us to reduce rates by 15%.

The second thing that a public system will do: Right now in Ontario we have over 100 insurance companies. That means 100 separate corporate offices, 100 different computer and databases, 100 sets of corporate pay schemes, all very high, which again adds a lot of money. Implementing a public system, we would have one insurance company, one data bank and one set of executives who would probably be paid far less. By reducing that duplication which exists a hundredfold, we would again be able to reduce costs significantly, and therefore reduce rates.

Third, in the current system a lot of money gets eaten up by marketing. You've got 100 different advertising and marketing costs. And a lot of money gets eaten up in what are called transaction costs. Three vehicles in an accident: insurance company A spends a lot of money trying to pass the cost on to insurance company B, which spends a lot of money trying to pass the cost on to insurance company C. With one company those marketing costs and those transaction costs are eliminated, which further allows you to reduce rates.

Then there's the fourth part. As we know, in the auto insurance system every insurance company has to keep a pool of money in the background called the risk pool. It has to be sufficient to cover them in case there is a range of serious accidents or there is a range of serious problems. In Ontario today, with over 110 insurance companies, you have literally 110 separate risk pools.

Mr Marchese: Reserve funds.

Mr Hampton: Reserve funds. In a public system you combine that. By combining it and by government standing behind it as the guarantor, you can significantly reduce the amount of money that has to be dedicated to reserve funds and dedicated to risk pools. By reducing that, once again you can pass on to consumers a significant cost reduction.

That's the essence of public auto insurance. That's why we so strongly support public auto insurance,

because it will allow us to reduce auto insurance premiums by at least 20% on an ongoing basis. The Consumers' Association of Canada's report confirmed that.

One of the things I face in the riding I represent is that many of the communities in my constituency are along the Manitoba border. On a consistent basis I see young people graduating from high school, and many of them will go to the University of Manitoba, the University of Winnipeg or Red River College in Winnipeg, and they'll come home at Christmastime after having been there for basically four months—the end of August, September, October, November and part of December. Lo and behold, they have Manitoba licence plates on their car. You know why? As soon as they get home, they sit down with their parents at the supper table and explain why. They explain to their parents that auto insurance under a public, not-for-profit system in Manitoba costs them half of what it currently costs drivers in northwestern Ontario. For younger drivers, male drivers, single drivers, it's less than half; in some cases it's a third or a quarter of what they're forced to pay in Ontario. Yet Manitoba has had a series of Conservative governments that have come along after the NDP implemented public auto insurance in the early 1970s, and two Conservative Premiers have said, "This system works. We're not going to do anything to interrupt it or interfere with it. It works for consumers. It works in terms of insuring people properly."

I heard the chief government whip say a while ago that not as much money is spent on claims. You know what? In public systems not as much money is spent on claims. Your cost of settling claims is a lot less. You don't end up arguing between insurance companies. There's no incentive to argue between insurance companies, there's only one insurer. So you don't have to spend a lot of money arguing back and forth between insurance companies. You don't have to spend a lot of time marketing. You recognize the loss and you pay the loss. That of course is what the Consumers' Association of Canada confirmed: that in a public system, more of the premium dollar goes, in fact, to dealing with the legitimate needs of the insured driver. Less of it is spent on overhead; less of it is spent dickering back and forth between conflicting insurance companies; and more of it actually goes to deal with the injured driver or the accident victim.

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This has been confirmed time and time again. I remember before the last election in British Columbia, the BC Liberal Premier muttered that he thought he was going to privatize certain sections of auto insurance there. Well, he found out very soon from people that people were quite opposed, so now you have a Liberal Premier of British Columbia who fully endorses the public auto insurance system.

You've had Liberal Premiers in Saskatchewan elected since the then CCF/NDP implemented public auto insurance in Saskatchewan in 1948 who have said that this is a system that works well. It's very cost-effective;

it's very efficient; it's very good at ensuring that injured drivers and accident victims are properly compensated.

Now we have the former Mulroney Conservative and now Liberal Premier of Quebec essentially saying the same thing in Quebec: that Quebec's hybrid system, where it is partially public and private—he agrees with the public part of the system. It works. It's very cost-effective, it's very efficient, and it provides auto insurance at much lower rates than we see here in Ontario.

Recently, the Liberal leader in Alberta became a convert to public auto insurance. He has said that he knows what you're going to find out. He knows that the Conservative government in Alberta has tried to regulate and re-regulate the private auto insurers. It works for about a year, maybe 18 months, and then the private auto insurance companies find ways to slip out from under the regulation and they find ways to raise rates. So, the new leader of the Alberta Liberal Party has said very clearly that public auto insurance is the way to go. This is so essential for people now, it is so important in terms of allowing people to participate in the economy, that it ought to be a public system; it ought to be provided on a not-for-profit basis. That is the reliable way to ensure that people have affordable auto insurance.

I'll make a prediction for you, and you should read the experience of your Liberal and Conservative colleagues in some other provinces. In Nova Scotia, in the minority government they have there, the Conservative government with the support of the Liberals decided they were going to pass rate cap legislation. What happened after they passed rate cap legislation? Two of the biggest auto insurance companies said, "We're not going to write auto insurance in Nova Scotia any more."

It doesn't work. The auto insurance industry will find ways to slip out from under the regulation or they will stop writing auto insurance contracts and then put you in a really difficult spot.

The reason that the auto insurance companies say that your legislation is OK for them is because you've allowed them a loophole that you could drive a convoy of Mack trucks through. They won't have to slip around the legislation; they'll be able to drive right through it and increase auto insurance rates.

The Acting Speaker: Questions and comments?

Ms Laurel C. Broten (Etobicoke-Lakeshore): As my friend opposite has indicated, the government does understand the need to get control of auto insurance costs that are skyrocketing across the province. In fact, auto insurance rates have increased out of control, with an over 8.2% increase over the past two months.

I guess the difference in perspective from this side of the House to that is that we also understand that auto insurance payers are consumers, are people in this province who need jobs. When the NDP formed the government in 1990, they reneged on what was a crucial promise in their campaign, and that was to put in public auto insurance. I would remind my friend across the House that the reason they reneged on that promise was because it would cost too much money and it would cost

too many jobs. A government-funded study at the time said that public auto would cost over \$1 billion to implement. Certainly we are not, in this province, sitting on \$1 billion of excess funds waiting to spend them on the implementation of public auto insurance. Additionally, NAFTA provisions now could lead to further costs.

The fact that auto insurance premiums are increasing, according to the Insurance Bureau of Canada, are things like fraud, health care costs, litigious environment. Those issues will not be remedied by the implementation of public auto insurance.

We're committed to reducing the costs for consumers. Bill 5 is a first and necessary step to freeze those costs with a further commitment to have reductions over the next 10% across the board with a further 10%. That's why I'm supporting Bill 5.

Mr Jim Flaherty (Whitby-Ajax): I'll speak briefly on this in response. I did speak on the bill last week. On public-private, what we're really talking about is state automobile insurance, which the leader of the third party is speaking about. If the NDP had its way, we'd nationalize the telephone company; we'd nationalize the gas company. They feel that the state can run enterprises better than the private sector. I think that has been shown over the years to be inaccurate.

There is a legitimate debate between no-fault and fault systems. Members should know that we have had no-fault provisions in Ontario since about 1970. It is a successful system. Unlike Quebec, we have a compensation system in tort that shows respect for children and other innocent victims of motor vehicle accidents. To hear the Quebec system praised is appalling. That system is inhumane; it is unconscionable for injured, brain-damaged children and others. At least in Ontario we show respect for the dignity of individual human beings. That's what tort law is about: looking at the individual who suffered harm innocently in a motor vehicle accident and compensating them adequately and individually for that, which isn't done in the province of Quebec.

We do have our no-fault provisions, which are important as well. I say to members, this bill does nothing about any of that. This bill really isn't very important. Let it happen; it's not going to make much difference. What will make a difference is that, as the government reviews this in the next few months, they maintain that balance between no-fault and tort, and get rid of transactional costs and high costs, paid not to victims but people who render services in the automobile insurance sector.

Mr Marchese: If we had it the way the member from Whitby-Ajax would have it, we would be selling off Hydro One, selling off the generation of power. He certainly would sell off the LCBO if he had an opportunity. If he was the leader he would have sold that off because that earns \$1 billion for the province, to be able to do things we want. If we had him in power, imagine what he would sell off. Everything public that works would be gone. All of the private interests would be there, just licking their chops, saying, "Man, oh man, do we love this guy from Whitby-Ajax."

What puzzles me, however, is when I hear the Liberals resist, reject, mock the efforts of our leader and all of us as we try to defend auto insurance. That's what puzzles me, because these are the Liberals with a social conscience, you see. These are the people who care about the little guy. These are the people who care about the drivers out there who are being gouged by the auto insurance.

Their response is Bill 5. What does it do? It freezes rates temporarily and offers up section 6, which allows the insurance companies to plead, "Bankruptcy is coming. Please help; we've got to get our rates up." That's all your bill does. Your bill does nothing for me, who has seen a \$1,000 increase this year and a \$600 increase last year. Nothing for me and nothing for thousands and thousands, if not millions, of drivers in Ontario. This bill offers nothing to consumers.

Why, even the Consumers' Association of Canada, the section in British Columbia, is saying, "Public auto is the way to go." We recognize that it's the only answer to the gouging of drivers by insurance companies. Regulation doesn't work and it doesn't work with anyone, including and especially the Liberal Party.

1740

Hon Mr Bradley: I always wondered, and maybe the leader of the New Democratic Party can tell me today, why he didn't implement it. I was reading *Giving Away a Miracle: Lost Dreams, Broken Promises and the Ontario NDP*, by George Ehring and Wayne Roberts. It makes reference to the fact that my good friend Mel Swart said the following in his pamphlet. Swart "pointed to the electoral problem the NDP would now face. 'The NDP was elected to power because the public expected us to be different.... They believed that we were a more grass-roots democratic party. They expected us to keep our promises. They thought we would put the public good ahead of wealthy vested interests. They thought that we have the political courage to proceed with our program, even though they may have disagreed with some of our policies. Now, all those beliefs are in shambles. There's no doubt that we are paying a heavy price with disillusionment and angry NDP members and an electorate which now feels that we play the same old political games as the other' two 'parties.'"

He was talking about not bringing in public auto insurance. I understood the difficult decision the member had, the member for Welland-Thorold, now Niagara Centre, who's here. It says in here he wasn't necessarily in agreement with Bob Rae on this particular issue.

The Rae days—this is the final thing that happened. I know the present leader of the NDP was a prominent and powerful member of cabinet. The final situation came to this: "But on September 6, 1991, all of this was a long way away. Back at Honey Harbour, key aides—including Rae policy adviser Ross McClellan—met to discuss the aftermath of the announcement. At one level, there was a sense of relief; at least a decision had finally been made on the troublesome insurance issue. But then someone asked a question: 'If we don't do public auto insurance,

what will we do? What will people remember us for? What will be our signature?"

"Around the room, there was a dead silence. No one had thought of that." Indeed.

The Acting Speaker: The member for Kenora-Rainy River has two minutes to reply.

Mr Hampton: I want to thank members for their contributions. Let me respond, if I may. To the member for Etobicoke-Lakeshore, first of all I believe you said a lot of litigation, a lot of health care costs and then fraud. You know what? If you were to go back and read Monte Kwinter's speeches from 1987, 1988 and 1989, when he was the Liberal cabinet minister who was trying to regulate this industry, he was getting the same nonsense from the auto insurance corporations. He said the solution is to bring in no-fault; take out the litigation. So litigation is 90% gone, but what does the auto insurance industry trot out still? They trot out litigation. You already dealt with litigation. That was part of the first re-regulation effort. Then they always trot out fraud.

But you know, if an industry is so fraught with fraud, why do these companies want to continue with it? If they're constantly dealing with fraud, why would they want to stay in the industry? If they're losing so much money, as they say they are, why would they want to continue to have the industry? I would suggest that if there's some fraud here, a lot of it is in the arguments of the auto insurance corporations.

Now let me respond to my friend from St Catharines and simply say that I was one of those, along with the member for Niagara Centre, along with the member for Nickel Belt, along with the member for Trinity-Spadina, who said very clearly at the time that the decision not to do public auto insurance was wrong. In fact, those who set up the cabinet meeting at that time knew that some of us felt so strongly about it that they ensured we weren't there for that retreat, that some of us were off at the federal-provincial justice—

The Acting Speaker: Thank you. Further debate? The member for Peterborough.

Mr Jeff Leal (Peterborough): Thank you very much, Mr Speaker. First of all, I'd like to congratulate you on your appointment. You have a long, distinguished career in the Ontario Legislature and it's fitting that you're sitting in the chair.

We've talked a little about leadership. I heard my friends across the aisle in the Conservative Party talk about leadership and backing away from things. When I was a city councillor in Peterborough, I clearly recall the former member for Nipissing, Mr Harris, who looked straight into the television camera after he was asked a question by Robert Fisher from Global, I believe, about hospitals in Ontario. The member for Nipissing said, "I have no plan to close hospitals in the province of Ontario." And what did he do? Shortly after becoming the Premier of Ontario, he set out his pit bull terrier, Dr Sinclair. I was on a hospital board in Peterborough—

Interjections.

Mr Leal: I hear the member for Ajax. I always remember what John Diefenbaker used to say: "Big-game hunters are never fooled by little rabbit tracks."

Interjections.

The Acting Speaker: Order. Member for Peterborough, take your seat, please. I would ask the House to maintain order while the member for Peterborough has the floor.

Mr Flaherty: Get your facts straight.

Mr Leal: I do have the facts straight. They're talking about the Premier backing up. I just want to say that he former Premier, the member for Nipissing, had a bit of history of backing up too. I just wanted to get that on the record.

Let me continue on auto insurance. I believe that Bill 5 is an appropriate step to start the reform of auto insurance in Ontario. As the then Liberal candidate in the riding of Peterborough, I had the opportunity to host the member for Toronto Centre-Rosedale at a forum in Peterborough to give people who were involved in the medical side of the industry and people who were involved in the insurance side of the industry, along with people who pay their premiums, an opportunity to come forward and really have some input on auto insurance and how it might evolve in Ontario. Not only did I have the opportunity in Peterborough, but I went to my friend, and now colleague, the member for Northumberland to have an opportunity to have a second round of the Smitherman round table to get input on auto insurance. Indeed it was a public process, not something that was hidden behind closed doors.

Speaker, you'll remember that when the former government had the secret deal to pay highly paid professional athletes in Ontario and give them a special deal on their employee health tax credit, the cabinet ministers of the day said, "Oh, my goodness. I didn't know anything about that. I wasn't there for that." It wasn't a very transparent process when they were in power. We had an open process with the round tables in Peterborough and Northumberland. The information that we collected in the Smitherman report is now becoming part of the basis, I believe, for when the member for Eglinton-Lawrence starts to come forward with some changes to auto insurance in Ontario.

I'm an optimist by nature; I'm a real optimist and I came here because I am an optimist about the future of Ontario and the future of how we're going to provide auto insurance to many of our citizens. Indeed, through the work that's been done by the member for Eglinton-Lawrence, plus the work that was done through the open houses, the town hall forums for the member for Toronto Centre-Rosedale, I think we'll have a package, when we come back in March, and through the process in January, to really reduce those insurance rates by the amount that we claimed during the campaign.

Interjections.

Mr Leal: I can't believe they're yakking over there. Look at the Tory record: the fourth quarter in 2002, a 9.2% increase; the first quarter of 2003, a 7.3% increase;

the second quarter of 2003, an 8.5% increase; and the third quarter in 2003, up to just two months ago, an 8.2% increase. When I've had constituents in Peterborough call me, I tell them that they've got to understand the facts: There were a number of rate filings slipped in by the previous government, and the premium increases they're seeing right now are a reflection of filings that were filed during the previous government. They had no intent to bring lower insurance rates to the province of Ontario.

Now let me talk about—

The Acting Speaker: Will the member for Peterborough now take his seat. Thank you.

Pursuant to the order of the House dated December 4, 2003, I am now required to put the question.

On December 1, Mr Colle moved second reading 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.

Is it the pleasure of the House that the motion carry?

All those in favour of the motion, please say "aye."

All those opposed, please say "nay."

In my opinion, the ayes have it.

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

The division bells rang from 1750 to 1800.

The Acting Speaker: Those members who are in the favour of the motion will please rise one at a time and be recognized by the Clerk.

Ayes

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

The Acting Speaker: Will the members who are opposed to the motion please rise and be recognized by the Clerk.

Nays

Baird, John R.	Hardeman, Ernie	Ouellette, Jerry J.
Barrett, Toby	Hudak, Tim	Prue, Michael
Bisson, Gilles	Jackson, Cameron	Runciman, Robert W.
Chudleigh, Ted	Klees, Frank	Scott, Laurie
Churley, Marilyn	Kormos, Peter	Sterling, Norman W.
Dunlop, Garfield	Marchese, Rosario	Wilson, Jim
Eves, Ernie	Martel, Shelley	Witmer, Elizabeth
Flaherty, Jim	Miller, Norm	Yakabuski, John
Hampton, Howard	O'Toole, John	

Clerk of the House (Mr Claude L. DesRosiers): The ayes are 64; the nays are 26.

The Acting Speaker: I declare the motion carried.

Pursuant to the order of the House dated December 4, 2003, this bill is ordered referred to the standing committee on finance and economic affairs.

Pursuant to standing order 37, the question that this House do now adjourn is deemed to have been made.

ADJOURNMENT DEBATE

OAK RIDGES MORAINÉ

The Acting Speaker (Mr Ted Arnott): The member for Oak Ridges has given notice of his dissatisfaction with the answer to a question given today on the Oak Ridges moraine by the Minister of Municipal Affairs. The member has up to five minutes to debate the matter, and the minister or parliamentary assistant may reply for up to five minutes.

Mr Frank Klees (Oak Ridges): I want to say, first of all, how disappointing it is to me, and I'm sure to people who have been watching the proceedings here in the House over the last number of days—the reason that I asked for this opportunity, which is not in the normal course of doing business in this House, Mr Speaker, as you are well aware, is because since we came together in this Legislature and a new government took over, I have repeatedly made appeals to the Minister of Municipal Affairs to answer direct questions that I have put to him relating to the Oak Ridges moraine, a public policy issue which is extremely important, not only to my constituents but to constituents across the GTA and, of course, across this province.

Once again today, I put a question to the minister which really was not a very complicated question. It was very simply: Does the minister have knowledge of the money that it's going to cost the taxpayers for the deal that he has apparently entered into, because an announcement was made to the public? The minister takes great pride in having added to the deal that the former government made relative to the Oak Ridges moraine. My question was very straightforward: Does the minister have knowledge of the valuation that has been placed on the lands to be involved in this exchange, and can he inform the House as to what, in fact, it's going cost the taxpayers to enter into this deal?

The minister stood in his place twice—first, in response to the initial question. I repeated; I tried to clarify; I tried to give the minister an opportunity to better understand my question. He stood in his place to respond to the supplementary. Once again, Hansard will show that neither did he respond to the question; he in fact went on to talk about other issues that really had nothing to do with what I asked him. So this is an

opportunity for us in the House, for me, as a member of this Legislature, to put it to the minister one more time.

We will be listening carefully—and, I remind the minister, so will people observing the proceedings here. They will be looking for this answer, Minister. Do you have personal knowledge of the valuation that has been placed on the land that you say is being exchanged for some 50 acres in Richmond Hill to expand the park? Are you personally involved in those negotiations?

I put it to you that I believe you owe that explanation to the people of this province. You, sir, I recall well, made accusations of the former government that somehow there was a secret deal that was entered into. Now you're the minister. You, no doubt, have access to all of that information. I think it is important now that you disclose that secret deal, if in fact there was one, because you challenged the previous government to do so. I now say to you: If in fact there was a secret deal, put it on the table. Reveal to the people of this province what that secret deal was. If you couldn't find a secret deal, having taken over as minister, then I think it's also important that you let the people of this province know that there was no secret deal. In fact, the deal that was made was good for the environment; it was good for landowners; it was supported by environmental groups such as STORM. There was a great deal said about how we have achieved a balance in ensuring environmental protection as well as property rights.

So I ask that now, when the minister stands in his place, that he specifically respond to the question that I put to him.

The Acting Speaker: The Minister of Municipal Affairs has five minutes to reply.

Hon John Gerretsen (Minister of Municipal Affairs, minister responsible for seniors): Of course, we do know what the sorry Tory record is on this whole matter. It all started with the passage of the Oak Ridges Moraine Act some time in 2001. We didn't know that at the same time a deal was negotiated with the developers that in effect would allow them to build up to 6,000 units of housing on the Oak Ridges moraine. This was not something that was known when the Oak Ridges Moraine Act was passed. So you allowed 6,000 units to be built on environmentally sensitive lands.

What we did upon assuming government on October 2 was to renegotiate a better deal than the deal you negotiated by reducing those 6,000 units that were going to be built on the moraine lands to something like 5,100 units. We were able to negotiate 900 units out of that. As a result, the parkland, especially around the kettle lakes that the member is very familiar with, will have much greater protection than was the case before. Not only that, but the developers of that area also have agreed to contribute over \$3 million to the development of that park. And of course, as a result of the moraine corridor being widened, it's better for the environment; it's better for the wildlife etc.

What did the developers get for the reduction of 900 units? They got lands in the Seaton area on a value-for-value basis. As has been stated in this House on a number of occasions in the past, it still remains to be seen exactly how many acres they're getting for this value-for-value land exchange.

That's the whole story. You know that as well. You're the member for the area. You were a member of government. You darned well know what all the permutations and combinations of the particular arrangements were.

The bottom line is this: Those moraine lands are protected to a much greater extent than they were under their deal. Whether you call their deal a good deal or a bad deal really doesn't matter. We do know one thing for sure, and that is that the deal we made is better than their deal because there are going to be fewer homes built on that land than before.

That is the totality of the situation. How much land the developers will be getting in Seaton, in the Pickering area, remains to be seen once the value-for-value negotiations are completed. We expect those to be completed some time in the spring. At that point in time, the entire deal, the entire arrangement, the entire amount of land that was given up on the moraine lands for the lands in Pickering will be known and will be made public.

The Acting Speaker: There being no further matter to debate, I deem the motion to adjourn to be carried. This House stands adjourned until a quarter to 7 tonight.

The House adjourned at 1814.

Evening meeting reported on volume B.

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Règlements et projets de loi d'intérêt privé**

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